

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

OA 3/2020

**In the matter of : Truing up of accounts of M/s Cochin Special Economic
Zone Authority (CSEZA) for the financial year 2017-18**

PRESENT : Shri. R. Preman Dinaraj, Chairman

AMENDMENT ORDER DATED 05/06/2020

1. The Commission in its Order dated 16-3-2020 had approved the truing up of accounts of M/s Cochin Special Economic Zone Authority (CSEZA) for the year 2017-18. In the said order, the Commission had approved an expenditure of Rs.3684.09 lakh, total revenue of Rs.3670.58 lakh and a revenue gap of Rs.13.51 lakh for the year 2017-18.
2. KSEB Ltd vide its letter dated 27-4-2020 (received in the office of the Commission on 05-05-2020), had submitted an application for amending the order dated 16-3-2020 of the Commission, pointing out certain errors in the Order. In the said letter, KSEB Ltd has pointed out that the licensee M/s CSEZA, has claimed the actual distribution loss in the petition as 1.542%, against the approved loss of 1.50%. The excess distribution loss was 0.042%. The excess power purchase cost due to excess distribution loss is to be deducted from the total power purchase cost as per regulation. Instead of deducting the excess power purchase cost it is seen added to the total power purchase cost. Hence according to KSEB Ltd, the approved power purchase cost was more than the power purchase claimed by the petitioner. Accordingly, KSEB Ltd sought an amendment in the Order in accordance with the Regulation 67A of the KSERC (conduct of business) Regulation 2003 as amended vide KSERC (Conduct of Business) (Amendment) Regulations 2014.
3. The Commission has examined the matter. KSEB Ltd has pointed out that in the Order dated 16-03-2020, the Commission instead of deducting the cost of power purchase on account of excess distribution loss from the approved power purchase cost, added to the power purchase cost. KSEB Ltd sought amendment as per Regulation 67 A of the KSERC (Conduct of business) Regulations. Regulation 67 A is quoted below:

“67.A.Amendment of Orders – Clerical or arithmetical mistakes in the orders or errors arising therein from any accidental slip or omission may at any time be corrected by the Commission either of its motion or on an application of any of the parties.”

4. As per the said provision, the Commission may correct the error or omission either on its own motion or based on application from any of the parties. In the impugned Order, the approved distribution loss was 1.50%, whereas the actual distribution loss was 1.542%. As per Regulation 73(4)(a) of the KSERC (Terms and conditions for determination of Tariff) Regulations 2014, the quantum of power purchase corresponding to the excess distribution loss shall be disallowed at the average cost of power purchase. In the present case, the excess cost of power purchase due to higher distribution loss is estimated to be Rs.1.373 lakh. The same is to be deducted from the power purchase cost. Accordingly the Table 8 in the impugned order is modified as shown below:

Table 8
Details of Cost of power purchase cost approved for 2017-18

1	Energy purchase at actual distribution loss	MU	55.741
2	Energy purchase at approved distribution loss	MU	55.718
3=(1-2)	Excess distribution loss	MU	0.0225
4	Total cost of power purchase	Rs. Lakh	3,395.74
5=(4/1)	Average power purchase cost	Rs./kWh	6.09
6=(5*3)*10	Excess power purchase cost to be deducted	Rs. lakh	1.373
7=(4-6)	Approved power purchase cost	Rs. lakh	3,394.37

5. Based on the above, the approved power purchase cost for 2017-18 is revised as Rs.3394.37 lakh instead of Rs.3395.94 lakh. Consequently, the total expenditure is revised as Rs.3682.52 lakh instead of Rs.3684.09 lakh and the revenue gap is revised to Rs.11.94 lakh instead of Rs.13.51 lakh.
6. The Order dated 16-3-2020 in OA 03/2020 is modified to this effect.

Sd/-
Preman Dinaraj
Chairman

By the Order of the Commission

Sd/-
Secretary (i/c)