

**BEFORE THE HONOURABLE KERALA STATE ELECTRICITY REGULATORY  
COMMISSION**

At its office at CV Raman Pillai Road, Vellayambalam, Thiruvananthapuram.

**FILING NO**            /2022

**CASE No.**

**IN THE MATTER OF:**

Petition under section 94(1)(f), 86(1)(b) of electricity Act 2003 seeking review of the directives issued by KSERC vide letter No. 1106/D(T)/KSERC/2022/ 701 dated 16.08.2022 in the matter of Extension of Interim Tariff approved by the Commission vide Order dated 14.09.2020 in petition OP No:56/2019 for a further period of 1 year from 01.04.2022 to 31.03.2023.

AND

**PETITIONER:**

Kerala State Electricity Board Limited,  
Vydyuthi Bhavanam, Pattom, Thiruvananthapuram

Applicant



**Chief Engineer (Commercial & Tariff)**  
Kerala State Electricity Board Limited

**AFFIDAVIT VERIFYING THE APPLICATION**

I, Sri. Jayaraj. V, son of Sri. N. Vasudevan, aged 51 years residing at Lakshmi Mandiram, Thycad P.O, Jagathy, Thiruvananthapuram do solemnly affirm and state as follows:

I am the **Chief Engineer (Commercial & Tariff)** of the Kerala State Electricity Board Limited, Vydyuthi Bhavanam, Pattom, Thiruvananthapuram, and the **respondent** in the above matter and I am duly authorized by the Board to make this affidavit on its behalf. I solemnly affirm at Thiruvananthapuram on this the **14.11.2022 that**

- (i) Contents of the above petition are true to my information, knowledge and belief. I believe that no part of it is false and no material has been concealed there from.
- (ii) **That the statements made in paragraphs of the accompanying application now shown to me are true to my knowledge and are derived from the official records made available to me and are based on information and advice received which I believe to be true and correct.**

Deponent



**Chief Engineer (Commercial & Tariff)**

Kerala State Electricity Board Limited, Vydyuthi Bhavanam,  
Pattom, Thiruvananthapuram – 695 004

**VERIFICATION**

I, the above named deponent, solemnly affirm at Thiruvananthapuram on this the **14.11.2022** that the contents of the affidavit are true to my information, knowledge and belief, that no part of it is false and that no material has been concealed there from.

Deponent



**Chief Engineer (Commercial & Tariff)**

Kerala State Electricity Board Limited, Vydyuthi Bhavanam,  
Pattom, Thiruvananthapuram – 695 004

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Solemnly affirmed and signed before me

T.N. Omana  
14/11/2022

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**T.N. OMANA**  
Advocate & Notary  
Thiruvananthapuram Revenue District  
Kerala State South India

Advocate and Notary  
**BEFORE THE HONOURABLE KERALA STATE ELECTRICITY  
REGULATORY COMMISSION**

**IN THE MATTER OF:** Petition under section 94(1)(f), 86(1)(b) of electricity Act 2003 seeking review of the directives issued by KSERC vide letter No. 1106/D(T)/KSERC/2022/701 dated 16.08.2022 in the matter of Extension of Interim Tariff approved by the Commission vide Order dated 14.09.2020 in petition OP No:56/2019 for a further period of 1 year from 01.04.2022 to 31.03.2023.

**PETITIONER:** Kerala State Electricity Board Limited  
Vydyuthi Bhavanam, Pattom,  
Thiruvananthapuram – 695 004

The petitioner, KSEBL, respectfully submits this petition based on the provisions of the Section 62, 86 (1) (b)(e) ,94(f)of the Electricity Act, 2003

- I. This petition is filed before this Honorable Commission in the matter of, review of the directives issued vide letter No. 1106/D(T)/KSERC/2022/ 701 dated 16.08.2022 in connection with the Extension of Interim Tariff approved by the Commission vide Order dated 14.09.2020 in petition OP No:56/2019 for a further period of 1 year from 01.04.2022 to 31.03.2023.
- II. M/s Hydro Power, Kothamangalam, on 16.07.2019, had filed a petition before the Commission for the approval of draft Power Purchase Agreement (PPA) duly initialled by the petitioner and KSEB Ltd for 50 kW (25 kW x 2) Deviar Micro Hydro Electric Power Project (DMHEP) commissioned by the petitioner in his own land in Neriamangalam, Idukki district, Kerala.
- III. KSERC vide order dated 14.09.2020 in OP No.56/2019 has approved an interim tariff for claiming payments for the energy injected into the grid subjected to the condition that *'Till such time the project specific tariff is*

*determined, KSEB Ltd shall pay Hydropower an interim tariff at the rate of the average cost of power purchase from sources other than from KSEB Ltd.'s own plants as applicable for each of the Financial Years'.*

