

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

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

STATEMENT OF OBJECTIONS / REASONS

Sub: Kerala Electricity Supply (Amendment) Code, 2020

1. The Kerala State Electricity Regulatory Commission (hereinafter referred to as “the Commission”) has initiated the process of amending certain Regulations of the Kerala Electricity Supply Code, 2014, based on the proposals of the incumbent licensee KSEB Ltd, proposals of the Electricity Ombudsman, staff of the Commission and duly considering the recommendations of the Electricity Supply Code Review Panel (ESCRP). The draft Regulation was notified at the official website of the Commission on 01.08.2019, for the information and for inviting comments on all the stake holders and other interested parties, in conformity with the electricity (Procedure For Previous Publication) Rules, 2005 notified by the Ministry of Power, Government of India dated the 9th June, 2005. The Commission also uploaded an explanatory memorandum highlighting the circumstances and other important parameters adopted in the draft Kerala Electricity Supply (Amendment) Code, 2019.
2. Commission conducted the public hearing on the draft Regulation at Thiruvananthapuram on 24.10.2019 and at Ernakulam on 31.10.2019. The response received from various stake holders during the public hearing as well as written comments were also made available at the website of the Commission for information and comments of the Stake holders.
3. The Commission, in compliance with the provisions of the Electricity Act, 2003 and the Electricity (Procedure For Previous Publication) Rules, 2005, and after extensive consultation with all stake holders, proceeds to finalise the Kerala Electricity Supply (Amendment) Code, 2020. The Commission considered the comments of stake holders and other interest parties, on

draft Regulations raised by the participants in the public hearing as well as their written submissions received during and after the public hearing.

The list of the stake holder who have participated during deliberations of the draft Kerala Electricity Supply (Amendment) Code, 2020 is enclosed as **Annexure 1.**

4. The analysis of the issues and findings of the State Commission on each issue raised by the Stake holders are discussed in the subsequent paragraphs.

(1) **Amendment to sub-Regulation (1) of Regulation 11 of the Supply Code**

The Regulation 8 of the Supply Code specifies the maximum load (connected load or contract demand) that can be connected at different supply voltages. The Regulation 11 of the Supply Code deals with the limits of connected loads and contract demand for new LT connections. The Commission proposed the following changes on the Regulation 11 of the Supply Code, 2014.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<p><i>“11(1)The maximum connected load permissible for low tension three phase category shall be limited to 100kVA:</i></p> <p><i>Provided that a low tension consumer who, as on the date of implementation of the Kerala Electricity Supply Code, 2005, had a sanctioned load exceeding the limit of 100kVA, may be permitted, subject to realisation of low voltage supply surcharge, to operate with the same sanctioned load at the same voltage level of supply until an upward revision of connected load is sought for by the consumer.”</i></p>	<p>(i)In sub Regulation(1) of Regulation 11 of the Code, the words “except in the case of consumers billed on the basis of contract demand” shall be added at the end;</p>

Views of the Stake holders

KSEB Ltd and other stakeholders agreed with the changes proposed in the Draft.

Decision of the Commission

As per the prevailing tariff order in force, the LT Consumer having a connected load above 20kW is billed under Time of the Day (ToD) Tariff on the basis of contract demand. For other categories, the billing is done on the basis of the connected load. However the consumers under LT VI (A), LT VI (B), LT VI (C), LT VI (E), LT VI (F), LT VI (G), LT VII (A) and LT VII (C) with connected load above 20 kW have the option to opt for 'Optional Demand Based Tariff'. In such cases, such consumers are also billed on the basis of contract demand in kVA basis instead of connected load in kW basis. So, LT IV Industrial consumers and LT Consumers who opt for Optional Demand Based Tariff is being billed on the basis of contract demand instead of connected load. Hence the Commission approved to publish the changes in the Draft Kerala Electricity Supply Code, 2019.

Since the stakeholders also agreed with the proposal, the Commission, finalises the changes as proposed in the Draft Kerala Electricity Supply Code, 2019.

(2) Amendment to sub-Regulation (1) of Regulation 11 of the Supply Code

Further, in the Draft Kerala Electricity Supply Code,2019, the Commission proposed to replace the first proviso to Regulation 11 as follows.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<p><u>First proviso to Regulation 11</u> <i>Provided that a low tension consumer who, as on the date of implementation of the Kerala Electricity Supply Code, 2005, had a <u>sanctioned load</u> exceeding the limit of 100kVA, may be permitted, subject to realisation of low voltage supply surcharge, to operate with the <u>same sanctioned load</u> at the same voltage level of supply until an upward revision of connected load is sought for by the consumer.</i></p>	<p>“Provided that a low tension consumer who, as on the date of implementation of the Kerala Electricity Supply Code, 2005, had a <u>sanctioned connected load</u> exceeding the limit of 100kVA, may be permitted, subject to realisation of low voltage supply surcharge, to operate with the <u>same sanctioned connected load</u> at the same voltage level of supply until an upward revision of connected load is sought for by the consumer.”</p>

Views of the stakeholders

KSEB Ltd proposed to substitute the word ‘sanctioned connected load’ by the word ‘contracted connected load’, since the sanctioned connected load is not defined in the Supply Code.

Decision of the Commission

Commission noted the suggestions of KSEB Ltd. The Contracted connected load is defined as Regulation 2 (27) of the Supply Code, 2014, which is extracted below.

“contracted connected load” means the connected load installed by the consumer at the time of executing the service connection agreement and recorded in kW / kVA in the schedule to the said agreement or the connected load duly revised thereafter;

The Commission has proposed to substitute the word ‘sanctioned load’ with the ‘sanctioned connected load’ to give more clarity on the issue. Since the word ‘sanctioned connected load’ proposed in the draft and ‘contracted connected load’ in the Supply Code, 2014, assign the same meaning, the Commission approve to substitute the word ‘sanctioned load’ with ‘contracted connected load’ instead of the ‘sanctioned connected load’ in the draft Kerala Electricity Supply Code, 2019.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019	Approved in the final Supply Code,2014
<p><u>First proviso to Regulation 11</u> <i>Provided that a low tension consumer who, as on the date of implementation of the Kerala Electricity Supply Code, 2005, had a sanctioned load exceeding the limit of 100kVA, may be permitted, subject to realisation of low voltage supply surcharge, to operate with the same sanctioned load at the same voltage level of supply until an upward revision of connected load is sought for by the consumer.</i></p>	<p>“Provided that a low tension consumer who, as on the date of implementation of the Kerala Electricity Supply Code, 2005, had a sanctioned connected load exceeding the limit of 100kVA, may be permitted, subject to realisation of low voltage supply surcharge, to operate with the same sanctioned connected load at the same voltage level of supply until an upward revision of connected load is sought for by the consumer.”</p>	<p>“Provided that a low tension consumer who, as on the date of implementation of the Kerala Electricity Supply Code, 2005, had a contracted connected load exceeding the limit of 100kVA, may be permitted, subject to realisation of low voltage supply surcharge, to operate with the same contracted connected load at the same voltage level of supply until an upward revision of connected load is sought for by the consumer.”</p>

(3) **Amendment to sub-Regulation (2) of Regulation 11 of the Supply Code**

The Commission, based on the recommendation of the ESCRP, proposed to permit the industrial consumers in an Industrial park to avail supply at LT with the contract demand upto 150 kVA. Accordingly, the Commission proposed the following provisos under Regulation 11 (2).

