BEFORE THE HONOURABLE

**KERALA STATE ELECTRICITY REGULATORY COMMISSION**

**PETITION IN THE MATTER OF APPROVAL OF**

**CAPITAL EXPENDITURE FROM 2013-14 TO 2018-19**

SUBMITTED BY

**INFOPARKS KERALA**

BEFORE **THE KERALA STATE ELECTRICITY REGULATORY COMMISSION**

At its office at C.V Raman Pillai Road,Vellayambalam,Thiruvananthapuram

Petition No.

IN THE MATTER OF: Petition for approval of capital expenditure from 2013-14 to 2018-19 of the Distribution Licensee INFOPARK

Petitioner: M/s. INFOPARKS KERALA, Park Centre Building, Infopark Campus 682 042

THE PETITIONER RESPECTFULLY SUBMITS THE FOLLOWING FACTS:

1. The petitioner is a State Government owned registered society chiefly engaged in development of Technology parks for promotion of Electronics and Information Technology business in the State of Kerala and possess Electricity Distribution Licenses for supply of electricity within the two parks so developed in Cherthala and Phase-II in Kakkanad. The Petitioner licensee has been regularly submitting petitions for approval of Aggregate Revenue Requirement (ARR), Expected Revenue from Charges (ERC), Yearend Truing Up Petitions and other submissions as per the prevailing acts and regulations.
2. The land for the development of the parks has been provided by the State Government. The capital for the development of the Parks also has been provided by the State Government mainly as grants to the petitioner. A portion of the capital requirement has been met by term loan from South Indian bank which has been repaid by without any default by the petitioner. The petitioner has been submitting the capital investment amount in the respective year before the commission in the petitions for approval of ARR and ERC. But no prior approvals were taken as many of them were taken in early stages of Licensee operation. However, Hon Commission has directed the petitioner to submit separate petition for approval of details of capital expenditure proposals, complete Assets and liabilities. This petition, thus, is submitted in compliance with the above direction of the Hon Commission.
3. The petition contains details of capital investments carried out during the financial period 2013-14 to 2018-19. During this period, the prevailing regulations related to determination of Capital investment of the distribution licensee were the following three regulations.
* Kerala State Electricity Regulatory Commission (Tariff) Regulations,2003 and
* The Kerala State Electricity Regulatory Commission (Terms and conditions for determination of Tariff for distribution and retail sale of Electricity under MYT Framework) Regulations, 2006
* Kerala State Electricity Regulatory Commission (Terms and conditions for determination of Tariff) Regulations, 2014.
* Kerala State Electricity Regulatory Commission (Terms and conditions for determination of Tariff) Regulations, 2018.

Therefore, this petition is submitted complying with the above regulations.

1. The Capital investments made by the petitioner licensee includes investment required to build electrical facilities for receiving power from the state Utility KSEBL at Extra High Voltage (EHV), substations to convert power to High Tension (HT) and then to Low Voltage (LV) and distribute through network to consumers in various buildings either constructed by the petitioner, consumer themselves or jointly with a third party. The investments are, therefore, mainly related to laying of EHV transmission cables from the utility substations to the petitioners Park Campus, construction of EHV substation, construction of HT underground cable distribution networks and distribution substations for supplying power at Low voltage to consumers.
2. Hon’ble commission have considered Capital Investment of Rs. 1117.93 Lakhs for Cherthala and Rs. 4322.68 Lakhs for Infopark Phase-II at Kakkanad. Accordingly, in the ARR order no. 13/2017 for the period 2015-16 commission has approved a depreciation of Rs.46.46 lakhs for Cherthala. Regarding Infopark Phase II, depreciation was not allowed as the investment was utilizing Government Grants. These values are taken as the basis for calculation for Cumulative Gross Fixed Assets, Assets in subsequent years. Depreciation claimed for Infopark Phase-II during the Truing Up of 2017-18 & 2018-19 was subsequently withdrawn & revised submissions were considered in the second hearing conducted on 23-12-2020.
3. Infopark had submitted details of assets during the submission of ARR as well as Truing Up. However, the Hon’ble Commission has directed to submit the asset details with source of funding (Grants, Own funds, Loans). Since Infopark commenced the Licensee operations in 2013-14 and some of the investments were done prior to Licensee operations, the Assets were booked in the main account of Infopark. Now all the capital expenditure and asset related to Power Licensee business is segregated from the main account & the same is furnished below.

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| **Asset Additions from 2013-14 to 2018-19** |
| **Year of Capitalisation** | **Asset Head** | **Amount (in Lakhs)**  | **Source of Funding** |
| **Infopark Cherthala** |
| 2014-15 | 110 kV Substation | 721.42 | Term Loan |
| 2014-15 | 11 kV Substation | 246.51 | Term Loan |
| 2014-15 | Land & land Rights | 150 | Term Loan |
| **Sub-Total** | **1117.93** |   |
| **Infopark Kochi Phase-II** |
| 2015-16 | 220 kV Substation | 3762.68 | Government Grants |
| 2015-16 | Land & Land rights | 560 | Government Grants |
| **Sub-Total** | **4322.68** |  |
|  |  |  |  |
| **Grand total** | **5440.61** |  |

1. Now Infopark has conducted a thorough verification on the accounts related and documents related to Fixed Assets and found that the earlier submissions were almost in order except the following.
* **Consumer contribution**: Some of the capital investment shown in Cherthala is the amount incurred for electrical system of the IT building (Rs.246.51 Lakhs). This amount can be segregated and shall be considered as consumer contribution from Infrastructure provider.
* **EHT Cabling**: Cabling in Infopark Cherthala from the KSEB Tower to the receiving point was not considered. This item is added to Licensee account now.
* **Land Cost**: Land cost of Rs. 710 lakhs were included in the earlier submissions. This is now taken out since the land is still under the possession of KSITIL.
1. After considering the necessary additions & deletions due to wrong entries are corrected and details furnished below.

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| **Asset Additions, Loan utilization and Interest from 2013-14 to 2018-19 for Infopark Power Licensee** |
|   |   |   |   |   | (in Lakhs) |
| **Sl.No.** | **Financial Year** | **Capital Investment** | **Cumulative Capital Investment** | **Loan Outstanding Apportion** | **Interest on Loan** |
| **Infopark Cherthala** |
| 1 | 2013-14 |  5.28  |  5.28  |  563.98  |  -  |
| 2 | 2014-15 |  978.78  |  984.06  |  579.54  |  39.11  |
| 3 | 2015-16 |  2.24  |  986.30  |  549.28  |  58.98  |
| 4 | 2016-17 |  3.38  |  989.68  |  247.93  |  43.80  |
| 5 | 2017-18 |  -18.02  |  971.66  |  106.58  |  5.68  |
| 6 | 2018-19 |  -  |  971.66  |  -  |  -  |
|  | **Total** |  |  |  |  **147.56**  |
| **Infopark Kochi Phase-II** |
| 1 | 2015-16 |  4,254.77  |  4,254.77  |   |   |
| 2 | 2016-17 |  57.18  |  4,311.95  |   |   |
| 3 | 2017-18 |  -  |  4,311.95  |   |   |
| 4 | 2018-19 |  -  |  4,311.95  |   |   |
|  |  |  |  |  |   |
|  | **Grand Total** | **5283.61** |  |   |

**PRAYER**

**The Commission may kindly approve the capital expenditure mentioned above for a total amount of Rs. 5283.61 lakhs and interest on loan for an amount of Rs.147.56 lakhs from 2013-14 to 2018-19.**