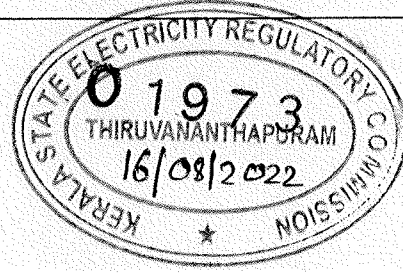




Kanan Devan Hills Plantations Company Private Limited



By Speed Post

The Secretary,
Kerala State Electricity Regulatory Commission
KPFC Bhavanam,
C V Raman Pillai,
Vellayambalam,
Thiruvananthapuram- 695 010.

4th August 2022

Dear Sirs,

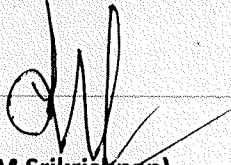
Review petition against the Order of the Hon. Commission dated 25.06.2022 in OP 11/2022 on revision of Bulk Supply Tariff applicable to Kanan Devan Hills Plantations Company Private Limited as per Part -C of the Order.

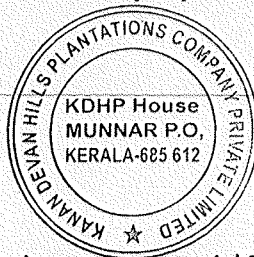
We submit for the consideration of the Hon. Commission Review Petition against the Order of the Hon. Commission dated 25.06.2022 in Op 11/2022 on the revision of the Bulk Supply Tariff applicable to us as per Part-C of the Order.

One Original and five (5) copies of the Petition along with a soft copy of the Petition are attached. A Demand Draft for Rs.1,00,000/- being fee as per the Regulation for filing the Review Petition is also enclosed herewith.

The Petition may be kindly accepted.

For **Kanan Devan Hills Plantations Company Private Limited**


(P M Srikrishnan)
Executive Director



Copy to- The Deputy Chief Engineer- Commercial Planning, Kerala State Electricity Board Limited, Thiruvananthapuram with a copy of the above petition.

Registered Office:

KDHP House, Munnar, Kerala - 685612, India

Tel:
+91 4868 255 000/999

Fax:
+91 4868 255 555

Website:
www.kdhptea.com

E mail:
info@kdhptea.co.in

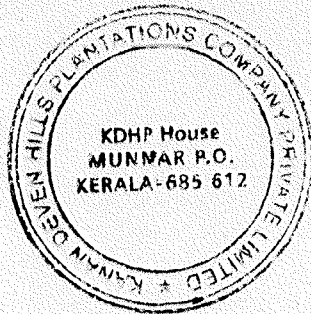
Corporate Identity Number:
U01132KL2005PTC018014

AFFIDAVIT VERIFYING THE REVIEW PETITION AGAINST THE ORDER OF THE HON. COMMISSION DATED 25.06.2022 IN OP 11/2022 ON REVISION OF BULK SUPPLY TARIFF APPLICABLE TO KANAN DEVAN HILLS PLANTATIONS COMPANY PRIVATE LIMITED AS PER PART-C OF THE ORDER.

I, P.M. Srikrishnan, aged 63 years, son of late Mr. P.R. Mahadevan, residing at Munnar Bungalow, Munnar, Kerala – 685612, do hereby solemnly affirm and state as follows:

I am the Executive Director of Kanan Devan Hills Plantations Company Private Limited (KDHP), Munnar and the petitioner in the above matter and I am duly authorized by the Company to make this affidavit on its behalf. I solemnly affirm at Munnar on this the 4th August 2022, that –

- (i) contents of the above petition are true to my information, knowledge, and belief. I believe that no part of it is false, and no material has been concealed therefrom.
- (ii) that the statements made in the paragraphs of the accompanying application are true to my knowledge and are derived from the official records made available to me and are based on information and advice received which I believe are true and correct.



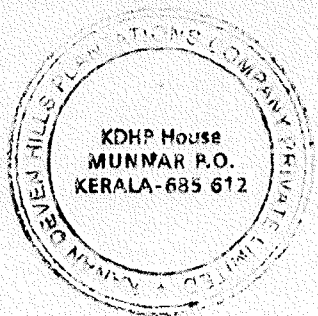
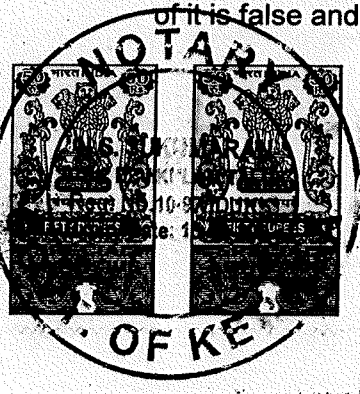
Deponent

Executive Director

Kanan Devan Hills Plantations Company
Private Limited, Munnar, Kerala –
685612.