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<p><u>Sub Regulation (2) of Regulation -11</u></p> <p><i>(2) The maximum contract demand permissible for low tension consumer who avails power under demand based metering shall be 100kVA, irrespective of his connected load.</i></p>	<p><u>Sub Regulation (2) of Regulation -11</u></p> <p><i>(2) The maximum contract demand permissible for low tension consumer who avails power under demand based metering shall be 100kVA, irrespective of his connected load.</i></p> <p>Provided that the consumers existed on the date of implementation of Kerala Electricity Supply Code, 2005, and who were permitted to operate at low tension upto a connected load of 150kVA in accordance with clause (b) of sub Regulation(5) of Regulation 4 of the Kerala Electricity Supply Code, (Fourth Amendment) Regulations 2008 shall be allowed to operate at the same voltage level and contract demand as on the date of implementation of the Code, subject to realization of low voltage surcharge until an upward revision of contract demand is granted on application submitted by the consumer or becomes otherwise necessary.”</p> <p>“Provided further that the contract demand for an Industrial consumer in Industrial parks except in multi storied buildings shall be limited to 150kVA in low tension subject to payment of low voltage surcharge in which their LT metering point shall be at the transformer point”</p>

Views of the Stakeholders

- (1) KSEB Ltd consented with the proposal as per the Draft Kerala Electricity Supply Code, 2019.
- (2) M/s Rubber park suggested that, enhancing the maximum load that can be connected at LT from 100 kVA to 150 kVA may result increase in distribution loss. The present low voltage surcharge will not offset the dis-allowance of the cost of power purchase due to the increase in distribution loss on account of enhancing the load limit from 100 kVA to 150 kVA.
- (3) HT&EHT Industrial Electricity Consumer's Association recommended to extend the facility to all industrial consumers of the State.
- (4) Various small scale industries association and their representatives vehemently requested before the Commission to extend the facility to all industrial consumers of the State.

Decision of the Commission

As per the Regulation 8 of the Supp Code, 2014, the maximum connected load (for those without demand based metering) and the maximum contract demand (for those with demand based metering) is fixed as 100 kVA.

However, the Commission vide the Kerala Electricity Supply Code (Fourth Amendment) Regulation, 2008 has allowed the consumer existing as on date of implementation of Kerala Electricity Supply Code, 2005 to operate in LT up to a load of 150kVA. Further Regulation 9 of the Supply Code 2014 permits the consumer availing supply at voltage lower than the supply voltage specified under the Regulation 8 of the Supply Code by paying low voltage supply surcharge at the rate approved by the commission. Further, the Commission vide the Kerala Electricity Supply Code (Removal of difficulties) third order, 2014 dated 23.09.2014, has permitted the consumers existed as on the date of implementation of the Supply Code, 2005, and who are permitted to operate at lo tension upto a connected load or contract demand of 150 kVA in accordance with the Kerala Electricity Supply Code (Fourth Amendment) Regulations, 2008 is allowed to operate at the same voltage level and connected load or contract demand subject to realization of low voltage surcharge until upward revision of connected load or contract demand is granted.

The Industrial Parks/ industrial estates in the State are developed for facilitating industrialization by providing necessary infrastructure for the industrialists coming to establish industries in the park. The basic infrastructure including the infrastructure for electricity distribution within such industrial parks are being developed by the developer/ with Government exchequer. Considering these, the Commission propose to enhance the maximum contract demand of an industrial consumer in industrial estate/ park upto 150 kVA subject to the payment of low voltage surcharge and their metering shall be at the transformer point. However, the HT&EHT Association and various small scale industries requested to extend the facility to all industries in the State.

The Commission examined the request of the HT&EHT Association and Small Industries in detail, and noted the following.

- (i) The maximum load that can be connected at LT in the Southern States of India is given below.

State	Single phase
Andhra Pradesh	15 kW
Telangana	15 kW
Karnataka	5 kW
Tamil Nadu	4 kW
Model Regulation by FOR	5 kW
Kerala	5 kW

- (ii) The Commission in the order dated 09.10.2014 in OP No. 08/2014, in the matter of 'enhancement of the maximum Contract Demand from 100 kVA to 150 kVA for LT Industrial Consumers, installing own Transformer of 160 kVA' has appraised in detail the pros and cons relating to the enhancement of the limit of connected load for LT consumers from 100 kVA to 150 kVA. The relevant paragraphs of the order is extracted below.

"8. The Commission has considered the pros and cons relating to enhancement of the limit of connected load for LT consumers from 100 kVA to 150 kVA. The model Supply Code circulated by the Forum of Regulators suggested to provide LT supply only up to contract demand of 50 kW. It is found that in most of the other States, the limit specified for providing LT supply is of and below 100 kVA, with a view to minimizing distribution loss.

9. The distribution loss is computed using formula, loss = I²R where I is the current and R is the resistance of the conductor. When voltage is stepped up, the current reduces proportionately. Therefore the distribution loss will

be high at higher values of current. When the supply voltage is at low tension (220 V), the value of current flow in the distribution lines will be proportionately high when compared to the operation of the same load at high tension (11000 V). In order to maintain an efficient distribution system, the distribution loss shall be minimized. Moreover, increase the distribution loss is in geometric progression and it will lead to increase is average cost of supply resulting increase in the retail tariff of all consumers in the State. Therefore in the interest of the consumers in general, availing electricity at higher voltages should be encouraged and enforced.

10. The attempt of the petitioner to draw comparison and equality with the consumers in multi storeyed buildings does not appear to be well founded. The consumers in multi storeyed normally belong to commercial and domestic categories where the diversity factor / load factor is often between 0.3 to 0.7. Whereas in the case of an industrial units, the loads are continuous in nature and have higher diversity factor / load factor i.e, between 0.5 to 0.9. In the case of consumers in a multi storeyed building the developer incurs the cost of the entire installation of the transformer, protecting devices and such other equipment including internal distribution system. Also, the provision for availing supply at LT level in high rise buildings is only to alleviate the technical difficulties in drawing 11 kV lines to the upper floors and installing transformers in different floors of the building.

11. Even if the LT metering system is placed adjacent to the transformer, the transformer loss (the sum of copper loss in the transformer primary and secondary) will be accounted under the distribution loss of the licensee, which will ultimately result in increase in average cost of supply and in burdening the entire consumers of the respondents, leading to avoidable tariff hike.

.....

