

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present: Shri. Preman Dinaraj, Chairman

OP.No.30/2020

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

Petitioner : M/s Thrissur Corporation Electricity Department,.
Thrissur
Represented by Shri. Jose, Electrical Engineer

Respondent : Kerala State Electricity Board Limited
Represented by Shri. Manoj Asst. Exe Engineer

Order dated 28-12-2020

1. The Petitioner M/s TCED 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 HT and LT 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. Allow the financial charges estimated by TCED due to subsidies allowed to domestic consumers as per instructions of Chief Minister on 18-06-2020
 - d. Allow pass through of the financial impact due to extension of due dates for all consumers during the lockdown period and deferment of fixed charges for Industrial consumers, commercial consumers, and private hospitals during truing up of FY 2020-21.

2. In the said petition, M/s TCED has stated that it is distributing electricity to its consumers after purchasing it from KSEB Ltd at the tariff determined by the Commission. So the benefits and relief given to KSEB Ltd's consumers are to be extended to the consumers of TCED also with proper orders from the Commission. Further, the subsidy announced by the Chief Minister for the domestic consumers is also to be made applicable to the consumers of TCED.
3. Further in the petition, TCED mentioned that relaxation in the certain provisions of the Kerala Electricity Supply Code 2014 is required to provide relief extended by the State Government and accordingly the Commission may issues appropriate orders to remove the difficulties in implementing the specific provision in the Code during the emergency situation invoking the powers under Regulation 179 of the Code. The licensee also reported that following measures were taken in order to provide uninterrupted power supply and to mitigate the hardship being faced by consumers in the wake of Covid-19 pandemic :
 - I. Cash collection in offices were discontinued upto 31.03.2020 in the initial phase of the lockdown and later extended upto 03.05.2020. Due date of bills issued were extended accordingly.
 - II. Field office operated in two shifts per day, with two batches.
 - III. All the works other than of emergency and of essential nature were postponed.
 - IV. On 23.03.2020, meter readings were suspended upto 31.03.2020 and later extended upto 22.04.2020. Average consumption was reckoned during lockdown period to generate bills. The bills so generated were send to the consumer through SMS/e-mail.
 - V. Directions were issued not to disconnect the service connection other than safety aspects.
 - VI. HT consumers were allowed to remit their electricity bills for the month of March and April 2020 upto 16.05.2020 without interest.
 - VII. LT consumers were allowed to remit their bills upto 16.05.2020, without paying interest for the bills issued from the date of commencement of lockdown to 05.05.2020 or became due from date of commencement of lockdown to 15.05.2020.
 - VIII. The meter reading were resumed with effect from 22.04.2020 and cash collections resumed from 04.05.2020 by maintaining social distancing. The due date of the bills were extended till 16.05.2020 to avoid rush in counters and ensure social distancing as per the instructions of Government.

4. The licensee further furnished in the petition that total interest foregone and loss on account of rebate in fixed charges to various consumers are as given below:

Table -1
Estimate of the amount required for providing rebates to the consumers of TCED as announced by Government of Kerala

Consume category	Interest foregone (Rs.)	Rebate on fixed /ele.charges
HT / above 10kW consumers, Other LT IV consumers, spot bill consumers for extension of due date	17,78,871	
Rebate on fixed charges for HT consumers	15,28,599	52,17,919
Rebate on fixed charges to industrial, commercial, and private hospitals (LTIV, >10kW, & Monthly billed consumers)	28,98,325	54,64,315
Extension of due date to domestic consumers	32,00,066	72,96,430
Total	94,05,861	1,79,78,664
Grand total	2,73,84,525	

5. As shown above, according to the licensee, total interest foregone on allowing various concessions to the consumers amounts to Rs.94.06 lakh and rebate in fixed charges amounts to Rs.179.79 lakh. The total revenue loss is estimated by the licensee is Rs.273.85 lakh.