- IV. As per the order, M/s Hydro Power, Kothamangalam is allowed to claim interim tariff only for the energy injected into the grid till 31.03.2022. Within the said period, i.e., by 31.03.2022, M/s Hydro Power, Kothamangalam shall get the approval of the project specific tariff of the project by filing proper petition.
- V. In the meantime, M/s Hydro Power, Kothamangalam intimated to KSERC that, due to COVID 19 pandemic and the restrictions they could not fulfil the directives of the commission to file a petition for the determination of project specific tariff.
- VI. M/s Hydro Power, Kothamangalam also informed KSERC that, KSEBL is not effecting the payment for the energy injected into the grid from 01.04.2022.
- VII. The Commission vide letter No. 1106/D(T)/KSERC/2022/701 dated 16.08.2022 allowed M/s. Hydro Power Ltd to claim interim tariff "at the rate of the average cost of power purchase from sources other than from KSEB Ltd's own plan as applicable for each of the financial years" for the period up to 31.03.2023.
- VIII. The Commission further directed that, within 31.03.2023 M/s Hydro Power, Kothamangalam shall get the approval of the project specific tariff by filing proper petition as per the order of the commission dated 14.09.2020 in petition OP No. 56/2019.
- IX. As the audited account can be finalised only after the end of the financial year. KSERC, vide tariff order (OP No. 11/2022) for the control period 2022-23 to 2026-27 dated 25/06/2022, has provisionally approved the cost of power purchase excluding internal generation for the FY 2022-23 @Rs.4.34/kwh.
- X. It is to be noted that, in KSERC Regulation 2020, for the determination of Average Power Purchase cost (APPC) whether to include self-generation is not clearly mentioned. In the interim tariff order, KSERC considered average power purchase cost as average cost of power purchase from sources other

than from KSEB Ltd's own plan. However, in the KSERC (Renewable Energy and Net Metering) (first amendment) regulations, 2022, Regulation 2(1) (da) internal generation is also considered for determining APPC. The relevant regulation is reiterated below,

Regulation 2(1) (da): *'Average Power Purchase Cost or "APPC" during a year means the weighted average cost of the power purchased by KSEB Ltd including the cost of self-generation by KSEB Ltd, for the previous financial year as approved by the Commission'.*

- XI. The average power purchase cost as per the prevailing regulation for the year 2022-23 is derived based on audited accounts of 2021-22 as Rs.2.69/unit and is submitted before KSERC for approval.
- XII. Moreover, it is also to be noted that, as per clause 5.4 of the draft PPA, initialled by KSEB Ltd and M/s Hydro Power, tariff will be project specific tariff as determined by the Commission or generic tariff notified by the Commission, whichever is lower.
- XIII. KSEBL is responsible to procure power at lowest rate for the benefit to the consumers of the state. It may kindly be noted that Deviar Micro Hydro Electric Power Project is a run-of -the river project located in Idukki district. The power from run-of -the- river small hydro project is completely infirm in nature and generation details of most of the run-of-the-river projects reveal that the project is generating power mainly during monsoon season. The state has a peculiar power generation statistic in which hydro stations are generating power in full capacity during the monsoon even though power demand is lesser compared with summer season. It is important to note that the peak energy requirement is in summer months but no power is available from run- of-the- river projects during such seasons.
- XIV. KSEBL has entered in to contracts with run- of- the- river projects in earlier days for meeting mandatory R.P. Obligations and as per the policy of the State Govt. The price of RE has drastically come down in solar and non-solar sectors. In order to utilise the benefit of lower RE price KSEBL has acted for entering into cheaper RE contracts for meeting its RPO targets of both Solar

and non-solar. These contracts will enable KSEBL to meet its RPO at lower cost. The benefit of which is ultimately passed on to the consumer of the state.

- XV. As a small hydro promotional measure KSEB Ltd decided to purchase the electricity from the project at the project specific tariff to be determined by the Hon'ble Commission or the generic tariff, whichever is lower. But the petitioner has not yet filed details for determining project specific tariff. This is a fall on the part of M/s Hydro Power, Kothamangalam. However, the regulatory commission had extended the interim tariff period without hearing the part of KSEBL.
- XVI. It is submitted that, the cost of power purchase excluding internal generation for the FY 2022-23 @Rs.4.34/kwh is on the higher side. The Average Power Purchase cost as per the prevailing regulation includes the self-generation. The higher rate, due to non-submission of document on time by M/s Hydro Power, Kothamangalam, will be passed on to the common people. Therefore, it is requested to re-examine the criteria fixed by the Commission for determining interim tariff and fix an interim tariff which is viable to the utility.

#### Prayer

- i. KSEBL humbly prays before this Hon'ble Commission to re-examine the criteria fixed by the Commission for determining interim tariff in connection with the Extension of Interim Tariff approved by the Commission vide Order dated 14.09.2020 in petition OP No:56/2019 for a further period of 1 year from 01.04.2022 to 31.03.2023



**Chief Engineer (Commercial & Tariff)**