Order of the Commission:

(iii) 16. The maximum connected load or contract demand permissible for low tension consumer who avails power under low tension shall be 100 kVA as already specified in the Kerala Electricity Supply Code, 2014. “

Enhancing the connected load or connected load at LT from 100 kVA to 150 kVA shall definitely increase the distribution loss of the licensee and will ultimately results increase in cost of the licensee.

Several consumers submitted that some of industrial parks are named as industrial estate and hence the same may be included.

Considering these facts, the Commission retain the provisos added under sub-Regulation (2) of Regulation-11, as notified, with additional words substituted as bold letters and underlined as below.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019	Changes proposed in the Draft Supply Code, 2019
<p><u>Sub Regulation (2) of Regulation -11</u></p> <p>(2) The maximum contract demand permissible for low tension consumer who avails power under demand based metering shall be 100kVA, irrespective of his connected load.</p>	<p><u>Sub Regulation (2) of Regulation - 11</u></p> <p>(2) The maximum contract demand permissible for low tension consumer who avails power under demand based metering shall be 100kVA, irrespective of his connected load.</p> <p>Provided that the consumers existed on the date of implementation of Kerala Electricity Supply Code, 2005, and who were permitted to operate at low tension upto a connected load of 150kVA in accordance with clause (b) of sub Regulation(5) of Regulation 4 of the Kerala Electricity Supply Code, (Fourth Amendment) Regulations 2008 shall be allowed to operate at the same voltage level and contract demand as on the date of implementation of the Code, subject to realization of low voltage surcharge until an upward revision of contract demand is granted on application submitted by the consumer or becomes otherwise necessary.”</p> <p>“Provided further that the contract demand for an Industrial consumer in Industrial parks except in multi storied buildings shall be limited to 150kVA in low tension subject to payment of low voltage surcharge in which their LT metering point shall be at the transformer point”</p>	<p><u>Sub Regulation (2) of Regulation -11</u></p> <p>(2) The maximum contract demand permissible for low tension consumer who avails power under demand based metering shall be 100kVA, irrespective of his connected load.</p> <p>Provided that the consumers existed on the date of implementation of Kerala Electricity Supply Code, 2005, and who were permitted to operate at low tension upto a connected load of 150kVA in accordance with clause (b) of sub Regulation(5) of Regulation 4 of the Kerala Electricity Supply Code, (Fourth Amendment) Regulations 2008 and subsequently opted for contract demand based billing shall be allowed to operate at the same voltage level and contract demand as on the date of implementation of the Code, subject to realization of low voltage surcharge until an upward revision of contract demand is granted on application submitted by the consumer or becomes otherwise necessary.”</p> <p>“Provided further that the contract demand for an Industrial consumer in Industrial parks/industrial estate notified under Govt. of Kerala / Govt of India except in multi storied buildings shall be limited to 150kVA in low tension subject to payment of low voltage surcharge in which their LT metering point shall be at the transformer point”</p>

(4) Amendment to sub-Regulation (2) of Regulation 49 of the Supply Code

In the Draft Kerala Electricity Supply Code, 2019, the Commission propose to substitute the sub-Regulation (2) of Regulation as follows.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<u>Sub-regulation(2) of Regulation 49</u> (2) The total connected load of such colony or residential complex or commercial complex or high rise building shall, for the purpose of this regulation, be the connected load computed as per the norms approved by the Commission, on the basis of the area constructed or the load applied for whichever is higher:	<u>Sub-regulation(2) of Regulation 49</u> “(2) The total connected load of such colony or residential complex or commercial complex or high rise building shall for the purpose of this regulation be the estimated connected load as per the scheme approved by the Electrical Inspector or certified by an Architect or a Licensed Engineer or a Licensed Electrical Contractor or computed as per norms approved by the Commission on the basis of the plinth area constructed, as the case may be.”;

Views of the Stake holders

- (i) KSEB Ltd suggested that, the words ‘as the case may be’ at the end of the draft proposal may be substituted with the word ‘or the load applied for which ever is higher’.
- (ii) Thrissur corporation proposed to add the following at the end of the proposed amendment as

(2) The total connected load of such colony or residential complex or commercial complex or high rise building shall for the purpose of this regulation be the estimated connected load as per the scheme approved by the Electrical Inspector or certified by an Architect or a Licensed Engineer or a Licensed Electrical Contractor or computed as per norms approved by the Commission on the basis of the plinth area constructed, as the case may be and if the load exceeds further, above the limit of 100 kVA, the developer/ builder/ promoter/ present occupier shall install transformer.”;

Decision of the Commission

Regulation 49 of the Supply Code specify the condition for providing electricity connection to high rise building, colony and to residential, commercial or industrial complex. Sub-Regulation 2 of the Regulation 49 specifies the norms for estimating the connected load of a new building.

As per the existing Regulation, the connected load has to be computed by the licensee as per the norms specified by the Commission under Regulation 50 of the Supply Code. It is come to the notice of the Commission that most often the electricity load requirement as per the scheme approved by the Electrical inspector or certified by an architect or a licensed engineer is lower than the load computed as per the norms approved by the Commission on the basis of plinth area constructed. So in such cases, when the developer requires only load on the basis of the schemes certified by an architect or a licensed engineer, the licensee may not allow the same due to condition stipulated in regulation 49 (2). Considering this issue, the Commission proposed the amendments as above.

Commission noted the comments of KSEB Ltd and Thrissur Corporation. Installation of transformers by the consumers are dealt separately in the Kerala Electricity Supply Code, 2014. Hence the Commission not agree with the proposal of Thrissur corporation.

The Commission retain the amendment to sub Regulation (2) of Regulation 49 of the draft Regulation as such in the final amendment.

(5) Amendment to sub-Regulation (5) of Regulation 49 of the Supply Code

In the Draft Kerala Electricity Supply Code, 2019, the Commission propose to substitute the sub-Regulation (5) of Regulation 49 with the following.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<p><u>Sub-Regulation(5) of Regulation 49</u> (5) The development authority or the promoter or the builder or the developer or such other person, as the case may be, who constructs such colony or complex or high rise building under the clauses (a), (b) and (c) of sub-regulation (1) above, shall, at his cost, construct the required internal distribution network, including the service line, transformer, switch gear etc., as per the detailed scheme approved by the Electrical Inspector, for receiving power from the licensee and for distributing it and shall handover such internal distribution network up to and including the metering point to the licensee before commencement of supply of electricity.</p>	<p><u>Sub-Regulation(5) of Regulation 49</u> “(5) The development authority or the promoter or the builder or the developer or such other person, as the case may be, who constructs such colony or complex or high rise building under the clauses (a), (b) and (c) of sub Regulation(1) above, shall, at his cost, construct the required internal distribution network including the service line, transformer, switchgear, metering cubicles etc., as per the detailed scheme approved by the Electrical Inspector, for receiving power from the licensee and for distributing it and shall handover the metering cubicle before the commencement of supply of electricity. The internal distribution network including the</p>

	transformer and switchgears and the underground service line cable in the case of indoor transformers are to be constructed and maintained by the development authority or the promoter or the builder or the developer or any other person who has constructed the colony or residential complex or a commercial complex or an Industrial complex or a high rise building”;
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Views of the Stakeholders

- (i) KSEB Ltd suggested that, the words ‘in the case of indoor transformers’ may be substituted with ‘in the case of transformers’.

