

Form 1

BEFORE THE KERALA STATE ELECTRICITY REGULATORY COMMISSION

Petition No :

In the Matter of :

Turing up of Income and Expenditure for the year 2018-19 under the Kerala State Electricity Regulatory Commission(Terms And Condition for determination of Tariff) Regulation,2018 and under the KSERC (Conduct of Business) Regulation,2018.

Name(s) and Full address (es) of the Petitioner(s) /Applicant(s) :

SmartCity (Kochi) Infrastructure Pvt Ltd
SmartCity Pavilion
Brahmapuram P.O
Kakkanad, Kochi – 682303

Name(s) and full address (es) of Respondent(s) :

The Secretary
Kerala State Electricity Regulatory Commission
KPFC Bhavanam, C.V.Raman Pillai Road, Vellayambalam
Thiruvananthapuram, Kerala-695010



Manikandan I.
Company Secretary
SmartCity (Kochi) Infrastructure Pvt Ltd



05/12/20
LEGY ABRAHAM
NOTARY - Regd: 6/2000/EKM
MARKET ROAD NORTH
ERNAKULAM, KOCHI-682 018

BEFORE THE KERALA STATE ELECTRICITY REGULATORY COMMISSION

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Turing up of Income and Expenditure for the year 2018-19 under the Kerala State Electricity Regulatory Commission(Terms And Condition for determination of Tariff) Regulation,2018 and under the KSERC (Conduct of Business) Regulation,2018.

Name(s) and Full address (es) of the Petitioner(s) / name(s) and full address (es) of the respondent(s)

SmartCity (Kochi) Infrastructure Pvt Ltd
SmartCity Pavilion
Brahmapuram P.O
Kakkanad, Kochi – 682303

The Secretary
Kerala State Electricity Regulatory Commission
KPFC Bhavanam, C.V.Raman Pillai Road, Vellayambalam
Thiruvananthapuram, Kerala-695010

Affidavit verifying the Application Accompanying filing of truing up petition for the year 2018-19.

I, **Mr. Manikandan I**, S/o. P M Indhusekar, aged 38 years residing at PTRRA 365, Second Floor, Parakattu Temple Cross Road, Chembumukku, Kochi 682021 do solemnly affirm and state as follows:

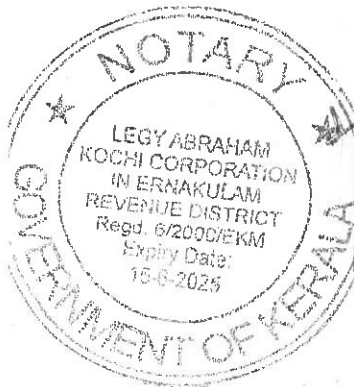
1. I am the **Company Secretary** of **SmartCity (Kochi) Infrastructure Pvt Ltd**, Kakkanad, Kochi – 682 303 and the Petitioner in the above matter and I am duly authorized to make this affidavit on behalf of the SmartCity(Kochi) Infrastructure Pvt Ltd.
2. The statements made in the accompanying petition application are true to my knowledge and the statements made are based on information received and I believe them to be true.

Solemnly affirmed at Kakkanad on this day of 04th December Two thousand Twenty that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.




Manikandan I
Company Secretary
SmartCity (Kochi) Infrastructure Pvt Ltd

Solemnly affirmed and signed before me.



Legy
05/12/2020

LEGY ABRAHAM
NOTARY - Regd: 6/2000/EKM
MARKET ROAD NORTH
ERNAKULAM, KOCHI-682 015
SI.No. 64 Page 30 Vol. IV



**BEFORE THE KERALA STATE ELECTRICITY REGULATORY
COMMISSION**

In the matter of: Truing up of Revenue and Expenditure of M/s.SmartCity (Kochi) Infrastructure Pvt Ltd for the year 2018-19

Applicant : M/s.SmartCity (Kochi) Infrastructure Pvt Ltd
SmartCity Pavilion, Brahampuram (PO)

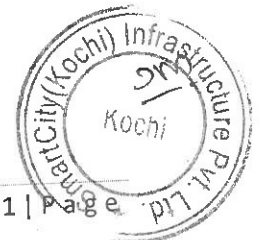
The Applicant humbly submits the following details for the favourable consideration of the Hon.Commission.

