

Kerala State Electricity Regulatory Commission
Thiruvananthapuram

Present : **Shri Preman Dinaraj, Chairman**
Shri K.Vikraman Nair, Member
Shri S.Venugopal, Member

OP No. 08/2018

In the matter of: Cost data for distribution works for 'Thrissur Corporation Electricity Department for the financial year 2018-19'.

Petitioner : Thrissur Corporation Electricity Department

Daily Order dated 05.10.2018

1. Thrissur Corporation Electricity Department (herein after referred to as the petitioner or TCED) filed a petition/application dated 01.06.2018 for the approval of cost data for distribution works for FY 2018-19, for the recovery of expenditure under Section 46 of the Electricity Act 2003. The Commission admitted the petition as OP No. 08/2018.
2. The Commission vide the letter dated 16.07.2018 directed the TCED to submit the following details to proceed with the petition filed by KSEB Ltd.
 - (i) Purchase order in support of the cost of materials claimed by TCED.
 - (ii) The actual expense incurred by TCED in the FY 2016-17 for carrying out the works proposed in the petition filed by TCED.TCED is yet to submit the details.
3. The Commission conducted the public hearing of the petition at Government guest house, Ramanilayam at Thrissur on 28.09.2018. The list of participants attended the hearing is enclosed as Annexure. During the hearing, Sri. J. Jose, Electrical Engineer presented the petition on behalf of the petitioner TCED. The summary of the issues raised by the TCED is given below.
 - (1) TCED had adopted the basic data on labour and transportation as per the order of the Commission dated 27.04.2018 in petition No. OA No. 17 of 2017, in the matter of 'approval of the cost data of KSEB Ltd for the year 2018-19'.
 - (2) The cost of materials claimed is as per the latest purchase orders/quotations received for supply of materials.
 - (3) For arriving the labour cost, the cost index of 1.4699 is adopted

- (4) The GST at the rate 18% is claimed on cost of labour and cost of transportation.
4. Sri. Francis Chellusery, the councilor, Thrissur Corporation submitted that, the petition for approval for cost data was submitted before the Commission without getting the permission from the Corporation council.
5. Sri. Radhakrishnan, former Mayor, submitted that, electricity distribution in the small area of 12.65 square kilometer out of 103 square kilometer only is served by TCED and in the balance area, electricity distribution is being done by the KSEB Ltd. The cost data claimed by TCED is much higher than that approved for KSEB Ltd for the financial year 2018-19. Hence, the electricity consumers of TCED may be force to pay higher amount if the cost data is approved as claimed.
6. Sri. G. Manoj, Assistant Executive Engineer, representing KSEB Ltd submitted the following.
- (i) The cost of all works specified in the petition are more than the cost approved for KSEB Ltd for the financial year 2017-18.
 - (ii) The cost index approved for KSEB Ltd is 1.43 where as the same claimed by TCED is 1.4699. The cost index of KSEB Ltd is the average cost index of 14 districts, however for estimating the cost data of TCED, the cost index of 14 district is not required. As per the circular of PWD dated 19.09.2017, the cost index of Thrissur is 1.3725.
 - (iii) The basis of arriving the cost of materials, labour cost, transportation etc are not detailed in the petition. It is observed that, TCED has generally followed the method approved by the Commission for KSEB Ltd.
7. Adv. Jacob Puthusery, President, Anti Corruption Peoples Movement, Kerala submitted that, the staff pattern in the TCED is much higher than that in KSEB Ltd. The proposal to construct the 110 kV substation at a cost of Rs 60.00 crore is intended only for getting promotions to the employees of TCED.
8. Sri. Ramakrishhan, Architect submitted that, the cost of distribution works as per the petition is much higher than that approved for KSEB Ltd. He further submitted that, the details of the petition is not available to the consumers.
9. The Commission examined the submission of the petitioner TCED and other stakeholders, and issue the following observation and decision for the compliance of the TCED.
- (i) The cost of materials claimed by TCED is much higher than that approved for KSEB Ltd for the FY 2018-19. The cost of 8m PSC pole claimed by TCED is Rs 3968/- per pole as against Rs 2704/- approved for KSEB Ltd, for the FY 2018-19. Similarly, the cost of 100kVA transformer claimed by TCED is Rs 179125/- as against Rs 141251/- approved for KSEB Ltd for the FY 2018-19. TCED submitted that, this variation is mainly due to the smaller quantum of purchase of the materials when compared to the large volume of purchase by

