

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

**Present: Shri. Preman Dinaraj, Chairman
Adv. A.J Wilson, Member (Law)**

O P No. 54/2021

In the matter of : Petition dated 22.09.2021 filed by M/s.KINESCO Power and Utilities Pvt. Ltd. for approval of draft PPA for enhancement of contract demand from 300 kVA to 600 kVA at 22 KV between KSEB Ltd and KPUPL in respect of KINFRA Mega Food Park, Kozhipara, Palakkad

Petitioner : **M/s KINESCO Power and Utilities Private Limited**

Respondent : **K.S E B Ltd.**

Date of Hearing : **09.11.2021**

Order dated 10.11.2021

1. M/s KINESCO Power and Utilities Private Limited. (hereinafter referred to as the petitioner or KPUPL), an electricity distribution licensee authorized to distribute electricity in the areas of Infopark Phase-1, KINFRA Export Promotion Industrial Parks (KEPIP) at Kakkanad, Kochi and KINFRA Hi Tech Park at Kalamassery, KINFRA integrated Industrial & Textiles Park at Kanjikode and KINFRA Mega Food Park at Kozhipara, Palakkad have filed a petition dated 22.09.2021 before the Commission for approval of draft supplementary Power Purchase Agreement for enhancement of contract demand from 300 kVA to 600 kVA at 22 KV between KSEB Ltd and KPUPL in respect of KINFRA Mega Food Park, Kozhipara, Palakkad.

Background of the Petition

2. The Kerala State Electricity Regulatory Commission vide Order dated 27.07.2010 in Petition No. DP-82/2010 had approved the PPAs at the prevailing tariff for purchase of power for Kakkanad, Kalamassery and Palakkad Parks by KPUPL from KSEBL.
3. The Kerala State Electricity Regulatory Commission as per Order dated 11.09.2018 in OP No.4/2018 issued distribution licence to KPUPL for an additional area of 72.42 acres land at KINFRA Mega Food Park, at Kanjikode , Palakkad to the existing 3 parcels of land by amending the Order dated 30.11.2009 of KSERC.
4. KPUPL commenced licensee operations at KINFRA Mega Food Park, Kozhipara, Palakkad from 11.09.2018 after the erection and commissioning of 22 KV distribution networks inside the Park. Meanwhile, KPUPL entered into a power connectivity agreement with KSEBL on 13.11.2018 for 1000 kVA at 22 KV at Mega Food Park.
5. The Kerala State Electricity Regulatory Commission vide Order dated 13.02.2019 accorded sanction to the draft Power Purchase Agreement (PPA) submitted by KPUPL for availing 300 kVA power from KSEBL at Mega Food Park. Accordingly, the Power Purchase Agreement (PPA) was executed on 26.04.2019 for a contract demand of 300 kVA at KINFRA Mega Food Park between KSEBL and KPUPL.
6. KPUPL vide petition dated 22.09.2021 submitted that the power demand has reached to 300 kVA at Mega Food Park and more industries have been turned up demanding more power. So, it has become necessary to enhance the power purchase demand from 300 kVA. Hence KPUPL has requested KSEBL to enhance the contract demand from 300 kVA to 600 kVA at 22 KV and KSEBL agreed to the enhancement of contract demand from 300 kVA to 600 kVA.
7. Accordingly, a draft supplementary agreement for enhancement of contract demand from 300 kVA to 600 kVA, mutually initialed by Chief Executive Officer, KPUPL and Deputy Chief Engineer (Commercial and Planning), with full powers of Chief Engineer, KSEBL in respect of KINFRA Mega Food Park, Kozhipara, Palakkad has been submitted before the Commission along with the petition. In the draft initialed Supplementary Power Purchase Agreement to the Power Purchase Agreement entered on 26.04.2019 between KSEB Ltd and the KPUPL, it is agreed that *"all the terms and conditions of the Articles of the PPA entered into by the parties on 26.04.2019 shall hold good in respect of the Supplementary*

PPA executed for the purpose for change in contract demand from 300 kVA at 22 KV to 600 kVA at 22 KV also, except for those specified hereunder.”

(i). Article-2: The agreement shall remain valid for a period of 5(five) years from (date not specified)

(ii) Article- 3.2: The KSEB Ltd shall supply to KPUPL at the points of supply at Kinfra Mega Food Park, Kanjikode, Palakkad and KPUPL shall take from KSEBL power up to a total quantity of 600 kVA at 22KV at Kinfra Mega Food Park with effect from (date not specified) for its own use and for the purpose of supply to the consumers within the area of supply as provided in the licence for distribution of electricity.