KSEB Ltd also raise the apprehension that, there may be chances for mis-use of the provisions and hence suggested that the **maintenance** may be carried out by the developer under the supervision of the licensee.

- (ii) Thrissur Corporation suggested that to add the following at the end of the proosed amendment.

‘.....**or present occupier/ building association;**

Decision of the Commission

As per the existing provision of sub-Regulation (5) of Regulation 49 of the Supply Code, the developer shall, at his cost, construct the required internal distribution network including service line, transformer, switchgears etc as per the schemes approved by the Electrical Inspector and has to hand over such internal distribution network created by the developer to the licensee before the commencement of the supply. The Commission is of the view that the internal distribution network including the transformer and switchgears constructed by the developer at his cost has to be maintained by him. The internal distribution network created by the developer at his own cost is not required to hand over to the licensee.

The Commission noted the suggestions of KSEB Ltd and Thrissur Corporation. **KSEB Ltd suggested that 'indoor transformers' is to be replaced by 'transformers'. The Commission considered this submission and observed that in gated colonies the transformer need not be indoor type. Hence the Commission accepts the proposal of KSEB Ltd.**

The construction of the internal distribution network is the responsibility of the developer and there is no mandatory requirement to carryout the work under the supervision of the licensee. Similarly, the maintenance of the internal distribution network is also the responsibility of the developer. Hence there is no merit in the concern raised by KSEB Ltd. **The proposal of Thrissur Corporation is to add clarity and hence the Commission accepts this proposal also.**

Hence the Commission revises the proposed amendments in the Draft KSERC Electricity Supply Code, 2019 as follows;

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019	Approved in the final amendment
<p><u>Sub-Regulation(5) of Regulation 49</u></p> <p>(5) The development authority or the promoter or the builder or the developer or such other person, as the case may be, who constructs such colony or complex or high rise building under the clauses (a), (b) and (c) of sub-regulation (1) above, shall, at his cost, construct the required internal distribution network, including the service line, transformer, switch gear etc., as per the detailed scheme approved by the Electrical Inspector, for receiving power from the licensee and for distributing it and shall handover such internal distribution network up to and including the metering point to the licensee before commencement of supply of electricity.</p>	<p><u>Sub-Regulation(5) of Regulation 49</u></p> <p>“(5) The development authority or the promoter or the builder or the developer or such other person, as the case may be, who constructs such colony or complex or high rise building under the clauses (a), (b) and (c) of sub Regulation(1) above, shall, at his cost, construct the required internal distribution network including the service line, transformer, switchgear, metering cubicles etc., as per the detailed scheme approved by the Electrical Inspector, for receiving power from the licensee and for distributing it and shall handover the metering cubicle before the commencement of supply of electricity. The internal distribution network including the transformer and switchgears and the underground service line cable in the case of indoor transformers are to be constructed and maintained by the development authority or the promoter or the builder or the developer or any other person who has constructed the colony or residential complex or</p>	<p><u>Sub-Regulation(5) of Regulation 49</u></p> <p>“(5) The development authority or the promoter or the builder or the developer or such other person, as the case may be, who constructs such colony or complex or high rise building under the clauses (a), (b) and (c) of sub Regulation(1) above, shall, at his cost, construct the required internal distribution network including the service line, transformer, switchgear, metering cubicles etc., as per the detailed scheme approved by the Electrical Inspector, for receiving power from the licensee and for distributing it and shall handover the metering cubicle before the commencement of supply of electricity. The internal distribution network including the transformer and switchgears and the underground service line cable of transformers are to be maintained by the development authority or the promoter or the builder or the developer or present occupier/ building association or any other person who is the registered consumer of the colony or residential</p>

	a commercial complex or an Industrial complex or a high rise building”;	complex or a commercial complex or an Industrial complex or a high rise building”;
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(6) Amendment to sub-Regulation (1) of Regulation 50 of the Supply Code

Based on the recommendation of the ESCRP, the Commission provisionally approve to amend the sub- Regulation (1) of the Regulation 50 the Supply Code as follows.

Provisions in the Supply Code, 2014			Changes proposed in the Draft Supply Code, 2019
<u>Sub-Regulation (1) of Regulation 50</u>			<u>Sub-Regulation (1) of Regulation 50</u>
(1) In the case of multi-storeyed buildings or colonies or domestic, commercial or industrial complexes, the licensee shall estimate the load as per the following norms:-			In Sub-regulation (1) of Regulation 50 of the Code, in column No. (i), for the words “constructed area” the words “plinth area constructed” and in column No.(ii), for the words “1500 watt per 10 square metre of the constructed area” the words “1000 watt per 10 square metre of the plinth area constructed” shall be substituted;
(i)	For domestic loads	500 watt per 10 square meter of the constructed area	
(ii)	For commercial loads	1500 watt per 10 square meter of the constructed area	
(iii)	For lift, water lifting pump, streetlight if any, corridor/campus lighting and other common facilities	Actual load shall be calculated separately	
(iv)	For Industrial loads		

Stakeholders view

- (i) KSEB agreed with the proposal of the Commission to substitute the words ‘plinth area constructed’ for ‘constructed area’.

KSEB Ltd propose to retain the norms for commercial loads @1500 watt per 10 square meter of the plinth area constructed.

KSEB Ltd also suggested that, in the case of LT-VI General category also, the norm of 1000 watts per 10 square meter may be adopted, since the present code is silent about this.

- (ii) Thrissur Corporation proposed to add the following at the end of the proposed amendments as 'the space for construction of Transformer shall be provided by the developer/ builder/ promoter/ present occupier in case if transformer is required for the said connection.

Decision of the Commission

The Commission noted the comments of KSEB Ltd and Thrissur Corporation. In order to estimate realistically the load requirement of the new consumers, the Commission approved the amendment as per the Draft Kerala Electricity Supply Code, 2019. As discussed under paragraph 4(4) above, the Commission has amended to the sub Regulation (2) of Regulation 49 for approving the load of a new consumer in detail. The Commission also noted the suggestion of the KSEB Ltd that, norms estimating the connected load of new consumers may be specified @1000 watt per 10 square of the plinth area constructed for LT-VI General category also. The Commission hereby clarify that, for estimating the load under sub Regulation (2) of Regulation 49, the norms specified by the Commission for Commercial category **under 50 (1) (ii)** may be taken as the upper ceiling norm for LT-VI General category also.

The issue raised by the Thrissur Corporation is not relevant under this Regulation.

Hence the Commission approve to retain the proposed amendments as per the Draft KSERC Electricity Supply Code, 2019 in the final amendments.