Public hearing on the petition

6. The matter was heard through video conference mode on 25-11.2020 at 11.00 AM. The petitioner, TCED represented by Shri. Jose, Electrical Engineer submitted that the petition is for seeking approval for allowing the rebates announced by Government of Kerala for the consumers of TCED. TCED decided to seek the approval of the Commission, since the G.O issued pertains to releasing rebates by KSEB Ltd. As per the estimates, the outflow for TCED would be about Rs. 273.85 lakh for allowing the concessions. It was submitted that except for the deferment of due date, so far no other rebates as announced by the Government have been extended to the consumers of TCED. TCED submitted that it would be discriminatory if the concessions announced for the consumers of KSEB Ltd is not allowed to the consumers of TCED.
7. During the hearing the Commission sought the details of month wise actual demand raised, actual payment received and number of consumers eligible for such subsidy as per the consumer category mentioned in the G.O. In reply, TCED mentioned that some of the consumers have already paid the bills whereas others have deferred their payment. They have received

several requests from the consumers for allowing rebate, which are pending, for want of approval of the Commission. The Commission also sought details on the Government Orders if any on the close down of theatres due to spread of Covid-19 in the month of March 2020, ie., before the lockdown.

8. Shri. Manoj, Asst. Exe Engineer, represented the respondent KSEB Ltd. KSEB Ltd also filed written statement vide letter dated 25-11-2020. Shri Manoj mentioned that the stand of KSEB Ltd on this issue has been mentioned already during the two hearings held on the petition for approval of rebates filed by KSEB Ltd. Regarding the rebates to consumers of other licensees KSEB Ltd stated as *"In the Government order it is clearly specified that Government had examined the measures to be taken in respect of matters related to KSEB Ltd as part of relief measures being undertaken by the Government to alleviate the hardship faced by the public due to spread of covid-19 pandemic. Also the direction was issued to KSEB Ltd as per its Articles of Association. Hence the same will not be applicable to other licensees. However, they are having liberty to approach Government to allow rebate to their end consumers. Considering the financial difficulties is being faced by KSEB Ltd, Hon. Commission may please ensure that the rebates if any allowed will not be adjusted through the power bills issued by KSEB Ltd to the licensees. It is further submitted that KSEB will not stand against a claim on the additional burden through their truing up process"*. KSEB Ltd further pointed out that TCED has accumulated revenue surplus over and above the allowed ROE, of about Rs.146 crore. The funds from this surplus may be used to fund the rebates. The rebates extended to the consumers by KSEB Ltd was based on the Government direction as per the provisions of the Articles of Association of KSEB Ltd. KSEB Ltd has already an accumulated revenue gap of about Rs.6500 crore and accordingly is not in a position to take further burden of the rebates. Further, the actual rebates received by KSEB Ltd from the generating companies are also lower since some of the generating companies have not allowed the rebates announced by Government of India. There will be a further reduction in the rebates since the fixed charges of RGCCPP, Kayamkulam now is lower than the initially estimated amount. The Commission also pointed out that the mismatch and the additional burden on KSEB Ltd was on account of error in the estimates made by KSEB Ltd while announcing rebates higher than the actual rebate received from the central stations.
9. The Commission directed TCED to submit the following details by 21-12-2020
 - a. Estimate of the rebate extended to LT and HT consumers belonging to the category of industrial, commercial and private hospitals if the rebate of 25% fixed charges is allowed for the said categories during the lock down period from ie., from 24-3-2020 to 31-5-2020.

- b. Month wise details of demand raised, actual collection received, balance due from the above mentioned categories, including the number of consumers category wise.
- c. The actual estimate of the amount required for allowing the rebate in electricity charges to the domestic consumers as announced by the Government

10. The licensee furnished the above information vide letter dated 17-12-2020. In the letter, TCED submitted that the Hon.ble Chief Minister had announced the rebates, subsidies and relaxation in the payment of electricity charges for the people of Kerala and the consumers of TCED have the same right for the reliefs as enjoyed by the consumers of KSEB. In the light of Hon'ble Chief Minister's announcement, the Worshipful mayor of TCED announced that relief may be extended to TCED consumers after getting proper orders from Govt of Kerala and the Commission to implement the scheme. Regarding the details sought, TCED furnished the estimate of fixed charges at the rate of 25% if the rebate is given from 24-03-2020 to 31-05-2020 as shown below:

