

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

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

OP.No.40/2020

In the matter of : Petition for approval of One Time Settlement Scheme
2021 filed by KSEB Ltd

Petitioner : Kerala State Electricity Board Limited
Represented by Shri. Suresh, Exe. Engineer, TRAC, VB

Date of 1st Hearing : 28-12-2020 : 11:00AM (Video conference mode)

Daily Order dated 29-12-2020

1. KSEB Ltd has filed the instant petition for approval of the '*Scheme for One Time Settlement of Arrears-2021 (OTS-2021)*'. The petition is filed under the provisions of Regulation 136(5) of Kerala Electricity Supply Code, 2014. Public hearing on the matter was held on 28-12-2020 through video conference mode.
2. Shri. Suresh, Exe. Engineer representing KSEB Ltd briefly presented the contents of the petition. He mentioned that the total arrears as on 30-9-2020 is Rs.2714.54 crore from all categories. The arrears upto 12 months is Rs.1813.83 crore and the arrears above 1 year is thus only Rs.900.71 crore. KSEB Ltd is among others targeting to collect arrears above 15 years on priority and sought approval of a special rate of interest for the same. KSEB Ltd also mentioned that of three cases were settled by them after the date of expiry of the OTS 2019, in anticipation of the approval of the Commission. These cases pertain to Kozhikode Corporation and the value is Rs.85,274/-. Further KSEB Ltd proposes that the cases which were ordered to be settled under OTS2019, but where the consumers could not make the full payment due to difficulties that arose out of Covid-19 are also to be included as part of the new scheme.
3. Shri. Dijo Kappen mentioned that CAG Report of 2016 has made serious observations on the settlement of arrears in the case of Punalur Paper Mills. He drew attention of the Commission to the fact that the arrears to the tune of Rs.106 crore has been settled by KSEB Ltd for Rs.95 lakh. Further, a similar

settlement was also made in the case of Binani Zinc Limited. He demanded that such settlements must be investigated and exemplary action taken against the officials in case any wrong doing is detected. Further it is paradoxical that the arrears for the domestic consumers for one year as per the details furnished by the KSEB Ltd is only Rs.23 crore, which is due to the prompt disconnection measures taken by the KSEB Ltd. However, it is not clear why KSEB Ltd is not resorting to such measures for large consumers. KSEB Ltd is not making any earnest efforts in vacating stay orders extended by the Courts and sought intervention of the Commission to seek the status from the legal wing of KSEB Ltd on the actions taken in such cases for vacating the stay. He also suggested that the Commission should give a ceiling amount for settlement. Shri. Kappen also mentioned that wherever consumers have obtained stay from the courts, only the petitioned amount recovery is stayed and KSEB Ltd does not have any reason not to recover fresh bills from such consumers.

4. Advocate Rahman mentioned that rebate should be given not only for the interest charges but also for the principal amount especially for long pending cases.
5. Shri. A.R Sathish, HT-EHT Association mentioned that there should not be any ambiguity in the conditions specified in the OTS scheme and the scheme should be transparent. All abstract terms and discretion given to officers of KSEB Ltd should be avoided. The term 'deserving cases' mentioned in condition 7 of annexure-1 needs to be defined. He mentioned that KSEB Ltd has not given the details of cases settled under OTS 2019. He also pointed out that condition 9 of Annex-2 of the petition gives an impression that KSEB Ltd is not interested in the settlement of court cases. He also suggested that instead of having a pre-condition that cases before the various courts should be withdrawn for consideration under OTS, it would be ideal that KSEB Ltd should first give an estimated bill, so that the consumer can consider various options and decide as to whether to withdraw the case and to proceed with OTS. He also suggested that if the split up details of HT-EHT consumers is given, the Association can pursue with their members for settlement of arrears.
6. Shri. Sajan Peter Kallada mentioned that litigation cases should also be considered under the Scheme. He further added that KSEB Ltd should be directed to prepare bills under Regulation 153 of the Supply Code as per the provisions of the Regulations and Orders of the Commission. Shri.

Radhakrishnan, Carborandum Universal also raised cases regarding unauthorised additional load. He further stated that their arrears under the head 'captive' is incorrect and they do not have any such arrears. *Chairman, KSEERC directed KSEB Ltd to reconcile the accounts so that the factual position is reflected in submission before the Commission.*

7. Sri Saji Mathew stated that in OTS 2019 only Rs.6 crore has been collected, which shows that the scheme is neither attractive nor successful. The scheme should be implemented in such a way that it is a win-win proposition for KSEB Ltd and the consumers. The interest rate should be about 2-3% for long pending arrears. He also objected to the telescopic treatment for calculation of interest charges.
8. Shri. K.K. George mentioned that the hearing is very encouraging and the Commission should come out with a scheme which is beneficial for the KSEB Ltd and consumers.
9. Shri. Prabhakaran mentioned that since issues with respect to each case is different, issuing a general guideline may be difficult. So officers should be instructed accordingly to settle the cases.
10. After the hearing the Commission instructed KSEB Ltd to furnish written submissions on the specific cases mentioned in the hearing. KSEB Ltd shall now on separately furnish the details of HT-EHT consumers regarding the arrears. Further, KSEB Ltd shall furnish the **following details by January 15, 2021** for speedy disposal of the matter
 - a. Details of Rs.6.53 crore collected under OTS-19 ie, name of the consumer, total arrears, amount paid, balance amount etc
 - b. cases settled under OTS 2019 after its expiry for which approval of the Commission is sought in the present scheme.
 - c. the criteria to be adopted for the cases to be treated as 'deserving cases' as mentioned under condition 7 of Annexure-1
11. Hearing concluded. Reserved for orders

Sd/-
Adv. A.J. Wilson
Member (Law)

Sd/-
Preman Dinaraj
Chairman

Approved for Issue

Secretary (i/c)