VERIFICATION

I, the above-named deponent, solemnly affirm at Munnar on this the 4th August 2022 that the contents of the affidavit are true to my information, knowledge and belief, that no part of it is false and that no material has been concealed therefrom.



Deponent

Executive Director

Kanan Devan Hills Plantations Company
Private Limited, Munnar, Kerala –
685612.

Solemnly affirmed and signed before me.

07 04-8-2022

04-8-2022

NOTARIAL REGISTER	
Vol.No. <u>152</u>	Page No. <u>167</u>
Sl.No. <u>160</u>	Date <u>04-8-22</u>

N. S. SUKUMARAN
ADVOCATE & NOTARY
Reg. No.10/97/IDKY
ADIMALY, IDUKKI DISTRICT
KERALA STATE, INDIA-685 561

BEFORE THE KERALA STATE ELECTRICITY REGULATORY COMMISSION

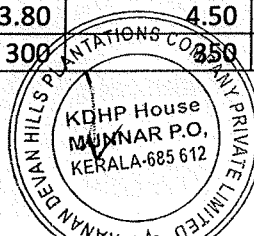
Petition No

IN THE MATTER OF: Review petition against the Order of the Hon. Commission dated 25.06.2022 in OP 11/2022 on revision of Bulk Supply Tariff applicable to Kanan Devan Hills Plantations Company Private Limited as per Part -C of the Order.

Name and address of the Petitioner: ~~Kanan Devan Hills Plantations Company Private Limited~~ termed 'KDHP' hereafter), KDHP House, Munnar, Kerala 685612 represented by its Executive Director Mr. P M Srikrishnan.

1. The electricity distribution operations in Munnar, the Licensed area, was transferred to KDHP by the Hon. Commission from M/s Tata Tea Limited (now Tata Consumer Products Limited) vide Order dated 09.01.2007 along with Order dated 26.03.2007. Following receipt of the Orders transferring the operations to KDHP, M/s Tata Tea Limited by a deed of indenture transferred all the plant and machinery relating to the operations to KDHP and KDHP began electricity distribution operations in the Licensed area from 1st July 2007.
2. Ever since taking over the operations, KDHP has been running the operations in due compliance with the Electricity Act 2003 and all rules and regulations issued thereunder and by the Hon. Commission from time to time.
3. The Hon. Commission vide its Order dated 25.06.2022 in OP 11 /2022 while revising the tariff for retail supply of electricity by Kerala State Electricity Board Limited (KSEBL) and all other Licensees in the State of Kerala have, in Part-C of Schedule of Tariff, also revised upward the Bulk Supply Tariff applicable to KDHP.
4. It has been a practice of the Hon. Commission on many instances in the past while undertaking tariff revision exercise to first revise the Retail Supply Tariff (RST) applicable to the consumers and thereafter seek inputs from the small Licensees, including from the Petitioner KDHP, on the incremental annual revenue that would accrue to them on account of increase in RST to their consumers and based on the incremental revenue to the licensees fix the Bulk Supply Tariff (BST) for purchase by Licensees electricity from KSEBL for supply to customers.
5. KDHP had in the past promptly provided the inputs sought by the Hon. Commission before fixing the BST and while forwarding the required inputs had also indicated to the Commission the maximum increase in the BST that would be supported by increase in the RST effected by the Commission. Normally, the increase in the BST that would follow submission of inputs sought by the Commission would approximate the rate indicated by the Petitioner to the Commission. A summary of the tariff proposed by KSEB, tariff revision supported by increase in RST and tariff as per the final order during the three preceding tariff revisions is given below for reference:

Year of revision	Unit	Existing before revision	Revision sought by KSEB	Revision supported by revised RST	Revision notified by KSERC
2014 (Annexure A1)					
Energy charges	Rs/kWh	3.80	4.50	4.37	4.30
Demand charges	Rs/kVA	300	350	350	300



2017 (Annexure A2)					
Energy charges	Rs/kWh	4.30	4.60	4.60	4.60
Demand charges	Rs/kVA	300	350	350	300
2019 (Annexure A3)					
Energy charges	Rs/kWh	4.60	4.00	RST revision	4.80
Demand charges	Rs/kVA	300	850	not proposed	340

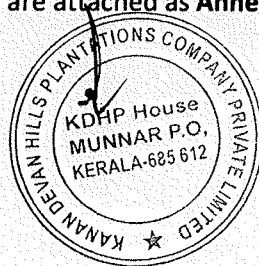
6. However, for the reasons not known and in clear deviation from this practice which has over the years established a reasonable correlation between the movement in RST and GST tariffs and which had been generally acceptable to the small Licensees and KSEBL to be a fair manner of fixing BST, the Commission revised the BST without seeking any inputs from the Licensee on the incremental income that would accrue to them following the upward revision of RST and the maximum increase in the BST that the enhanced RST would support. In fact, the Petitioner had, in response to KSEBL's Tariff revision proposals dated 9th February 2022, made a humble submission to the Commission vide its letter dated 5th April 2022, attached as **Annexure B**, that the same practice is followed while dealing with KSEB's proposal for revision of BST but the Petitioner's submission seems not to have found favour with the Hon. Commission. Consequently, and as an expected outcome of the deviation from the well-established practice for fixing BST, the incremental cost to the Petitioner on account of BST increase for the current control period 2022-23 to 2026-27 would be substantially more than the additional income arising from RST increase due to the Petitioner's unique consumer mix and consumption pattern so as to even make the operations economically unviable as can be seen from the table below:

