

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

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

In the matter of : Schedule of Tariff and Terms and Conditions for Retail Supply of Electricity by KSEB Ltd and all other Licensees in the State of Kerala with effect from 01.04.2021.

**File No. 0476/DD(T)/2020/KSERC**

**Order dated 19.03.2021**

1. The Commission, in exercise of the powers vested in it under Section 62 and 64 of the Electricity Act, 2003 and provisions of the Tariff Regulations, 2018 had issued the Tariff order dated 08.07.2019 in petition OA No.15/2018 filed by KSEB Ltd, after duly considering the written as well as oral comments, suggestions, submissions and objections raised by the stakeholders during the Public hearings and the various judgments of the Hon'ble Appellate Tribunal for Electricity.
2. The Commission also approved the 'Schedule of Tariff and Terms and Conditions for Retail Supply of Electricity by KSEB Ltd and all other licensees with effect from 08.07.2019 to 31.03.2020.
3. The Commission in its Order dated 08.07.2019 in OA No. 15/2018 had stated that, the tariff applicable for the period from 01.04.2020 to 31.03.2022 of the control period will be determined based on the Truing up petition for 2018-19, to be filed by KSEB Ltd along with the Mid-term Performance Review (MPR) to be filed on or before 30<sup>th</sup> November 2019 as per Sub Regulation (f) of the Regulation 8 and Sub Regulation (2) of Regulation 10 of the KSERC (Terms and conditions for Determination of Tariff) Regulations, 2018. The relevant provisions of the Regulations are quoted below:

*“8(2) (f) Mid-term Performance Review (MPR) in the year 2019-20 which shall comprise the truing up of the year 2018-19 and annual performance review upto September 2019 on account of uncontrollable parameters and for the variations in performance on account of controllable parameters for the Control Period vis-à-vis the ARR approved for the Control Period and the revised forecast for the years 2020-21 and 2021-22 on account of unanticipated variations if any on controllable and uncontrollable parameters”*

*“10 (2) Every generating business/company or transmission business/licensee or*

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*distribution business/licensee or State Load Despatch Centre shall file, on or before the Thirtieth day of November 2019, the Mid-term Performance Review (MPR) which shall comprise the truing up for the financial year upto 2018-19 and mid year performance review for the year 2019-20 and the revised forecast for the year 2020-21 and 2021-22 on account of unexpected variations if any on controllable and uncontrollable parameters”*

4. KSEB Ltd, on 27.03.2020, submitted petitions on Mid-term Performance Review (MPR). The MPR petition submitted by KSEB Ltd comprises of the Truing up Petition for 2018-19, Midyear Performance Review for 2019-20 and the revised forecast for 2020-21 and 2021-22 of Generation, Transmission and Distribution functions of KSEB Ltd.
5. However, due to the outbreak of COVID-19 pandemic, and subsequent restrictions imposed by the authorities, the Commission could not conduct stake holder consultation and public hearings on the petitions on Mid-term Performance Review filed by KSEB Ltd. The Commission, therefore vide the order dated 30.03.2020 in File No. 0476/DD(T)/2020/KSERC issued orders extending the validity of the prevailing 'Schedule of Tariff and Terms and Conditions for Retail Supply of Electricity by Kerala State Electricity Board Limited and all other Licensees' approved by the Commission vide Order dated 08.07.2019 in petition No. OA 15/2018, from 01.04.2020 to 31.03.2021, or till the date of effect of the new Tariff order to be determined by the Commission, whichever is earlier.
6. Now, KSEBL vide letter dated 15.03 2021 submitted the following.
  - (1) Due to Covid-19 pandemic and the consequent nationwide lockdown, the finalization of account of KSEBL for the financial year 2019-20 was delayed and the same has been audited and certified by the statutory auditors on 16.02.2021. Loss as per the audited accounts for the FY 2019-20 has been Rs 269.55 crore. Preparation of the Truing up petition for 2019-20 is in progress and the same will be filed before the Hon'ble Commission shortly.
  - (2) Hon'ble Commission, while issuing the tariff order dated 08.07.2019, has highlighted that the additional revenue expected by allowing the existing tariff to continue would be sufficient to cover the revenue gap (after amortization of past approved gap) determined for 2020-21 and 2021-22. It may kindly be noted that the revenue gap for FY 2018-19 for truing up has been Rs 759.58 crore and considering the loss for 2019-20 as per accounts, it is unlikely that any amortization of past gap could be made in these years as ordered by the Commission vide the tariff order dated 08.07.2019.
  - (3) In view of the above and considering the expiry of validity of the tariff order on 31.03.2021, it is respectfully submitted that the Hon'ble Commission may consider extending period of validity of the prevailing electricity tariff beyond 31.03.2021.
7. Due to Covid-19 pandemic and consequent restrictions imposed in the State, the Commission could not conduct public hearings at various places of the State on the petitions on Mid-term Performance Review and Truing Up petitions for the FY 218-

19, filed by KSEBL on 27.03.2020. Further, the Commission already initiated the process of finalization of the Tariff Regulations and determination of tariff for the next control period starting from the year 2022-23 onwards, which will be published for stakeholder consultation and public hearings shortly.

8. Considering all these aspects in detail, the Commission hereby orders that the validity of the prevailing 'Schedule of Tariff and Terms and Conditions for Retail Supply of Electricity by Kerala State Electricity Board Limited and all other Licensees' approved by the Commission vide Order dated 08.07.2019 in petition No. OA 15/2018, is extended from 01.04.2021 to 31.03.2022 or till the date of effect of the new Tariff order to be determined by the Commission, whichever is earlier.

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

**Sd/-**  
**Preman Dinaraj**  
**Chairman**

Approved for issue

C R Satheeshchandran  
Secretary (i/c)