(7) **Amendment to sub-Regulation (3) of Regulation 72 of the Supply Code**

The Commission proposed the following amendments under Sub Regulation (3) of Regulation 72.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<u>Sub-regulation(3) of Regulation 72</u> (3) If the adjustment of interest is delayed, interest at twice the bank rate shall be payable for the delayed period.	<u>Sub-regulation(3) of Regulation 72</u> “(3) If the adjustment of interest is delayed, interest at 1.5 times the bank rate shall be payable for the delayed period.

Views of the Stakeholders

HT&EHT Association commented that, for payment of bills and interest for belated payments, the licensee is entitled to recover interest @12% per annum based on the actual number of days of delay from due date, upto a period of 30 days and thereafter at the rate of 18% per annum for the entire period of default from due date.

Decision of the Commission

The Commission noted the suggestion of HT&EHT Association. As per the miscellaneous charges approved as Schedule-1 of the Supply Code, 2014, the rate of interest for delayed payment is,

@12% per annum based on the actual number of days of delay from due date, upto a period of 30 days and thereafter at the rate of 18% per annum for the entire period of default from due date.

The Commission approved the above interest rate for belated payment of interest on security deposit. Accordingly, the Sub- Regulation (3) of Regulation 72 is approved as follows.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019	Approved in the Final Amendment
<u>Sub-regulation(3) of Regulation 72</u> (3) If the adjustment of interest is delayed, interest at twice the bank rate shall be payable for the delayed period.	<u>Sub-regulation(3) of Regulation 72</u> “(3) If the adjustment of interest is delayed, interest at 1.5 times the bank rate shall be payable for the delayed period.	<u>Sub-regulation(3) of Regulation 72</u> “(3) If the adjustment of interest is delayed, interest at <i>12% per annum based on the actual number of days of delay from due date, upto a period of 30 days and thereafter at the rate of 18% per annum for the entire period of default from due date..</i>

(8) Amendment to 1st proviso to Regulation 81 of the Supply Code

In the 1st proviso to Regulation 81, the Commission propose the following in the Draft Kerala Electricity Supply Code, 2015.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<u>1st proviso to Regulation 81</u> Provided that, in case the licensee does not carry out site inspection or re-inspection within five working days from the date of receipt of application form or from the date of intimation about the rectification of defects, the load applied for shall be deemed to have been sanctioned and the licensee shall not deny grant of connection on this ground:	<u>1st proviso to Regulation 81</u> In the first proviso to Regulation 81 of the Code, for the words “five working days” the words “seven working days” shall be substituted;

Views of the Stakeholders

No comments received from the Stakeholders.

Decision of the Commission

The Regulation 81 of the Supply Code deals with the sanction of load and issuance of demand note as per the table under the Regulation 81. The time line specified for the issue of demand note is 7 days from the date of receipt of the application form. However, as per the 1st proviso to Regulation 81 of the Supply Code, the licensee has to inspect the site of the prospective consumer within 5 working days from the date of receipt of application. KSEB Ltd propose that the time limit for inspection of the site may be changed to 7 working days instead of the 5 working days, since the licensee can issue the demand note on the date of the inspection itself as per the time line specified in the Regulation 81 of the Supply Code.

The Commission approve to retain the proposed amendments as per the Draft KSERC Electricity Supply Code, 2019 in the final amendments.

(9) Amendment to clause (c) sub-Regulation (4) of the Regulation 95 of the Supply Code

Based on the observation and direction of the Hon’ble High Court in the judgment dated 06.02.1019 in WP No. 25552 of 2018, the Commission

proposed the following amendment to clause (c) of sub-Regulation (4) of Regulation 95 of the Supply Code.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<p><u>Clause (c) of sub Regulation (4) of Regulation 95</u></p> <p>(c) the applicant remits the labour charges required for shifting the electric line or electrical plant.</p>	<p><u>Clause (c) of sub Regulation (4) of Regulation 95</u></p> <p>“(c) the applicant shall remit the labour charges and material charges required for shifting the electric line or electric plant as estimated by the licensee as per the cost data approved by the Commission from time to time as per the Regulation 33 of the Kerala Electricity Supply Code, 2014.”</p>

Views of the Stakeholders

The HT &EHT Association expressed their view that, in certain cases it may results in heavy burden on the consumer. No detailed explanation provided.

Other Stakeholders not expressed any view on this amendment proposed.

Decision of the Commission

The Regulation 95 of the Supply Code deals with the procedure for shifting electric line or electrical plant of the licensee on the request of the consumer. Further as per the clause (c) of the sub-Regulation (4) of the Regulation 95 of the Supply Code, the applicant has to remit the labour charges only for shifting the electric line or electric plant.

KSEB Ltd challenged the validity of the Regulation 95(4)(c) of the Supply Code before the Honorable High Court in WP 25552 of 2018. Honorable High Court vide the judgment dated 06.02.2019 has expressed its view that along with the labour charge the consumer has to bear the cost of the consumables and materials in connection with the alteration/shifting of electric line/plants. Otherwise it will add burden into the capital expenditure of the KSEB Ltd for the subsequent years thereby causing an increase in tariff, which has to be borne by the entire existing consumers of KSEB Ltd. Thus subsidizing certain consumers lead to a greater burden to all the consumers subsequently.

Based on the direction of the Honorable High Court, the Commission proposes the following amendments to clause (c) sub-Regulation (4) of the Regulation 95 of the Supply Code.

“(c) the applicant shall remit the labour charges and material charges required for shifting the electric line or electric plant as estimated by the licensee as per the cost data approved by the Commission from time to time as per the Regulation 33 of the Kerala Electricity Supply Code, 2014.” Commission approve to retain the amendment as proposed in the Draft Kerala Electricity Supply Code, 2019.

(10) Amendment to sub-Regulation (1) of Regulation 97 of the Supply Code

The Commission proposed to substitute the sub-Regulation (1) of Regulation 97 of the Supply Code 2014 with the following in the Draft Supply Code, 2019.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<p>Sub Regulation (1) of Regulation 97</p> <p>(1) If it is found that a consumer has been wrongly classified in a particular category or the purpose of supply as mentioned in the agreement has changed or the consumption of power has exceeded the limit of that category as per the tariff order of the Commission or the category has changed consequent to a revision of tariff order, the licensee may suo motu reclassify the consumer under appropriate category.</p>	<p>Sub Regulation (1) of Regulation 97</p> <p>“(1) If it is found that the consumption of power of a consumer has exceeded the limit of that category as per the tariff order of the Commission or the category has changed consequent to a revision of tariff order, the licensee may suo motu reclassify the consumer under appropriate tariff category.”</p>

Views of the Stakeholders

KSEB Ltd submitted that, Regulation 97 dealt with the suo motu reclassification of consumer category by the Licensee; whereas 152 deals with the anomalies attributable to Licensee which are detected at the premise of the consumer under chapter, IX Theft, unauthorized use and other irregularities. The licensee can find out the wrong classification and other anomalies and realize loss sustained to KSEBL without conducting any inspection as per regulation 97. But, regulation 152 mandates inspection for detection of anomalies. Hence KSEB Ltd suggested to retain the Sub Regulation (1) of Regulation 97 as per the original Regulation.

