

**KERALA STATE ELECTRICITY REGULATORY COMMISSION**  
**THIRUVANANTHAPURAM**

**Present: Shri. R. Preman Dinaraj, Chairman**

**OP.No.19/2020**

In the matter of : Approval of reliefs extended to various categories of consumers in the State due to lock-down restrictions imposed by the Government to curb the spread of Covid-19 pandemic.

Petitioner : M/s Kerala State Electricity Board Ltd. (KSEB Ltd)  
Vydhyuthi Bhavanam, Pattom, Thiruvananthapuram

Petitioner represented by Shri. K.G.P. Namboothiri, Exe. Engineer

**Daily Order dated 02-07--2020**

1. The Petitioner M/s KSEB Ltd has filed the instant petition for the approval of the following reliefs to the consumers in view of restrictions due to lockdown imposed by the Government to curb the spread of Covid-19 pandemic.
  - a. Allow a rebate of 25% on fixed charges applicable to Industrial Consumers, Commercial consumers and Private Hospitals for the month of March, April and May-2020 and to defer the payment of balance fixed charge (75%) of these months to 15.12.2020
  - b. Exemption of surcharge applicable for the deferred payment of balance fixed charge of Industrial Consumers, Commercial consumers and private hospitals for the month of March, April and May 2020 up to 15.12.2020 by invoking the power of the Commission under Regulation 179 (power of relaxation and power to remove difficulties) of the Kerala Electricity Supply Code-2014
  - c. Allowing relaxation in regulation 73(4) of the Kerala Electricity Supply Code-2014 for deferring the demand for additional security deposit in the 1<sup>st</sup> quarter of FY 2020-21.
  - d. Allowing pass through of expenses incurred to provide 5% cash back facility given to first time uses of online payment facility, during truing up process.
  - e. Exemption of application fee for new service connection applications submitted through online for a period of one year, as part of curtailing the visit of consumers to KSEB Ltd offices..
  - f. Allow to pass on the financial impact by way of additional interest and finance charges due to extension of due dates for all consumers during the lock down period and deferment of fixed charges for Industrial consumers,

Commercial consumers and Private Hospitals during truing up of FY 2020-21.

2. The matter was heard through video conference mode on 30.06.2020 at 11.00 AM. The petitioner, KSEBL represented by Shri. K.G.P. Namboothiri, Exe. Engineer submitted that both the State Government and Central Government have announced various reliefs in view of the Covid-19 pandemic lockdown. He also submitted that, on implementation of relief of 25% fixed charges to industrial and commercial consumers announced by Government of Kerala, there is an additional financial burden of around Rs.27 Crore per month on KSEB Ltd. He also mentioned that the KSEB Ltd is expected to receive about savings of Rs. 28 Crore per month on an average from the reliefs announced to the DISCOMS by the Govt of India through Central Public Sector Power Generating and Transmission Companies. He also requested to allow the additional burden, if any after considering these savings as a pass through item at the time of truing up. He added that as on date an amount of Rs. 50.28 crore has been received from CGS, but an additional amount of around Rs.80 Crore is expected due to the relief extended. He further submitted that in addition to the reliefs announced by the Government of Kerala, KSEB Ltd has announced its own reliefs in the wake of Covid-19 pandemic such as 5% cash back to online payment of bills for the first time, waiver of transaction fee for online payments and waiver of application fee for new service connections applied through online to avoid difficulties of the consumers to visit KSEB office/ cash counters during the lock down period and waiver of additional security deposit to ease the financial difficulties faced by the consumers. He further submitted that for the implementation of the relief schemes announced, relaxation of the provisions of the Kerala Electricity Supply Code 2014 is required and hence the instant petition was filed before the Commission. Finally, he summarised the reliefs for which relaxations were proposed by invoking Regulation 179 (Power for relaxation and power to remove difficulties) of the Kerala Electricity Supply Code 2014 as below:
  - a. rebate of 25% of Fixed charges of March, April and May 2020 applicable to Industrial/Commercial Establishment and private Hospitals as per the Government direction
  - b. Deferring the payment of balance 75% of fixed charges of these category consumers up to 15.12.2020 without levying interest.
  - c. Deferring the demand for additional security deposit during the 1<sup>st</sup> quarter of FY 2020-21
  - d. 5% cash back for first time online payments
  - e. Exempt the application fee for new service connections submitted online for a period of one year.
  - f. Allow the additional financial liability due to the extension of dates for payment as a pass through during truing up.