I. Introduction:

1.1. M/s. SmartCity (Kochi) Infrastructure Pvt (SCK) had filed the petition for the approval of ARR & ERC for the control period from 2018-19 to 2021-22 as per the Tariff Regulation 2018 in the Multi Year Tariff Framework on 30-10-2018 before the Hon.Commission. In the ARR & ERC petition, SCK had proposed an Aggregate Revenue Requirement (ARR) of Rs. 379.58 Lakhs, Expected Revenue from Charges (ERC) of Rs. 232.99 Lakhs and Revenue Gap of Rs. 146.59 Lakhs as Deficit for the year 2018-19. As against SCK proposal the Hon. Commission vide order dated 08th November 2019 had approved an Aggregate Revenue Requirement (ARR) of Rs. 267.65 Lakhs, Expected Revenue from Charges (ERC) of Rs. 247.41 Lakhs and Revenue deficit of Rs. 20.24 Lakhs.

1.2 Table 1 given below compares the estimated value, approved value, actual value of the revenue and expenditure of the licensee as per the audited accounts of the distribution business and the deviation from the approved ARR for the year 2018-19.

Sl.No.	Particulars	Projected	Approved	Actual as per the accounts	Variation between actual & Approved
1	Revenue from sale of power	230.95	241.05	249.83	8.78
2	Other Income	2.04	6.36	6.41	0.05
	Total Income	232.99	247.41	256.25	8.83





3	Purchase of power	228.00	224.60	226.13	(1.53)
4	O& M Expense	67.58	43.05	60.16	(17.11)
5	Depreciation	84.00	-	47.33	(47.33)
	Total Expenditure	379.58	267.65	333.62	(65.97)
6	Revenue (Deficit)/surplus	(146.59)	(20.24)	(77.37)	(57.13)

II. Sale of Power

SCK had estimated a sale of power of 3.23 MU for the year 2018-19. The projection was done on the basis of actual consumption incurred during the year 2017-18. The actual energy sale during the year 2018-19 was 3.27 MU, which is slightly higher than the energy sales approved for the year. The category wise energy sale during the year 2018-19 is tabulated below.

<u>Tariff Category</u>	<u>Number of Consumers</u>	<u>2018-19 (Energy Sales in Actual) MU</u>
LT IV (B)	12	1.18
LT VI (F)	12	0.35
LT VII (A)	1	0.01
LT III (A)	8	0.18
HT I (B)	1	1.41
HT II (B)	1	0.14
Total Energy Sales		3.27

III. Purchase of Power

SCK had estimated a purchase of 3.298 MU of energy at a cost of Rs.224.60 lakhs. The Hon. Commission had revised the power purchase units in line with the approved T&D loss and approved a purchase of 3.298 MU with a purchase cost of Rs.224.60 lakhs. The company had incurred an actual power purchase cost of Rs.226.13 Lakhs against a total purchase of 3.34 MU during the year 2018-19.



The comparison of the power purchase cost approved by the Hon. Commission in the MYT ARR order and the actual incurred by the licensee during the year 2018-19 is detailed as below.

Particulars	Approved in ARR	Actual 2018-19
Energy Purchase (MU)	3.298	3.342
Demand Charges (Rs.in Lakh)	43.20	42.19
Energy Charges (Rs.in Lakh)	181.40	183.94
Total (Rs.in Lakhs)	224.60	226.13

IV Operation & Maintenance Expense

As per the MYT Regulations, O&M expenses consist of employee costs, repair and maintenance expenses and administration and general expenses. The Hon. Commission had allowed the O&M expenses stated in the KSERC (Terms and Conditions for determination of Tariff) Regulation 2018 for the control period.

Particulars	Approved (Rs.in Lakh)	Actual (Rs.in Lakh)
Employee Expenses	19.66	19.57
A&G Expenses	12.00	24.24
R&M Expenses	11.39	16.35
Total	43.05	60.16

Hon'ble commission has approved a total amount of Rs.43.05 lakhs whereas as the total amount incurred is Rs.60.16 Lakhs.

V Depreciation

As per audited Balance sheet, Depreciation calculated for FY 2018-19 is Rs.47.33 lakhs.

As per ARR Order OA 02/2019, Hon.Commission has not allowed depreciation due to non-approval of capital investment. In this regard the licensee will be submitting the details as early as possible.



VI Revenue from sale of Power

The Hon. Commission had approved a total sale of 3.32 MU for the year 2018-19. The actual power sale during the year 2018-19 was 3.27 MU.