Decision of the Commission

The Regulation 97 of the Supply Code deals with the “Suo-motu reclassification of consumer category by the licensee”. The sub Regulation (1) of Regulation 97 is extracted below for ready reference.

“ 97. Suo motu reclassification of consumer category by the licensee.- (1) If it is found that a consumer has been wrongly classified in a particular category or the purpose of supply as mentioned in the agreement has changed or the consumption of power has exceeded the limit of that category as per the tariff order of the Commission or the category has changed consequent to a revision of tariff order, the licensee may suo motu reclassify the consumer under appropriate category.”

Since the Regulation 152 of the Supply Code 2014, doesnot deals with wrong classification of consumers, the Commission proposed to retain the Regulation 97(1) of the Supply Code, 2014 as such.

(11) Amendment to sub-Regulation (4) of Regulation 97 of the Supply Code

The Commission vide the Draft Kerala Electricity Supply Code, 2019, proposed to substitute the sub Regulation (4) of Regulation 97 with the following.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
Sub Regulation (4) of Regulation 97 (4) Arrear or excess charges shall be determined based on the actual period of wrong classification and the account of the consumer shall be suitably adjusted.	Sub Regulation (4) of Regulation 97 “(4) Arrear or excess charges shall be determined based on the actual period of re classification or a period of twelve months whichever is lesser”

Stakeholders comments

KSEB Ltd requested to retain the existing provisions as such.

Decision of the Commission

Sub-Regulation (4) Regulation 97 of the Supply Code deals with the collection of arrears or excess charges on account of suo-motu reclassification of the consumer by the licensee on account of change in tariff consequent to a revision of tariff order or by exceeding the consumption limit of the tariff categories specified in the tariff order. It is the responsibility of the licensee to reclassify the consumers as soon as the revision of the tariff order effected by the Commission or as and when the load of the consumer has exceeded the load limit specified in the Regulation. Further as per the prevailing metering system followed by the licensee, the staff of licensee is visiting the premises of the consumer once in every 2 months in case of bi-monthly metering system and once in

every month in case of monthly billing system. Accordingly, the licensee can re-classify the consumers within a maximum time limit of one year from the date of the tariff order and/or from the date the consumption of the consumer exceeds the limits specified in the Supply Code, 2014.

Considering the above the Commission approves to retain the proposals in the Draft Kerala Electricity Supply Code, 2019 as such in the final amendment.

(12) **Amendment to sub-Regulation (5) of Regulation 97 of the Supply Code**

The Commission in the Draft Kerala Electricity Supply Code, 2019, propose to omit the existing sub-Regulation (5) of Regulation 97 and insert a provision as detailed below.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
Sub Regulation (5) of Regulation 97 (5) If the actual period of wrong classification cannot be ascertained reasonably, the period shall be limited to a period of twelve months or a period from the date of last inspection of the installation of the consumer by the licensee whichever is shorter.	Omitted
	<u>New insertion</u> <u>Sub Regulation (5) of Regulation 97</u> (5) twelve monthly installments for the payment of the arrear charges determined under sub Regulation(4) above may be allowed on the request of the consumer without interest”

Views of the Stakeholders

KSEB Ltd requested to retain the sub Regulation (5) of Regulation-97, which was proposed to omit in the Draft Regulation.

Regarding the installment facility proposed by the Commission without interest, KSEB Ltd suggested as follows,

‘Installment facility is being allowed for the ‘amount due’ with interest at Bank rate. In order to encourage prompt payment, three installments may be allowed without interest for the arrear charges and thereafter interest at Bank rate may be levied’

Decision of the Commission

As stated earlier, it is the responsibility of the licensee to reclassify the consumer and levying the electricity charges as per the order issued by the Commission, and the delay in re-classification not on account of the fault of the consumer. Hence, the licensee has to allow reasonable time to the consumer to remit the electricity arrears accumulated without interest, due to the re-classification of the tariff category subsequent to the tariff order issued by the Commission. So it is reasonable that, adequate installment facility has to be provided to the consumers to pay the arrears without interest, in addition to normal electricity charge.

Commission propose to retain the as proposed in the Draft Kerala Electricity Supply Code 2019 in the final amendments.

(13) **Amendment to sub-Regulation (2) of Regulation 125 of the Supply Code**

The Commission proposed following amendments under sub-Regulation (2) of Regulation 125 in the Draft Kerala Electricity Supply Code, 2019

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
Sub Regulation (2) of Regulation 125 (2) Charges based on the average consumption as computed above shall be levied only for a maximum period of two billing cycles during which time the licensee shall replace the defective or damaged meter with a correct meter.	Sub Regulation (2) of Regulation 125 In Sub-regulation (2) of Regulation 125 of the Code, for the words “two billing cycles” the words “three billing cycles” shall be substituted

Stakeholders comments

KSEB Ltd welcomed the proposal. No remarks received from other stakeholders.

Decision of the Commission

The Commission observed that, as per the Section 55 of the Electricity Act, 2003, it is the responsibility of the distribution licensees to provide electricity to the consumers through a correct meter. Hence the licensee KSEB Ltd has to stock sufficient quantum of meters to replace the defective and damaged meters, so that the licensee can replace defective

and damaged meters with correct meters as soon as the meters become faulty.

Considering the above, the Commission has decided to retain the sub-Regulation (2) of the Regulation 125 of the Supply Code, 2014 as such.

(14) **Amendment to sub-Regulation (7) of Regulation 130 and Regulation 131 of the Supply Code**

In Sub-regulation (7) of Regulation 130 of the Code, for the words “late payment penalty” the words “interest on late payment” shall be substituted;

In the title of Regulation 131 of the Code, the word “penal” shall be omitted.

KSEB Ltd welcome the changes.

Decision of the Commission

Commission approve to amend the sub Regulation (7) of Regulation 130 , and title of the Regulation 131, as proposed in the Draft Kerala Electricity Supply Code, 2019.

(15) **Amendment to clause (i) of sub-Regulation (2) of Regulation 149 of the Supply Code**

The Commission in the draft amendment to Kerala Electricity Supply Code, 2019 propose the following.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<p>Sub Regulation (2) of Regulation 149</p> <p>(i)entry, inspection and further proceedings under Section 126 of the Act shall be done only by the assessing officer as designated by the Government under the said Section;</p>	<p>Sub Regulation (2) of Regulation 149</p> <p>In the Code, for clause (i) of Sub-regulation (2) of Regulation 149, the following clause with proviso shall be substituted, namely,- “(i) entry and inspection by the assessing officer /officers of and above the rank of Sub – Engineer of the licensee having jurisdiction in the area.</p> <p>Provided that further proceedings under Section 126 of the Act shall be done only by the assessing officer as designated by the Government under the said section”</p>

Stakeholders comments

- (i) KSEB Ltd welcomed the suggestions.
- (ii) HT&EHT Association suggested that, in the HT&EHT consumers, even for meter readings, the officers in the grade of AE or above comes every month at consumer premise for taking meter readings. Hence, the association suggested that, the assessing officer shall be an officer AE or above grade.
- (iii) Sri. C.K Jayakumar, Junior Consultant, Consumer Advocacy, submitted to retain the existing provisions as such in the sub Regulation (2) of Supply Code, 149.

