



KERALA STATE ELECTRICITY REGULATORY COMMISSION

**ANNUAL REPORT
2007-08**



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KERALA STATE ELECTRICITY REGULATORY COMMISSION

ANNUAL REPORT 2007–08

1. INTRODUCTION

The Kerala State Electricity Regulatory Commission, established in the year 2002, entered the 5th year of service. During this period, this statutory body has taken all efforts to set up a fair, transparent, modern and objective electricity regulatory process in the State of Kerala. The 5th Annual Report, of the Commission, hereby presents its activities during the financial year 2007-08.

Like the previous reports, this annual report also gives an insight into the earnest and honest efforts taken by the Commission in achieving its stipulated and perceived goals.

2. THE COMMISSION

The Kerala State Electricity Regulatory Commission was constituted under the provisions of Sub-section (1) of Section 17 of the Electricity Regulatory Commissions Act, 1998 vide Government Order G.O.(Ms).No.34/ 2002/PD dated 14th November, 2002 notified in the Government of Kerala Gazette, Extra-Ordinary dated 18th November, 2002. The Commission is a body corporate having perpetual succession and a common seal, with power to acquire, hold and dispose off property, both movable and immovable, and to contract and shall, by the said name, sue or be sued. In addition, the Commission, a quasi-judicial body, w.e.f. 10th June, 2003 has come under the purview of the Electricity Act, 2003, as the Electricity Regulatory Commissions Act, 1998 has since been repealed.

The Commission consists of Chairman and two Members. In recognition of the need for multi-disciplinary approach while addressing issues related to independent regulation, the statute prescribes that the Chairman and Members shall be persons of ability, integrity and standing who have adequate knowledge of, and having shown capacity in dealing with problems relating to engineering, finance, commerce, economics, law or management. The Chairman and Members are appointed by the Government of Kerala from a panel recommended by a Selection Committee constituted as prescribed under the statute. The statute also provides for the appointment of a Secretary, to the Commission, whose powers and duties are defined by the Commission.

3. MISSION OF THE COMMISSION

The mission of the Commission is:

- a) To promote competition, efficiency and economy in the activities of the Electricity Industry within the State of Kerala.
- b) To regulate the power purchase and procurement process of the distribution licensees for sale, distribution and supply of electricity within the State of Kerala.

- c) To determine the tariff for generation, transmission, wheeling and supply of electricity, wholesale, bulk or retail, as the case may be, within the State of Kerala.

4. FUNCTIONS OF THE COMMISSION

The Commission is vested with the responsibility of discharging the following functions:

- (a) Determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;
- (b) Regulate the electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- (c) Facilitate intra-State transmission and wheeling of electricity;
- (d) Issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- (e) Promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- (f) Adjudicate upon the disputes between the licensees and generating companies and to refer any dispute for arbitration;
- (g) Levy fee for the purposes of the Electricity Act, 2003;
- (h) Specify State Grid Code;
- (i) Specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- (j) Fix the trading margin in the intra-State trading of electricity, if considered, necessary;
- (k) Discharge such other functions as may be assigned to it under the Electricity Act, 2003;
- (l) Advise the State Government on all or any of the following matters, namely:–
 - (i) Promotion of competition, efficiency and economy in the activities of the electricity industry;
 - (ii) Promotion of investment in the electricity industry;
 - (iii) Reorganization and restructuring of the electricity industry in the State;
 - (iv) Matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by the State Government.

5. CHAIRMAN AND MEMBERS OF THE COMMISSION

The Commission is headed by Shri C.Balakrishnan as Chairman and Shri C.Abdulla and Shri M.P.Aiyappan as Members during the period of the reporting year.

6. OFFICE OF THE COMMISSION

The Commission is functioning in the KPFC Bhavanam at the C.V. Raman Pillai Road, Vellayambalam, Sathamangalam P.O., Thiruvananthapuram – 695010.

7. HUMAN RESOURCES

7.1 Existing Manpower

The staff position of the Commission as on 31.03.2008 is as below:

Sl.No.	Name	Designation	Remarks
1	Dr. B. Jayasankar	Senior Economic Analyst	On deputation
2	Shri. K. Mathew Kurien	Administrative Officer cum Secretary-In Charge	On contract
3	Shri K Rajan	U.D. Clerk	On contract
4	Smt. Sreedevi.P.G	Computer Operator	On Daily wages
5	Smt Mathimukhi Sooraj	Receptionist	On Daily wages
6	Shri P V Priyesh	Peon	On contract
7	Shri K Anil Kumar	Peon	On contract
8	Shri Vishnu H R	Peon	On contract
9	Shri R Achuthan Thampi	Driver	On contract
10	Shri K Rajesh Kumar	Driver	On contract
11	Shri C. Chandra Mohan	Driver	Daily wages

Shri C.K.Jayachandran, former Deputy Chief Engineer, KSEB has been engaged as a Consultant on contract basis in February 2004 to assist the Commission in tariff matters and he is still continuing.