The tariff category wise revenue from sale of power during the year 2018-19 is follows

Tariff Category	No.of Consumers	2018-19 energy sale in Actual in MU	Revenue from the sale of Power (Rs in Lakhs)
LT IV (B)	12	1.18	84.44
LT VI (F)	12	0.35	35.4
LT VII A	1	0.01	0.74
LT III B	8	0.18	25.30
HT-I B	1	1.41	86.03
HT-II B	1	0.14	17.94
Total	35	3.27	249.83

VII Non-Tariff Income

The Hon. Commission had approved non-tariff income of Rs.6.36 Lakhs in the ARR order. The company had received Rs. 6.41 Lakhs as non-tariff income during the year 2018-19.

IX Revenue Gap /Surplus

The Hon. Commission had approved the ARR with a deficit of Rs.20.24 Lakhs. The deficit as per the audited accounts of the company is Rs.77.37 Lakhs.

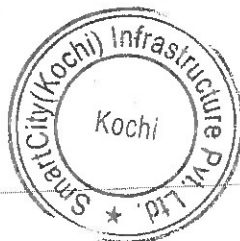
Prayer

SmartCity (Kochi) Infrastructure Pvt Ltd request the Hon. Commission that:

1. Truing up of Income and Expenditure as per the audited accounts for the year 2018-19 with the explanation for the variation may kindly be approved.

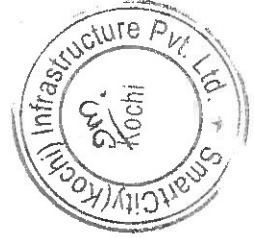
For SmartCity(Kochi) Infrastructure Pvt. Ltd.


Manikandan I
Company Secretary



Form D.1.1

Summary of Aggregate Revenue Requirement						
SmartCity(Kochi) Infrastructure Pvt Ltd						
SmartCity(Kochi) Infrastructure Pvt Ltd						
Licensed Area of Supply						
Name of Distribution Business/Licensee						
Licensed Area of Supply						
Remarks						
(Rs Cr)						
S.No.	Particulars	Reference form no.	2018-19		Actual	
			Projected	Approved		
1	Cost of own power generation/power purchase	3.1	2.245	2.245	2.261	
2	Transmission Charges	3.2				
3	NLDC/RLDC/SLDC Charges	3.3				
4	Operation & Maintenance Expenses	3.4	0.6250	0.431	0.602	
4.1	Employee Expenses	3.4			0.196	
4.2	Annual Contribution for Terminal Liabilities based on actuarial valuation	3.4			0.242	
4.3	Administration & General Expenses	3.4			0.164	
4.4	Repair & Maintenance Expenses	3.5	0.472	-	0.473	
5	Depreciation	3.6			-	
6	Interest and finance charges on long term loans	3.6			-	
7	Interest on Bonds to meet Terminal Liabilities	3.6			-	
8	Interest on Working Capital	3.7			-	
9	Interest on consumer security deposits and deposits from Users of the distribution system				-	
10	Any other item (to be specified)				-	
11	Contribution to contingency reserves				-	
12	Provisioning for Bad debts, if any				-	
13	Adjustment for profit/loss on account of controllable/uncontrollable factors				-	
14	Return on Equity /Net Fixed Assets				-	
15	Total Revenue Expenditure		3.342	2.676	3.336	
16	Tax on ROE					
17	Aggregate Revenue Requirement (13+15)		0.0204	0.0636	0.064	
18	Less: Non Tariff Income					
19	Less: Income from wheeling charges	2.2				
20	Less: Income from Other Business (to be specified)					
21	Less: Receipt on account of Cross Subsidy Surcharge on wheeling charges					
22	Less: Receipt on account of additional surcharge on charge of wheeling					
23	Aggregate Revenue Requirement from Retail Tariff		3.321	2.612	3.272	





Form D 2.4					
Non-tariff Income					
Name of Distribution Business/Licensee					
SmartCity(Kochi) Infrastructure Pvt Ltd					
Licensed Area of Supply					
SmartCity(Kochi) Infrastructure Pvt Ltd					
S. No.	Particulars	2018-19			Remarks
		Projected	Approved	Actual	
1	Interest on staff loans and advances				
2	Income from statutory investments				
3	Income from trading				
4	Income from rent of land or buildings				
5	Income from sale of scrap				
6	Income from staff welfare activities				
7	Rental from staff quarters				
8	Excess found on physical verification			0.0602	
9	Interest on security deposits				
10	Interest on advances to suppliers/ contractors				
11	Income from hire charges from contractors and others				
12	Income due to right of way granted for laying fibre optic cables/co-axial cables on distribution system				
13	Income from advertisements, etc.				
14	Application fee			0.0027	
15	Commission for collection of electricity duty			0.0012	
16	Interest on delayed or deferred payment of bills				
17	Rebate from Central Generating Stations				
18	Revenue from late payment surcharge				
19	Recovery for theft and pilferage of energy				
20	Meter/ metering equipment/service line rentals				
	Total	0.0204	0.0636	0.0641	



