

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

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

Application No. OA 17/2017

Petitioner : KSEB Ltd
Vydyuthi Bhavanam, Pattom,
Thiruvananthapuram.

In the matter of : Approval of estimate rates of
Distribution works.

K S E B Ltd. represented by : Sri. Bipin Sankar, Deputy CE (TRAC)
Sri Manoj G, AEE- TRAC

Daily order dated 01.02.2018

1. KSEB Ltd vide the application No. KSEB/TRAC/cost data/R3/2017/4394 dated 22.11.2017 has filed an application before the Commission for approval of cost data for distribution works for the year 2017-18.
2. The summary of the application filed by K S E B Ltd. is;
 - (1) The petition is filed under Regulation 33(1) of Kerala Electricity Supply Code, 2014, wherein it is specified that the Licensee shall annually obtain approval of the Commission for Schedule of Rates for recovery of expenditure under Section 46 of Electricity Act 2003.
 - (2) The Commission vide the order dated 20.05.2016 in petition O.A No. 12 of 2015 had approved the rates for distribution works for the financial year 2016-17. Further, vide order dated 1.7.2015 in O.A. No. 5/2015, the Commission had approved the rates of drawing different types of Aerial Bunched Conductors.
 - (3) The State Government vide the order dated 17.4.2013 ordered to adopt CPWD data and Schedule of Rates (SOR) in Government departments

w.e.f 1st October 2013. The estimate rates is revised in accordance with the latest CPWD schedule of rates.

- (4) KSEB Ltd has followed the methodology approved by the Commission in the order dated 20.05.2016 in petition OA No, 12 of 2015, while estimating the rate of distribution works.
- (5) CPWD schedule of rates 2016 with cost index of March 2017 was adopted for arriving cost of labour. The CPWD schedule of rates are based on the prevailing market rates of materials in Delhi as on 01.04.2016. In order to arrive the cost index of Kerala as on March 2017, the average cost of 14 districts of the state published by PWD, Kerala being adopted and this index works out to 1.4699
- (6) KSEB Ltd has adopted the rate of materials, centrally purchased by them internally, for the year 2015-16 for the distribution materials, with due verification by Chief Internal Auditor. In the case of the items not purchased internally, the rate approved by Commission in the order dated 20.05.2016 is taken as basis for estimation.
- (7) The labour data estimated for each work is also provided in the petition.
- (8) The basic data used for arriving at the transportation cost is also submitted along with petition. In cases where basic data is not available, the transportation cost is arrived by applying inflation rate in the approved transportation cost for the year 2016-17.
- (9) As a specialized work and not widely used, no change is proposed in the cost data for aerial bunched conductors as approved by Commission on 1.7.2015.
- (10) GST has been introduced in the state with effect from 1.7.2017. The VAT applicable during the purchase (2015-16) is included in the cost of materials. Hence GST is not claimed for cost of materials. However, for

labour charges and transportation, GST @ 18% is claimed, while estimating the cost of distribution works.

3. The Commission admitted the application as OA No 17/2017. The copy of the application is made available at the website of the Commission and the same also published at the website of the licensee KSEB Ltd. Further, the abstract of the application is also published in the dailies by KSEB Ltd. The Commission has also issued press release regarding the public hearing. The public hearings were conducted at at Ernakulam on 15.01.2018, at Kozhikode on 16.01.2018 and at Thiruvananthapuram on 18.01.2018.
4. Hearing conducted at Town Hall Kochi as scheduled on 15.1.2015. Sri Bipin Sankar, Deputy Chief Engineer (TRAC), K S E B Ltd. presented the details of the application filed by K S E B Ltd. He submitted that there is still some ambiguity regarding the applicability of GST and K S E B Ltd. requested that the GST may be allowed as extra so that K S E B Ltd. can claim the GST as per direction of IT department and remit the same to Government.
5. Sri Shaji Sebastian submitted that the time frame to provide supply may be adhered.
6. Sri Abdul Rahman, representing the petty contracts of K S E B Ltd. requested that the revision of cost data may be done on a timely manner along with revision in PWD. Sri Umesh Babu representative of the petty contractor further added that, even with this revision, the work done by petty contractors during emergencies are not fully compensated. He requested the Commission to approve the revision at the earliest.

Hearing on the petition at Kochi was concluded at 12.30 PM and the next hearing is scheduled at Kozhokode at 10.30 AM on 16.1.2018.

Sd/-

K.Vikraman Nair
Member

Sd/-

S.Venugopal
Member

Approved for issue

K B Santhosh Kumar
Secretary