Table -2

Estimate of rebates required if the rebate is limited to the lockdown period

	No.of consumers	25% FC from 24-03-2020 to 31-05-2020
HT	102	32.49
Above 10kW	769	10.16
Private Hospital (Monthly)	20	0.56
LT IV	505	1.88
LT VII A (Bimonthly)	13050	18.40
LT VII B (Bimonthly)	1505	0.43
LT VII C (Bimonthly)	5	0.02
Private Hospital (Bimonthly)	30	0.11
Total	15986	64.06

- 11. As against the estimate given by TCED for three months for allowing 25% rebate in fixed charges ie., Rs.106.82 lakh, the amount required as per revised estimate limited to the lock down period is Rs.64.06 lakh.
- 12. In addition to the above, the amount of subsidy required for providing relief as announced by the Government to the TECD consumers is estimated as shown below:

Table -3
Amount of subsidy required for providing relief to domestic consumers

Monthly consumption bracket	Subsidy to be allowed	Amount of subsidy required (Rs.lakh)
upto 40 units (BPL upto 1000Watt)	Electricity charges at Rs.1.50/unit	0.08
upto 50 units	50% of additional bill amount	6.11
upto 100 units	30% of additional bill amount	7.15
upto 150 units	25% of additional bill amount	13.33
above 150 units	20% of additional bill amount	51.21
Total		77.87

13.As per the revised estimate of TCED, the total financial commitment for providing rebate and relaxation (Rs.64.06 lakh+77.87 lakh) including lost interest due to delayed payments (Rs.25.02 lakh) is Rs.166.95 lakh as against the initial estimate of Rs.273.85 lakh.

14.The licensee reported that since the orders of the Government was not applicable to consumers of TCED, demand was raised and the consumers have paid the bills.It was also reported that interest charges to the tune of Rs.59.36 lakh was also collected from the consumers on account of delayed payments. The month wise details of demand raised, actual collection received, balance due from the categories for which rebates are applicable and the number of consumers defaulted are given below:

Table -4
Actual demand raised during the lockdown period and total collection received

	Month	No of consumers	Total Demand (Rs.lakh)	FC Total (Rs.lakh)	Total Collection Received (Rs.lakh)	Balance (Rs.lakh)	No of defaulted	% defaulted consumers
HT I A	March	4	3.39	0.93	3.40	-		
	April	4	1.63	0.83	1.65	-		
	May	4	2.70	0.88	2.72	-		
HT IV A	March	50	92.67	28.34	88.19	4.84	4	8%
	April	50	42.73	24.91	40.26	2.71	4	8%
	May	51	60.80	25.84	58.34	2.86	4	8%
HT IV B	March	37	101.95	20.62	84.62	17.48	6	16%
	April	37	44.30	18.79	35.87	8.98	8	22%
	May	37	52.52	19.25	44.03	9.55	8	22%
HT Private Hospital	March	11	97.09	12.01	98.18	-		0%
	April	11	77.65	11.65	69.00	8.67	2	18%
	May	11	86.64	11.83	75.27	11.38	2	18%
Above 10 KW	March	766	177.71	25.33	155.39	22.11	95	12%

	April	767	77.90	25.34	71.08	6.66	100	13%
	May	769	100.24	25.51	89.66	10.19	104	14%
LT IV Monthly	March	508	19.05	3.34	17.80	1.40	35	7%
	April	508	9.29	3.33	8.33	1.07	38	7%
	May	505	14.70	3.34	13.37	1.49	45	9%
Private Hospital Monthly	March	20	7.31	1.00	6.78	0.53	1	5%
	April	20	7.53	1.00	7.36	0.18	1	5%
	May	20	5.36	1.00	5.08	0.32	1	5%
VIIA Bi monthly		13050	312.25	64.74	270.78	53.47	1968	15%
VIIB Bi monthly		1505	7.18	1.51	6.62	1.17	215	14%
VII C Bi monthly		5	0.26	0.06	0.19	0.08	2	40%
Private Hospital Bi Monthly		30	1.07	0.61	1.10	0.03	1	3%
Total			1,403.92	331.97	1,255.06	165.19		

15. TCED also reported that an amount of Rs.59.36 lakh has been already collected from the consumers as interest charges for the belated payment. According to TCED, this amount should also to be returned if rebate and extension of due date is allowed.