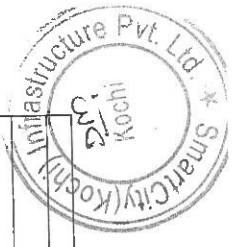
		Form D 3.1															
		Power Purchase Expenses															
		SmartCity(Kochi)Infrastructure Pvt Ltd															
		SmartCity(Kochi)Infrastructure Pvt Ltd															
Name of Distribution Business/Licensee												Rs(Cr)					
Licensed Area of Supply																	
S. No.	Source of Power (Station wire)	Included Capacity	Utility share (%)	Utility share (MW)	Total Energy Sent Out (ESO) from the station (MU)	External Losses outside the State (%)	Energy Received at State Boundary (MU)	Losses within the State (%)	Energy received by licensee (MU)	Total Annual Fixed charges (Rs Crore)	Capacity Charges paid/ payable by Utility (Rs Crore)	Variable Cost per unit including Fuel Price Adjustment(Rs/MWh)	Total Variable Charges (Rs Crore)	Incentive (Rs Crore)	Bank Charges	Total Cost of Energy Received (Rs Crore)	Average cost of energy received (Rs/MWh)
1	2	3	4	5	6	7	8	9	3	4	5	6	7	8	9	10	11
									3.340	0.170			1.841			2.361	6.769
	1 KSEB (18-19) year								3.340	0.170			1.841			2.361	6.769
	Total								3.340	0.170			1.841			2.361	6.769

Form D 3.4

Operations and Maintenance Expenses
SmartCity(Kochi) Infrastructure Pvt Ltd
SmartCity(Kochi) Infrastructure Pvt Ltd

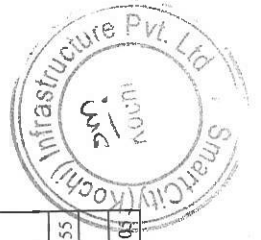
Name of Distribution Business/Licensee
Licensed Area of Supply

S. No.	Particulars	Reference	2018-19			Remarks
			Projected	Approved	Actual	
(Rs. Crore)						
1	Employee Expenses					
1	Number of Consumers ('000)					
	Norms (Rs. Lakh/'000 consumers)					
2	Distribution Transformers (no.)					
	Norms (Rs. Lakh/Distribution Transformer)					
3	HT line (km)					
	Norms (Rs. Lakh/km of HT line)					
4	Sales (kWh)					
	Norms (Rs./unit of sales)					
5	Employee Expense (as per norms)	3.4(a)	0.3101	0.1966	0.1957	
6	Employee Expense (actuals)					
2	Administrative and General Expenses					
S. No.	Particulars	Reference	Projected	Approved	Actual	Remarks
1	Number of Consumers ('000)					
	Norms (Rs. Lakh/'000 consumers)					
2	Distribution Transformers (no.)					
	Norms (Rs. Lakh/Distribution Transformer)					
3	HT line (km)					
	Norms (Rs. Lakh/km of HT line)					
4	Sales (kWh)					
	Norms (Rs./unit of sales)					
4	A&G Expense (as per norms)	3.4(b)	0.1651	0.1200	0.2424	
5	A&G Expense (actuals)					



3		2018-19		Remarks	
Repair and Maintenance Expense		Projected	Approved	Actual	
S. No.	Particulars	Reference			
1	2	3		4	5
1	Opening CFA (Rs. Crore)				
	Norms (% of opening CFA)				
2	R&M Expense (as per norms)				
3	R&M Expense (actuals)	3.4(c)	0.1494	0.1139	0.1635
B	Name of Distribution Business/Licensee Licensed Area of Supply				
		SmartCity(Kochi) Infrastructure Pvt Ltd			
		SmartCity(Kochi) Infrastructure Pvt Ltd			
1		2018-19		Remarks	
O&M Expenses		Projected	Approved	Actual	
S. No.	Particulars	Reference			
1	Employee Expenses (as per norms)				
2	R&M Expenses (as per norms)				
3	A.&G Expenses (as per norms)				
4	O&M Expense (as per norms) (1+2+3)				
2	O&M Expense (actuals)	3.4(a),3.4(b), 3.4(c)	0.6246	0.4305	0.6016