He also requested the Commission to consider favourably the request to allow the additional financial burden due to the delay in realising the payment which comes around Rs. 290 Crore in the truing up for the particular year.

3. Several consumers and representative of industry associations have also participated in the hearing, M/s.United Film Exhibitors submitted that the actual consumption is only around 20% of the contract demand during the lock down period and hence, 25% rebate on fixed charges is not sufficient to compensate the loss and the billing should be done on the basis of recorded consumption/ maximum demand.
4. Shri Narayanan represented M/s Indus Towers Ltd submitted that they are one of the telecom tower infrastructure company and have already submitted a request to M/s.KSEB Ltd for allowing the concessions in view of lockdown. He also submitted that a similar request will be submitted to the Commission along with other Tower Management Companies in Telecom Sector. He further requested to consider the telecom sector as a priority sector in the Covid-19 time in identifying and tracking the Covid-19 patients and sought to extend all relaxations at par with IT enabled Services Company. He also pointed out the issues in the billing date and the consumer is not getting sufficient time to make the payment as the due date is calculated from a date prior to the actual date of meter reading. He also also raised a concern over the delay in implementing the orders of the Redressal Forums and Appellate Authorities by KSEB Ltd. M/s HIC-ABF Special Foods Pvt. Ltd also raised similar concern over the billing process of KSEB Ltd. during the lock down period.
5. The Commission after hearing the submission by M/s. Indus Towers Ltd. clarified that the present hearing is to consider the reliefs announced in view of the Covid-19 pandemic and the participants are requested to limit their submissions to this topic. In the case of other issues like billing, etc. the participant may approach KSEB Ltd/distribution licensee for redressal of grievances. If necessary the Commission may take up the matter separately if such issues falls within the jurisdiction of the Commission.
6. M/s.Cochin Port Trust submitted that the Cochin Port Trust is now in a poor financial condition and the additional financial burden due to the reliefs/benefits extended to the Consumers as per the direction of Government may be allowed to adjust in the payables to KSEB Ltd and the KSEB Ltd may be directed to adjust these reliefs in the subsequent bills. M/s.Cochin port Trust further submitted that a separate request for this will be submitted to the Commission immediately.
7. The Southern India Mills Association submitted that the complete waiver of Fixed/Demand charges will be a big relief to the ailing industries like Textile industry and also requested to direct the distribution licensees to make suitable adjustments in the subsequent bills in the case of already paid bills. Medical Laboratory Owners' Association also requested for a complete waiver of Fixed/Demand charges considering the importance of medical laboratories during the Covid period. The Association also submitted that the Commission

may please see that reliefs extended by KSEB Ltd. to their consumers to be made applicable to all consumers of electricity in the State. M/s Carborandum Universal Ltd also requested the Commission to ensure that the reliefs announced are extended to the units in Cochin Export Processing Zone (CEPZ) also. M/s. Apollo Tyres requested for a complete waiver of demand/Fixed charges and M/s Tolins Tyres requested to extend all the present reliefs at least up to the end of the year.