16. As per the details furnished, total receivable for the three months (Rs.165.19 lakh) is about 12% of the demand raised (Rs.1403.92 lakh), which is not substantial considering the pandemic situation.

Analysis and decision of the Commission

17. The Commission has carefully examined the prayers of the petitioner TCED and the details furnished thereof. According to the petitioner, the rebates announced by the Government is for the entire electricity consumers of Kerala and therefore has to be made applicable to the consumers of TCED also. The licensee has furnished the estimates of the financial commitments required for allowing the rebates.

18. The licensee has already issued bills to the consumers without any rebates. It is seen that about 88% of the amount has been collected. The licensee has also collected interest charges for the delayed payments during March to December of Rs.59.36 lakh. The number of defaulted consumers in various categories for the months of March to May is ranges from 3% to 22%, except for LT VIIC, where default is about 40%.

19. As per the estimate of the licensee, rebates (fixed charges for industrial and commercial consumers and reduction in excess bill for domestic consumers) for three months requires Rs. 160.86 lakh and Rs.141.93 lakh if the rebate in fixed charges is limited to lockdown period only.

20. Based on the request of the licensee, the Commission is of the view that keeping in view the Covid-19 pandemic situation and giving due consideration

to the spirit of the Hon'ble Chief Minister's announcement these rebates are to be allowed to the consumers of TECD also. The Commission also noted that the rebates in the case of domestic consumers of KSEB Ltd is extended by Government. Hence, the Commission vide letter dated 20-08-2020 had sought the views of the Government on allowing the rebates to the consumers of licensee other than KSEB Ltd. The Government has sought certain clarifications and the Commission has provided the available details to the Government. The views of the Government in this regard is awaited.

21. Pending the views from the Government, the Commission is of the view that the rebates and relaxations as announced by Government are to be extended to the same category of the consumers of TCED as well. Accordingly the same is ordered.

Orders of the Commission

22. Based on the above deliberations, the Commission decides as follows:

- a. By invoking the provisions of Regulation 179 of the Kerala Electricity Supply Code, necessary relaxations are made in public interest for allowing the following rebates and relaxations for the respective category of consumers of TCED:
 - i. Rebate of 25% in fixed charges commencing from 24th March till end of May 2020 as announced by the Government for Industrial consumers, Commercial consumers and private hospitals shall be made applicable to the similarly placed consumers of TCED licence area.
 - ii. The deferment of balance 75% of the fixed charges be allowed to be paid without interest till 15-12-2020.
 - iii. The licensee shall refund the said rebate amount in the future bills if consumers have paid the same. Further, interest charges for belated payments if any collected shall also be refunded through adjustment in the future bills. The above adjustment shall be done in a maximum of two billing periods (ie., two months for monthly billed consumers and four months in bimonthly billed consumers) from the date of this order.
 - iv. The rebates in the bills announced by the Government for domestic consumers shall also be allowed in the same manner for the domestic consumers in TCED area.
 - v. TCED shall furnish to the Commission, the consumer category wise details of rebates actually extended to the consumers once the refunds/rebates are fully passed on to the consumers.

23. The disputes if any on the matter shall be as far as possible addressed through the internal grievance redressal mechanism, which may be created for the said purpose, if necessary. Escalation of complaints if any to be before the CGRF and further to the Ombudsman.
24. The financial commitment on account of allowing above rebates/relaxations will be addressed suitably during the truing up process for the respective year duly considering the directions if any on this issue from the Government
25. Petition disposed of. Ordered accordingly.

**Sd/-
Preman Dinaraj
Chairman**

Approved for issue

**Sd/-
Secretary (i/c)**