Form D 3.5

Fixed assets & depreciation

2018-19

Sl. No.	Asset Group	Initial Asset Value In Lakhs	Depreciation %	Actual Capitalization Date	Depreciation Amount in Lakhs	Asset value after depreciation
1	Land & land rights	63.41	1.01%	23-02-2011	0.64	58.18
2	Other Civil works	-	3.34%		-	-
3	HV Distribution system	-	5.28%		-	-
a)	Distribution lines	-	5.28%		-	-
b)	Sub-station equipments	-	5.28%		-	-
i)	Transformers	-	5.28%		-	-
	Switchgears, Control gear &					
ii)	Protection	-	5.28%		-	-
iii)	Batteries	-	5.28%		-	-
iv)	Others	-	3.34%		-	-
4	LT Distribution system	-	5.28%		-	-
a)	Distribution lines	81.27	5.28%	20-02-2016	4.29	68.03
b)	Sub-station equipments	794.21	5.28%	20-02-2016	41.93	665.29
i)	Transformers	-	5.28%		-	-
	Switchgears, Control gear &					
ii)	Protection	-	5.28%		-	-
iii)	Batteries	-	5.28%		-	-
iv)	Others / DG	-	5.28%		-	-
5	Communication equipment	-	6.33%		-	-
6	Meters	-			-	-
7	Vehicles	-			-	-
8	Furniture & fixtures	-			-	-
9	Office Equipments	-			-	-
10	Assets of Partnership projects etc.	-			-	-
	Capital spares of HV & LT					
11	transmission	-			-	-
	Assets taken over & pending final					
12	valuation	-			-	-
13	IT Equipments	9.34	15%	15-12-2016	0.47	0.55
	Gross Asset (Total (1) to (15))	948.23			47.33	792.05

		Form D 6.2								
		Appropriation of Distribution loss								
Name of Distribution Business/Licensee		SmartCity(Kochi) Infrastructure Pvt Ltd								
Licensed Area of Supply		SmartCity(Kochi) Infrastructure Pvt Ltd								
		2018-19								
S.No.	Particulars	Energy Input		Energy Sales		Energy sent to lower voltage		Distribution Loss		Remarks
		MKWh	3	MKWh	4	MKWh	5	Percent	MKWh	
1										
Voltage-wise Apportionment of Distribution losses										
1	Total Energy Purchase From KSEB (11 KV)		3.34							11KV/430V transformer loss
2	Energy Sold to L.T consumers			3.27				2.23	0.07	430 V Distribution Loss
Overall Distribution Loss								2.23	0.07	

* Note : To be furnished separately for each year commencing from (n-1)th year to (n-3)th year.

Note: nth year = FY 2014-15, n+1th year = FY 2015-16, and so on, for the first filing under the KSEERC (Terms and Conditions for Determination of Tariff) Regulations, 2014





		Form D P&L					
		Profit & Loss Account					
		SmartCity(Kochi) Infrastructure pvt Ltd		SmartCity(Kochi) Infrastructure pvt Ltd			
		SmartCity(Kochi) Infrastructure pvt Ltd		SmartCity(Kochi) Infrastructure pvt Ltd		Rs (Cr)	
S.No.	Particulars	Ref	2018-19		Remarks		
			Projected	Approved	Actual		
	I. INCOME						
	a. Revenue from Sale of Power		2.3095	2.4105	2.498		
	b. Revenue Subsidies and Grants				-		
	c. Other Income		0.0204	0.0636	0.064		
	Total (a+b+c)		2.3299	2.4741	2.562		
	II. EXPENDITURE						
	a. Repairs and Maintenance.		0.1494	0.1139	0.1635		
	b. Employee Cost		0.3101	0.1966	0.1957		
	c. Administration and General Expenses		0.1651	0.1200	0.2424		
	d. Depreciation		0.8400	-	0.4733		
	e. Interest and Finance charges, Interest on Term Loan.				-		
	f. Subtotal (a+b+c+d+e)		1.465	0.430	1.075		
	g. Less Capitalised Expenses:						
	- Interest & Finance Charges				-		
	- Other Expenses				-		
	h. Other Debits				-		
	i. Extra Ordinary Items				-		
	j. Purchase of power		2.280	2.246	2.261		
	k. Generation of Power				-		
	Total Expenditure (f-g+h+i+j+k)		3.745	2.676	3.336		
	III. Profit/(Loss) before Tax (l-II)		-1.415	-0.202	-0.774		
	IV. Provision for Income Tax				-		
	V. Net Prior period credits (Charges)				-		
	VI. Surplus (Deficit)		-1.415	-0.202	-0.774		
	VII. Net Assets at the beginning of the year (Less consumer's Contribution)				839.93		
	VIII. Rate of Return (VI/VII)				-0.09%		