The petitioner has requested to grant approval for executing supplementary PPA for the enhancement of contract demand of KPUPL Licensee Area at KINFRA Mega Food Park, Kozhipara, Palakkad to the extent of 600 kVA.

8. The Commission admitted the said Petition as OP No. 54 of 2021 and conducted the hearing on 09.11.2021 at 11 AM through Video Conferencing.

9. Sri.T.M. Ajith Kumar, Chief Executive Officer, Sri. Sajeev. M.S, Resident Engineer and Sri. S.N. Asok Kumar, Finance Manager attended the hearing on behalf of KPUPL. Sri. Sajeev. M.S presented the case and explained that the power demand has reached to 300 kVA at Mega Food Park and more industries have been turned up demanding more power and it has become necessary to enhance the power purchase demand from 300 kVA to 600 kVA at 22 KV and the KSEB Ltd. has agreed to the enhancement of contract demand from 300 kVA to 600 kVA at 22 KV. Hence this petition has been filed before this Commission with the draft initialed Supplementary Power Purchase Agreement to the original Power Purchase Agreement entered on 26.04.2019 between KPUPL and KSEB Ltd for approval of the same. He further added that the following amendments in the conditions of original agreement may be considered by the Hon'ble Commission for approval:

1. The validity of the Supplementary Agreement specified in Article 2.1 may be modified in consonance with that of the original agreement limiting period for five years ie. up to 25.04.2024.
2. The Contract Demand specified in Article 3.2 may be amended from 300 kVA to 600 kVA.
3. The power factor specified in Article 8.6 may be kept at 0.95. Necessary modification from original PPA may be done as per

Annexure –B of KSERC Tariff Order dated 8.7.2019 in OA No. 15/2018

4. Modification may be made in 3rd row of Schedule II as: “Rate of supply shall be at the tariff approved by the Commission from time to time.”
5. Modification may be made in 4th row of Schedule II as: “600 kVA at 22000 volts”.

The petitioner has therefore requested to grant approval to the Supplementary PPA as suggested above. Sri. Manoj, Assistant Executive Engineer who attended the hearing on behalf of the KSEBL clarified that both the KSEB Ltd and KPUPL have agreed to the proposed modifications in the draft Supplementary Power Purchase Agreement for enhancement of the contract demand from 300 kVA to 600 kVA at 22 KV.

Analysis and Decision of the Commission

10. The Commission has examined the petition and scrutinized the draft Supplementary Agreement initialed by both the parties in detail. The Commission is of the considered view that the date of effect of the draft Supplementary Agreement shall be limited to five years from the date of signing of the original PPA. The Commission is also of the view that the draft Supplementary Agreement is legally in order and other conditions specified therein need not be changed apart from the suggestions proposed. Hence the Commission has decided to accept the suggestions of both parties that all the other conditions specified in the original PPA entered in to between the KSEB Ltd and KPUPL on 26-04-2019 shall hold good in respect of the Supplementary PPA except the modifications mentioned below:

1. Article 2.1: This Supplementary Agreement shall remain valid up to 25.04.2024.
2. Article 3.2: The Contract Demand shall be amended from 300 kVA to 600 kVA.
3. Article 8.6: The power factor to be kept at 0.95. Necessary modification from original PPA to be done as per Annexure –B of KSERC Tariff Order dated 8.7.2019 in OA No. 15/2018
4. Schedule II – 3rd row – to be amended as “Rate of supply shall be at the tariff approved by the Commission from time to time.
5. Schedule II – 4th row- to be amended as 600 kVA at 22000 volts”.

Orders of the Commission

11. The Contract Demand for power Supply between KSEB Ltd and KPUPL in respect of KINFRA Mega Food Park, Kozhipara, Palakkad is enhanced from 300 kVA to 600 kVA at 22 KV.
12. The draft Supplementary Agreement submitted by KSEB Ltd and KPUPL duly initialed by both the parties is hereby approved subject to the modifications agreed by both the parities as mentioned at para 10.
13. A copy of the Supplementary PPA entered into between KSEB Ltd and KPUPL shall be submitted to the Commission within one month from the date of signing of the Agreement.

Sd/-

Adv.A.J.Wilson

Member (Law)

Sd/-

Preman Dinaraj

Chairman

Approved for Issue

Secretary(i/c)