8. M/s Saw Mill owners & Plywood Manufactures Associations submitted that maximum time and instalment payment may be allowed for the payment of bills as their revenue has been drastically reduced due to the lockdown.
9. The Kerala HT and EHT consumers ' Association represented by Shri A.R.Satheesh submitted that there is no clarity in the period up to which the concessions from CGS and PGCIL are available. Further there is an ambiguity in the number of CGS shown in the petition of KSEB Ltd as CGS like NLC is missing in the list. Hence the accuracy of benefit estimated from CGS is doubtful. He further submitted that the relief from nuclear power stations is not considered in the petition of KSEB Ltd and thus, the amount of benefit estimated by KSEB Ltd is far less than the actual benefits. He requested the Commission to ensure the accuracy of the figure before allowing the benefit. He also submitted that, the *force majeure* clause is required to be reintroduced in the Supply Code to handle the situations like Covid-19. He further submitted that the allowing 5% cash back to the first time online payments and claiming the expenses as pass through during truing up appears to be strange and since the same will affect all the consumers and hence should not be allowed. The Association also raised concern over the KSEB Ltd's claim for pass through of expenses after allowing the reliefs. They requested the Commission not to allow such pass through in tariff and the cost of these reliefs should be a charge on the profit/ ROE and not as a cost to the consumer on a later date. The Association also requested the Commission to see the subsidy /relief in the case of domestic consumers up to the monthly consumption of 40 units /1KW while considering the instant petition.
10. The Commission after hearing the petitioner and other participants made the following remarks/observations/directions:
  - a. The Commission clarified that, the atomic generating stations are having a single part tariff and there is no separate component for demand charges and energy charges. It is also clarified by the Commission that the order issued by the Ministry of Power Government of India is not applicable to nuclear power stations as these stations are coming under the administrative control of Dept. of Atomic Energy, Government of India.

- b. The Commission also observed that the prayer of KSEB Ltd. to allow the additional financial liability due to the extension of relief as a pass through at the time of Truing up will result only in a deferment of the payment of the consumer to a later date and not a reduction in the liability of the consumer which as the Commission understands is not the real intent of the Government Order. Further, the request of allowing the additional financial liability due to the reliefs extended to a section of the consumers as a pass through at the time of Truing up will lead to the distribution of the burden on all consumers of the State. These aspects require to be relooked into keeping in the spirit of Chief Minister's announcement and G.O thereafter.
- c. The Commission clarified that it has to be ensure that the reliefs announced by the Government in the wake of Covid-19 lockdown is made applicable to the consumers of the State, irrespective of the distribution licensees. ***Accordingly, a copy of this order is to be given to all other distribution licensees in the State. These licensees may furnish the detailed estimate /actual financial commitment, if available, on account of such relaxations and the estimate of relief required for the Commission to consider the issue. This shall be furnished to the Commission on or before 13<sup>th</sup> July, 2020.***
- d. The Commission pointed out that the terms Fixed Charge and Demand Charge are separately defined in the Kerala Electricity Supply Code-2014 and are not interchangeable. In the prayer of KSEB, 25% rebate is requested only for fixed charges and the petition is silent on the rebate on Demand Charge. The Commission observed that this will lead to allowing the benefit only to a particular category of consumers and queried whether there was any proposal to extend the benefit to consumers who are billed based on contracted demand. This is to be clarified by KSEB Ltd. Hence, KSEB Ltd is directed to file suitable modifications if considered appropriate in the petition clearly specifying the Tariff categories to which the reliefs is proposed to be extended. Also the components of tariff in which the concessions/reliefs is proposed to be allowed to avoid ambiguity. KSEB Ltd shall also clearly mention the relaxations of the provisions of the Supply Code or other relevant statutes required against which such reliefs are sought.
- e. The Commission observed that an order granting subsidy to the domestic consumers is issued by the Govt. of Kerala on 27.06.2020 and an approximate amount of Rs.200 crore is expected to be given as subsidy from Government. The Commission directed the petitioner to file the modification if any required in the present petition to accommodate the claim with supporting documents, in the context of issue of this order.

- f. KSEB Ltd shall also file the supporting calculations on the estimate of the subsidy requirements for domestic consumers announced by the Government.
11. The Commission directed KSEB Ltd. to file the modification to the petition if the petitioner wishes so, and the details sought by the Commission by 13<sup>th</sup> of July 2020.
12. Hearing concluded. Reserved for Orders.

**Sd/-  
Preman Dinaraj  
Chairman**

**Approved for issue**

**Secretary**