Decision of the Commission

The Commission examined the remarks of the stakeholders. The Regulation 149 of the Supply Code deals with power of officer authorized under Section 126 and Section 135 of Electricity Act to enter, inspect and initiate proceedings against theft, unauthorized use and other irregularities.

Sub-section 2 of Section 135 of Electricity Act empowers the State Government to authorize any officer of the licensee or the supplier as the case may be to enter, inspect, break, open and search any place or premises in which he has reason to believe that electricity is used unauthorizedly.

In exercise of its power conferred to the government by sub-section 2 of Section 135 of the Electricity Act the Government vide the SRO notification GOP No 21/2005/PD dated 16.07.2005 authorized the officers of and above the rank of Sub Engineer of Kerala State Electricity Board and officers of and above the rank of Assistant Electrical Inspector of the Electrical Inspectorate to exercise power and perform the function under the said section, within their respective jurisdiction.

However the Government is yet to designate the APTS wing or any other inspection wing of the KSEB Ltd to authorize under sub section 2 of the Section 135 of the Electricity Act.

Further, the Division Bench of the Hon'ble High Court of Kerala, in W.A.No.1705 of 2012 in Sulabha Marketing (P) Ltd, has categorical expressed that the presence of assessing officer is not necessary while

inspecting the premises of the consumer. The relevant portion of the judgment is extracted below.

*31. For the reasons stated hereinbefore, we hold as follows;
(i) The presence of the assessing officer at the time of inspection and detection of unauthorised use of electricity in the premises of a consumer is not a mandatory requirement for initiating assessment proceedings under Section 126(1) of the Act.*

Considering the reasons as cited in the preceding paragraphs, the Commission approve to amend the clause (i) sub Regulation (2) of Regulation 149 as proposed in the Draft Kerala Electricity Supply Code, 2019.

(16) **Amendment to the first proviso to sub-Regulation (3) of Regulation 152 of the Supply Code**

The Commission in the draft regulations has proposed to omit the Regulation 152 (3).

K S E B Ltd. submitted that the deletion was proposed without specifying the reasoning of the same.

Decision of the Commission

Considering the comments of K S E B Ltd and also considering the fact that the clause will generally give more clarity to the billing, the Commission decides to retain the clause as per the Supply Code,2014. The modification suggested in the draft regulation is hence not approved.

(17) **Amendment to the second proviso to sub-Regulation (3) of Regulation 152 of the Supply Code**

The Commission proposed to omit the word “further” in the proviso in line with the above (under para (16)) and hence modification suggested in the draft regulation is not approved.

(18) **Amendment to the third proviso to sub-Regulation (3) of Regulation 152 of the Supply Code**

The Commission proposed to substitute the word “further” in the proviso for the word “also” in line with the above (under para (16)) and hence modification suggested in the draft regulation is not approved.

(19) **Amendment to sub-Regulation (4) of Regulation 152 of the Supply Code**

The Commission proposed the following amendments under sub Regulation (4) of Regulation 152 in the Draft Kerala Electricity Supply Code, 2019.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
Sub Regulation (4) of Regulation 152 (4) The consumer may be given installment facility by the licensee for a maximum period of twelve months for the remittance of such amount of short collection with interest at the bank rate as on the date of remittance of the amount of installment.	Sub Regulation (4) of Regulation 152 “(4) The consumer may be given installment facility by the licensee for a maximum period of twelve months without interest for the remittance of such amount of short collection”

Stakeholders view

KSEB Ltd suggested the following on the draft proposal.

‘Installment facility is being allowed for the ‘amount due’ with interest at Bank rate. In order to encourage prompt payment, three installments may be allowed without interest for the arrear charges and thereafter interest at Bank rate may be levied’.

Decision of the Commission

Regulation 152 of the Supply Code deals with anomalies attributable to the licensee which are detected at the premises of the Consumer. The sub-Regulation 4 of the Regulation 152 provides for giving installment facility by the licensee for a maximum period of twelve months for the remittance of short collection of electricity charges with interest at the bank rate. The Electricity Ombudsman recommended to provide 12 months installment for the remittance of short collection of electricity charges without interest.

Since the arrears assessed as per the Regulation 152 of the Supply Code is not due to the fault of the consumer, the licensee has to allow installment facility to the consumers to remit the principal amount without interest.

Hence the Commission approve to retain the proposal in the Draft Kerala Electricity Supply Code, 2019 in the final amendment.

(20) **Amendment to sub-Regulation (2) of Regulation 155 of the Supply Code**

The Commission in the Draft Kerala Electricity Supply Code, 2019, proposes the following amendments.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
Sub Regulation (2) of Regulation 155 (2) The assessing officer shall inspect the premises of the consumer or inspect the equipment, gadgets, machine and devices found connected to the system and used or inspect the records maintained by the consumer or by any other person before initiating proceedings for provisional assessment.	Sub Regulation (2) of Regulation 155 “(2) The assessing officer / officers of and above the rank of sub – engineer of the licensee having jurisdiction in the area may inspect the premises of the consumer or inspect the equipments, gadgets, machine and devices found connected to the system and used or inspect the records maintained by the consumer or by any other person before initiating proceedings by the assessing officer for provisional assessment

Stakeholders comments

KSEB Ltd welcome the suggestions.

HT&EHT Association suggested that, the assessing officer shall be AE or above in the case of HT&EHT installations.

Decision of the Commission

The views of the Commission is explained under item (15) above. The Commission decided to retain the amendment proposed in the Draft Kerala Electricity Supply Code, 2019 in the ‘final amendments’.

(21) **Amendment to sub-Regulation (11) of Regulation 155 of the Supply Code**

The Commission in the Draft Kerala Electricity Supply Code, 2019, proposed the following amendments under sub-Regulation (11) of Regulation 155 of the Supply Code

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
Sub Regulation (11) of Regulation 155 (11) It shall also be mentioned in the provisional assessment order that, if consumer does not wish to challenge the provisional assessment, he shall pay the amount of provisional assessment within seven days as per subsection (4) of Section 126 of the Act.	Sub Regulation (11) of Regulation 155 “(11) It shall also be mentioned in the provisional assessment order that, if consumer does not wish to challenge the provisional assessment, he may accept such assessment and pay the assessed amount to the licensee within seven days of service of provisional assessment order as per subsection (4) of Section 126 of the Act”;

Stakeholders comments

KSEB Ltd welcome the proposal of the Commission. Other stakeholders not offered any comments.

Decision of the Commission

Regulation 155 of the Supply Code specifies the “Provisional assessment under Section 126 of the Electricity Act, 2003”. Sub-Regulation 11 of the Regulation 155 of the Supply Code provides that, if the consumer does not wish to challenge the provisional assessment under section 126 of the Electricity Act, he shall pay the amount within 7 days as per sub-section 4 of the section 126 of the Electricity Act.