Shri M.Shivathanu Pillai, former Chief of Generation, KSEB has been engaged as a Consultant on contract basis in December, 2005 to assist the Commission in engineering matters of the various Licensees and he is still continuing.

8. STATE ADVISORY COMMITTEE

The State Advisory Committee reconstituted by the Commission on 31st October, 2006 continued to function during the year. The major role of the Advisory Committee as assigned to it under Section 88 of the Electricity Act, 2003 is to advise the Commission on major questions of policy; matters relating to quality, continuity and extent of service provided by the licensees; compliance by the licensees with the conditions and requirements of their license; protection of consumer interest and electricity supply and overall standards of performance by utilities.

8.1 Members of the State Advisory Committee

As per "KSERC (Conduct of Business) Regulations, 2003" the term of the Committee members shall be normally 3 years and 1/3rd of the Committee members shall be replaced by new members annually. The name of the present Members of the Committee are given below:

1. Sri C.Balakrishnan, Chairman
Kerala State Electricity Regulatory Commission : Chairman
2. Sri C.Abdulla, Member (Engineering)
Kerala State Electricity Regulatory Commission : Member
3. Sri M.P.Aiyappan, Member (Finance)
Kerala State Electricity Regulatory Commission : Member
4. Secretary, Food, Civil Supplies and
Consumer Affairs Department, Government of Kerala : Member
5. Additional Secretary
Power Department, Government of Kerala : Member
6. Member (Distribution), Kerala State Electricity Board, Pattom,
Thiruvananthapuram : Member
7. Chief Electrical Inspector,
Electrical Inspectorate, Housing Board Building,
Thiruvananthapuram – 695 001 : Member
8. Director, National Transportation Planning & Research Centre,
Shasthra Bhavan, Pattom : Member
Thiruvananthapuram 695 004
9. Managing Director
KINFRA Export Promotion Industrial Parks Ltd : Member
Kusumagiri P.O, Kakkanad, Cochin – 30
10. Dr. M.Sivaraman
Director, Centre for Management Development : Member
Thycaud, Thiruvananthapuram – 695 014
11. General Manager, NTPC : Member
Kayamkulam - 690 506
12. Sri.M.S.Rawther, General Secretary
Kerala Electricity Employees Confederation : Member
Sasthamangalam, Thiruvananthapuram
13. Sri.T.Naziruddeen, President
Kerala Vyapari Vyavasayi Ekopana Samithi, : Member
Vyapara Bhavan, Bank Road, Kozhikode
14. Sri.N.T.Nair, Knowledge House,
Mathrubhumi Road, Thiruvananthapuram : Member
15. President, Chamber of Commerce, T.T.C. Road, Jawahar
Nagar, Kowdiar, Thiruvananthapuram : Member

16. President,
Kerala State Small Industries Association
Veekay Towers, Beerankunju Road, Kochi - 18 : Member
17. Sri.M.Raveendran Nair, CONTIPS, Vijaya Plaza,
S.S Koil Road, Thiruvananthapuram - 695 001 : Member
18. Sri. K.Viswanathan
Director, Mithra Nikethan P.O, Vellanad,
Thiruvananthapuram - 695 543 : Member
19. Advocate K.G.M. Nair
Founder General Secretary
Kerala Upabhokthru Samrekshana Samithi
153, AKG Nagar, Thiruvananthapuram - 695 016 : Member
20. President, Trivandrum Management Association, TMA House,
Lions Centre, Jawahar Nagar, Kowdiar (P.O.),
Thiruvananthapuram 695 003 : Member
21. Chairman,
Institution of Engineers of (India), Kerala State Centre,
Observatory (P.O.), Thiruvananthapuram-33 : Member

8.2 Meetings of the State Advisory Committee

Three meetings 14th, 15th, and 16th of the State Advisory Committee, were held during the year 2007-08.

In addition to the orders issued by the Commission, the Regulations and draft Regulations issued after the previous meeting were discussed.

9. STATE CO-ORDINATION FORUM

The State Government constituted a Co-ordination Forum consisting of the Chairman and Members of the State Commission, representatives of the Generating Companies, transmission licensees and distribution licensees in generation, transmission and distribution of electricity in the State for the smooth and co-ordinated development of Power System in the State. The following persons are the Members of the Forum.

1. Sri.C.Balakrishnan, Chairman
Kerala State Electricity Regulatory Commission
2. Sri.C.Abdulla, Member
Kerala State Electricity Regulatory Commission
3. Sri.M.P.Aiyappan, Member
Kerala State Electricity Regulatory Commission
4. Sri.T.M.Manoharan, Chairman
Kerala State Electricity Board