(Rs. In Lakhs)

Particulars	Control Period				
	2022-23	2023-24	2024-25	2025-26	2026-27
Surplus / (Deficit) as per previous tariff (A)	(32.09)	(36.78)	(52.66)	(69.49)	(88.22)
Incremental revenue from upward revision of RST (B)	151.97	173.04	174.68	176.43	178.19
Incremental power purchase cost (C)	(283.96)	(298.86)	(301.85)	(304.87)	(307.92)
Net increase/ (decrease) in other income and expense heads [D]*	(3.33)	(10.36)	(17.21)	(24.46)	(32.13)
Additional revenue surplus / (deficit) E= [B+C+D]	(135.32)	(136.18)	(144.38)	(152.90)	(161.86)
Surplus / (Deficit) as per revised tariff (A+E)	(167.41)	(172.96)	(197.04)	(222.39)	(250.10)

* Includes impact of changes in interest on working capital, interest on accumulated surplus etc.

Computation of the above amounts are attached as **Annexure C**.



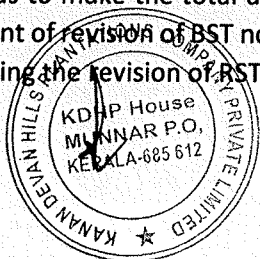
7. If the BST were to be revised linking it to the revised RST as had been done on earlier occasions, then the revised BST energy charges, assuming that the fixed charge notified by the Hon. Commission remains, would be as under:

(Rs. In Lakhs)

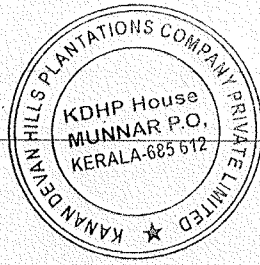
Particulars	Control Period				
	2022-23	2023-24	2024-25	2025-26	2026-27
Incremental revenue from upward revision of RST (A)	151.97	173.04	174.68	176.43	178.19
Less: Additional Demand charges @ Rs.40/kVA (B)	43.95	46.67	47.14	47.61	48.08
Balance available for meeting energy charges C= (A) - (B)	108.02	126.37	127.54	128.82	130.11
Power purchase units (MU) [D]	48.00	50.44	50.94	51.45	51.97
Maximum incremental energy charge- Rs/kWh E= (C)/(D*10)	0.23	0.25	0.25	0.25	0.25
Energy charges as per ARR petition- Rs/kWh (F)	4.80	4.80	4.80	4.80	4.80
Maximum revised BST – Rs/ kWh (E)+ (F)	5.03	5.05	5.05	5.05	5.05
BST as per the Order	5.30	5.30	5.30	5.30	5.30

Thus it can be seen that the increase in the BST rate made applicable to the Petitioner following the Order dated 26th June 2022 of the Commission is double the rate of increase in its BST that would be supported by the incremental revenue that will flow to Petitioner following the revision in RST per the said Order of the Commission. In other words, the increase in RST would have supported a maximum increase in the BST rate by Rs 0.25 per unit against the increase in rate by Rs 0.50 per unit as per the Order. It would also be pertinent to mention here that as per the latest Order of the Hon. Commission on Truing up of the accounts of the Licensee which was relating to the year ended 31st March 2021 the surplus for that year was only Rs 15.85 lakhs.

8. This petition is filed without prejudice to the petitions filed by the Petitioner/its Predecessor to the distribution operations before the Hon. Supreme Court of India in Civil Appeal Nos: 5122/2012 and 2144/2011 and before the Appellate Tribunal for Electricity in respect of Truing-up Order of the Hon. Commission for the five financial years from 31st March 2016 to 31st March 2020.
9. It is therefore respectfully prayed that the Hon. Commission:
- Give the Petitioner an opportunity to be heard in the matter.
 - Based on the outcome of the hearing, appropriately revise the Bulk Supply Tariff made applicable to the Petitioner vide the Order dated 25.06.2022 in OP 11/2022 of the Hon. Commission so as to make the total annual additional power purchase cost to the Licensee on account of revision of BST not more than the total additional revenue to the Licensee following the revision of BST.



- c. Pass appropriate order for adjustment of any excess payment to KSEBL from the Licensee following any relief allowed by the Commission to the Petitioner in response to this petition.



(P.M. Srikrishnan)

Executive Director

Kanan Devan Hills Plantations Company Private
Limited
Munnar, Kerala -685612

August 4, 2022