KSEBLtd. The Commission has also noted that, the annual requirement of the distribution poles and transformers required by TCED is very few in numbers and the same can be arranged from KSEB Ltd itself at the purchase price of KSEB Ltd.

Thrissur corporation may take up the matter with the management of KSEB Ltd and to reach a consensus on this issue and report the compliance.

- (ii) It is also noted that, TCED claimed GST @18% for the works executed by them with their employees. While approving the cost data for KSEB Ltd for the FY 2018-19, the Commission has approved the cost data excluding the GST. However, KSEB Ltd is authroised to collect the GST applicable, for the works and services rendered by them from the consumers and remit the same to the Government as per the orders of the Central Government and State Government from time to time.

In the above lines, TCED may revise the cost data for distribution works, excluding the GST, and the GST may be claimed separately from the consumers.

- (iii) TCED has adopted 1.4699 as the cost index for distribution works, based on the cost index published by Kerala PWD on 31.03.2017. TCED may revise cost data by adopting the cost index of Thrissur as per the circular of the Kerala PWD dated 19.09.2017.
- (iv) TCED may submit the copies of the purchase orders in support of the cost of materials claimed.
- (v) TCED also may submit the details of the actual cost of works executed during the FY 2016-17, with all supporting documents.

Sd/-

K.Vikraman Nair
Member

Sd/-

S.Venugopal
Member

Sd/-

Preman Dinaraj.
Chairman

Approved for issue

K B Santhosh Kumar
Secretary

Annexure

1. Sri. K Radhakrishnan, Former Mayor , Trissur Corporation
2. Adv. Jacob Puthussery, President, Anti Corruption People's Movement, Thrissur
3. Sri. Manoj G, K S E B Ltd.
4. Sri. M G Rajagopal, CGRF
5. Sri. Rajan Konikara, Deputy Manager, KSFE
6. Sri. Aji K Kareen, Manager, KSFE
7. Sri. Edwin Jose, Josco Jewellers, Thrissur
8. Sri. Smito, Chungathu Jewellery
9. Sri. K. Ramakrishnan, Architect, ENARC, Thrissur
10. Sri. C P Muhammed Haneef, Merchant Association, Thrissur
11. Sri. E. Nandakumar, EMKE Group, Thrissur
12. Sri. Francis .P.Y, AE, TCED
13. Sri Shameer.N, AE, TCED
14. Sri. M. Sugathan, Asst. Secretary, Thrissur Corporation
15. Sri. Francis Chalissery, Councilor, Thrissur Corporation
16. Smt. C. B. Geetha, Councilor, Thrissur Corporation
17. Smt. Sheena Chandran, Councilor, Thrissur Corporation
18. Sri. Jayaraj K. N
19. Sri. Shine M.V, AE, TCED
20. Sri. B. Nikhil, AE, TCED
21. Sri. Balakrishnan A.K, SE, TCED
22. Sri. S. Prasad
23. Sri. Prasad.P, AE, TCED
24. Sri. Premkumar P.N, TCED
25. Sri. Ajikumar. P, TCED
26. Smt. Julymol Joseph, SE, TCED
27. Smt. Rethi.K, SE, TCED
28. Sri. Arun Prakash, SE, TCED
29. Sri.Davis Parappukara, Telegraph
30. Maintenance Supervisor, Aswini Hospital
31. Sri. Sebastian Jose, K.U.V.E.S