

KERALA STATE ELECTRICITY REGULATORY COMMISSION
Thiruvananthapuram

RP No.1/2017

In the matter of Determination of Open Access Charges for Embedded Open Access Consumers.

Petitioner : The High Tension and Extra High Tension
Industrial Electricity Consumers' Association,
Productivity House, Jawarharlal Nehru Road,
Kalamassery-683102, Ernakulam District, Kerala

Represented by Sri. A.R.Satheesh, President, HT & EHT Association & others

Respondent : Kerala State Electricity Board Ltd,
Vydyuthi Bhavanam,
Pattom, Thiruvananthapuram-695 004.

Represented by Sri. Bipin Sankar P, Deputy CE, TRAC, KSEBL
Sri. K G P Nampoothiri, EE, TRAC, KSEBL

Daily Order dated 26.05.2017

1. The High Tension and Extra High Tension Industrial Electricity Consumers' Association (hereinafter referred to as the petitioner or HT & EHT Association) has filed a petition, on 21.04.2017, before the Commission to the review the cross subsidy surcharge approved by the Commission for embedded open access consumers, vide the order No. 1007/F&T/2016/KSERC dated 17.04.2017. The Commission admitted the petition as RP No 1/2017 and hearing conducted on 25.05.2017 at the Court hall of the Commission.
2. Sri A R Satheesh, President, HT&EHT Association presented the petition on behalf of the petitioner. The petitioner seeks review of the cross subsidy surcharge determined by the Commission vide the order No. 1007/F&T/2016/KSERC dated 17.04.2017. The petitioner has also submitted that, they had emailed the amended petition on 23.05.2017. The Commission directed the petitioner that the amended petition shall be filed in accordance with the rules in force and allowed the petitioner to present the matter. The issue raised by the petitioner during the hearing are summarized below.

(1) Power Purchase Cost

As per Tariff Policy 2016, in the formula for Cross subsidy surcharge (CSS), 'C' is defined as "C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable"

Since C is the weighted average cost of power purchase, cost of own generation may be excluded for computing 'C'.

(2) Cross Subsidy Surcharge

As per the present calculation of CSS by the Commission, embedded open access consumers are not getting full benefit of the demand charges paid by them. Hence the CSS may be reworked by reducing the demand charge component from the CSS determined for opted out consumers.

(3) Validity

The tariff order 2017-18 has been published in the Hon'ble Commission website on 18.04.2017 after 11.30 am. The bidding process for 19.04.2017 got closed before 11.30 am on 18.04.2017. Hence it is requested that the revised Open access charges may be made effective from 20.04.2017 only.

(4) Power factor incentive

The power factor incentive and penalty should be applicable to both power drawn from licensee as well as power drawn under Open Access. But KSEBL has been allowing the incentive to power drawn from licensee only. As per Clause 31(5-xii) of Kerala Electricity supply code 2014, cross subsidy surcharge payable by Open access consumers is a part of "Charges payable for supply of Electricity". Accordingly, power factor incentive is applicable to the CSS levying to the consumers.

3. Several other representatives of the HT & EHT Association also presented their views in support of the issues raised by the petitioner.
4. Sri. Bipin Sankar, representing K S E B Ltd, requested the Commission to look into the maintainability of the petition. He further added that KSEB Ltd didn't receive the copy of the amended petition and therefore is unable to submit its version on the amended petition and requested time to file their written statements of the amended petition. He, without prejudice to the contention on the maintainability of the petition submitted that;
 - (i) The prayer of the petitioner to exclude own generation from the computation of C should be rejected in view of the fact that cost of power purchase of Strategic Business Unit - Distribution (SBU - D)

includes cost of power purchase from SBU Generation (G) and from CGS, IPPs, traders, short term market etc.

- (ii) There is no provision in the Electricity Act 2003, tariff policy 2016 or regulations issued by the Commission to fix separate CSS for embedded open access consumers. He stated that even though the embedded open access consumers pay demand charges, it is not sufficient for the full recovery of fixed cost incurred by the DISCOM to cater their needs. The unpredictable scheduling of open access power by embedded open access consumer create more financial burden and operational constraints.
 - (iii) In addition to that KSEB Ltd pointed out one disparity in calculation of CSS by double accounting of the intra state transmission charges since C, the cost of power, already includes the cost of SBU Transmission (T). Again, D in the formula includes intra state transmission charges and wheeling charges. Sri Bipin Sankar therefore, requested to correct the same.
 - (iv) KSEB Ltd also submitted that, the Commission had not considered its submission and also not provided any rational for revising the power factor incentive vide the order No. 1007/F&T/2016/KSERC dated 17.04.2017.
5. After hearing the representatives of the petitioner and the respondent, the Commission issues the following directions;
- (i) The HT & EHT Association shall file the amended petition as per the provisions of the KSERC (Conduct of Business) Regulations, 2003.
 - (ii) The HT & EHT Association shall provide copies of the petition and other documents filed before the Commission to KSEB Ltd for their remarks.
 - (iii) KSEB Ltd is allowed time upto 12.6.2017 to file their written submissions on the petition filed by the HT & EHT Association.

Reserved for orders.

Sd/-
K.Vikraman Nair
Member

Sd/-
Venugopal. S
Member

Approved for issue,

Santhosh Kumar.K.B
Secretary