Since there is no material change in the content of the Regulation, the Commission approves retain the proposal as per the Draft Kerala Electricity Supply Code, 2019 in the final amendments.

(22) Amendment to sub-Regulation (6) of Regulation 157 of the Supply Code

The Commission in the Draft Kerala Electricity Supply Code, 2019 proposes the following amendments to the sub-Regulation (6) of Regulation 157 of the Supply Code;

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<p>Sub Regulation (6) of Regulation 157</p> <p>(6) The final order of assessment shall also indicate the due date of payment of assessed amount and the date of disconnection in case of default in payment:</p> <p>Provided that the due date of payment shall be seven days from the date of serving the final order and date of disconnection shall be thirty days from the date of issuance of final order.</p>	<p>Sub Regulation (6) of Regulation 157</p> <p>In the Code, in the proviso to Sub-regulation (6) of Regulation 157, the words ‘seven days from the date of serving the final order’ shall be substituted by the words ‘thirty days from the date of such order’.</p>

Views of the stakeholders

KSEB Ltd agreed with the proposed amendments by the Commission.

Decision of the Commission

The Section 127 of the Electricity Act provides a time period of thirty days from the date of the final order to the aggrieved consumer to file an appeal against the final order before the Appellate Authority. The Commission approves to retain the proposal as per the Draft Kerala Electricity Supply Code, 2019 in the final amendments

(23) Amendment to sub-Regulation (9) of Regulation 157 of the Supply Code

The Commission in the Draft Kerala Electricity Supply Code, 2019 proposes the following amendments to the sub-Regulation (9) of Regulation 157 of the Supply Code:

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
Sub Regulation (9) of Regulation 157 (9) Any person served with the order of final assessment may accept such assessment and remit the assessed amount with the licensee within seven days of the service of the assessment order on him.	Sub Regulation (9) of Regulation 157 In the Code, Sub-regulation (9) of Regulation 157, the words 'seven days' shall be substituted by the words 'thirty days'.

Views of the Stakeholders

KSEB Ltd agrees with the amendments proposed by the Commission. Other stakeholders not offered any comments.

Decision of the Commission

The view of the Commission is as detailed under item (19) above.

The Commission approves to retain the proposal as per the Draft Kerala Electricity Supply Code, 2019 in the final amendments

(24) Amendment to sub-Regulation (17) of Regulation 158 of the Supply Code

The Commission in the Draft Kerala Electricity Supply Code, 2019 proposed the following amendments in the sub-Regulation (17) of Regulation 158 of the Supply Code.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
<p>Sub Regulation (17) of Regulation 158</p> <p>(17) In case the Appellate Authority holds that no case of unauthorised use of electricity is established, no further proceedings shall be initiated or continued by the licensee in this regard and the amount deposited by the appellant shall be refunded along with interest at the rate of sixteen percent per annum compounded every six months for the period from the date of deposit till the amount is refunded.</p>	<p>Sub Regulation (17) of Regulation 158</p> <p>“(17) In case the Appellate Authority holds that no case of unauthorised use of electricity is established, no further proceedings shall be initiated or continued by the licensee in this regard and the amount deposited by the appellant shall be refunded along with interest at the rate of ‘MCLR +200 base points’ per annum compounded every six months for the period from the date of deposit till the amount is refunded.</p>

Views of the Stakeholders

- (i) KSEB Ltd suggested that, ‘Bank rate announced by Reserve Bank of India from time to time may be substituted instead of MCLR+ 200 base points. According to KSEB Ltd, the MCLR varies from Bank to Bank and period and hence suggestion is proposed.
- (ii) HT&EHT association suggested to retain the existing provisions.

Decision of the Commission

The existing sub-Regulation (17) of the Regulation 158 of the Supply Code provide that if the Appellate Authority hold that there is no case of unauthorized use of electricity and no further proceedings shall be initiated by the licensee in this regard. In such cases the amount deposited by the appellant shall be refunded by the licensee along with the interest at the rate of sixteen percent per annum compounded by every six months for the period from the date of deposit till the amount is refunded.

The Commission noted that sixteen percent interest is the rate provided under subsection (6) of the Section 127 of the Electricity Act for a defaulting person making payment of the assessed amount under Section 126 of the Electricity Act by the assessing officer.

Any amount hold by the licensee, which is to be repaid to the consumer can be treated as its short term fund for meeting its working capital requirements. Hence the licensee has to pay a slightly higher rate than

the Bank rate. The Commission further noted that the RBI has changed the linking of interest rate from MCLR (Marginal Cost of Funds based Lending Rate) mode to FBIL (Financial Benchmarks India Private Ltd) mode, and hence decides to incorporate the change in the amendment.

Considering the above reasons, the Commission approve the proposed in the Draft Kerala Electricity Supply Code, 2019 with substitution of FBIL in place of MCLR in the Final amendments.

(25) **Amendment to sub-Regulation (18) of Regulation 158 of the Supply Code**

The Commission in the Draft Kerala Electricity Supply Code, 2019 proposed the following amendments in the sub-Regulation (18) of Regulation 158 of the Supply Code.

Provisions in the Supply Code, 2014	Changes proposed in the Draft Supply Code, 2019
Sub Regulation (18) of Regulation 158 (18) In case the amount payable as determined by the appellate authority is less than the amount already deposited by the consumer at the time of filing the appeal, the excess amount shall be refunded along with interest at the rate of sixteen percent per annum compounded every six months from the date of such deposit till the date of refund.	Sub Regulation (18) of Regulation 158 “(18) In case the amount payable as determined by the appellate authority is less than the amount already deposited by the consumer at the time of filing the appeal, the excess amount shall be refunded along with interest at the rate of ‘MCLR +200 base points’ per annum compounded every six months from the date of such deposit till the date of refund.

Views of the Stakeholders

- (i) KSEB Ltd suggested that, ‘Bank rate announced by Reserve Bank of India from time to time may be substituted instead of MCLR+ 200 base points. According to KSEB Ltd, the MCLR varies from Bank to Bank and period and hence suggestion is proposed.
- (ii) HT&EHT association suggested to retain the existing provisions.

Decision of the Commission

The sub-Regulation (18) of Regulation 158 of the Supply Code provides that the amount payable as determined by the Appellate Authority is less than the amount already deposited by the consumer at the time of filing of

appeal, the licensee has to refund the excess amount along with the interest of sixteen percent per annum compounded by every six months for the period from the date of deposit till the amount is refunded.

The views of the Commission is explained in item (21) above.

Considering the above reasons, the Commission approve to retain the amendments as proposed in the Draft Kerala Electricity Supply Code, 2019 in the Final amendments.

The final Kerala Electricity Supply (Amendment) Code 2020 is approved with the above reasons.

By order of the Commission,

C R Satheesh Chandran,
Administrative Officer,
(in charge of the Secretary)