5. Sri.A.G.Bhadran, Member (Transmission & Distribution)
Kerala State Electricity Board
6. Sri.K.K.Karuppankutti, Chief of Generation
Kerala State Electricity Board
7. Sri.K.P.Kunhi Marakkar, Chief Engineer (System-Operation)
Kerala State Electricity Board, Kalamassery
8. Dr.P.S.Chandra Mohanan Nair, Director, ANERT
9. Sri.K.M. Dharsan Unnithan, Director
Energy Management Centre, Thiruvananthapuram
10. Smt.K.S.Beena, Chief Electrical Inspector
11. Sri.S.S.Mani, Deputy General Manager (Commercial), SRHQ,
NTPC Limited, Secunderabad
12. Sri.R.Raveendran Nair, Chief Engineer, BSES Kerala Power Limited, Kochi
13. Sri.K.Sushil Nair, Manager (Public Relations and Co-ordination)
Kasargod Power Corporation Ltd, Thiruvananthapuram
14. Sri.T.Sunil, Chief Manager, Power Grid Corporation of India Limited
Thiruvananthapuram
15. Sri.M.Mathew, Deputy Chief Engineer (Electrical), Cochin Port Trust
16. Sri. V.J.Jayakumar, General Manager (Technical)
Electronics Technology Parks, Kerala (Technopark)
Thiruvananthapuram
17. Sri.K.M.Michael, Electrical Engineer
Thrissur Corporation
18. Sri. P.P.Mahanta, Manager, Munnar Workshop and Engineering Dept.
Tata Tea Ltd, Munnar
19. Sri.V.N.P.Kaimal, Chairman and Managing Director
KINFRA Export Promotion Industrial Parks Limited, Kochi
20. Sri.George Joseph, Managing Director
Rubber Park India (P) Ltd, 5th Floor, Kochi
21. Sri.K.Srinivasa Rao, IDSE, Deputy Director (E/M)
Chief Engineer (Naval Works), Naval Base.P.O, Kochi
22. Sri.T.V.Chandran, Assistant Development Commissioner
Cochin Special Economic Zone, Kochi

The second meeting of the Forum was held at Thiruvananthapuram on 25.7.2007.

10. LICENSEES

The following Distribution Licensees are functioning under the Kerala State Electricity Regulatory Commission other than Kerala State Electricity Board.

1) Thrissur Corporation

Corporation submitted ARR & ERC for three years on 23.6.07. Public hearing on the ARR & ERC was held at Thrissur on 25.09.07. Order on the ARR & ERC for three years was issued on 25.10.07.

When the tariff applicable for sale of power to Licensees was revised in Nov 2007, Thrissur Corporation filed a tariff petition on 1.12.2007 for revising the tariff for retail sale. Public hearing in the same was conducted on 27.12.07 at Thrissur and orders issued on 31.12.2007.

2) Kanan Devan Hills Plantations Company Private Ltd

The licensee filed ARR & ERC for one year on 10.1.07. Public hearing on the same was conducted at Munnar on 19.3.07. Order on ARR & ERC was issued on 11.9.07.

When the tariff applicable for sale of power to Licensees was revised in November 2007, KDHPCPL filed a tariff petition on 19.12.2007 for revising tariff for retail sale. Public hearing on the same was conducted at Munnar on 28.1.08 and orders were issued on 31.1.08.

3) Cochin Port Trust

Cochin Port Trust file ARR & ERC for three years in May 2007. Public hearing on the same was conducted at Ernakulam on 26.9.07.

The licensee filed a tariff petition on 25.2.08. Public hearing on the same was conducted at Ernakulam on 25.3.08 and orders issued on 4.4.08.

4) KINFRA

The licensee filed ARR & ERC for three years on 19.2.08. They submitted a tariff proposal on 20.3.08. The petition was disposed in August 2008.

5) Technopark

The licensee filed ARR & ERC for three years on 20.12.2006. Public hearing on the same was conducted at Technopark on 27.3.07. The licensee filed a Tariff petition on 22.6.07. Public hearing on tariff proposal was conducted on 10.10.07. Order on ARR & ERC for 2007-08 and tariff was issued on 28.2.08.

6) Rubber Park India Pvt. Ltd., Kochi

The licensee filed ARR & ERC for three years on 19.3.07. Public Hearing on ARR & ERC was held at the Rubber Park campus on 26.9.07. Order on ARR & ERC was issued on 3.1.07. No change in tariff ordered.

7) Cochin Special Economic Zone

The licensee filed ARR & ERC for three years on 30.11.08. Public hearing on the same was conducted at Kakkanad on 10.1.08. They filed revised ARR & ERC on 10.1.08 and a Tariff petition on 18.3.08. Order on tariff was issued on 14.5.08.

11. MEETING HELD BY THE COMMISSION

Upto 31st March 2008, the Commission held 93 internal meetings, and 39 proceedings to hear the parties on the petitions filed with the Commission.

11.1 Internal meetings of the Commission

Internal meetings of the Commission were held mainly to transact administrative matters, framing and finalization of regulations, admission of petitions, matters relating to the staff, State Advisory Committee, Co-ordination Forum, ARR&ERC of the licensees and other matters related to the day today functioning of the Commission.

11.2 Proceedings held by the commission

In order to hear the parties to the petitions filed with the Commission, 39 proceedings were held as listed below: -

Sl.No.	Date	Venue	Subject Matter
1	17-4-2007	Office of the Commission	Public Hearing on Kerala State Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Electricity Ombudsman) (First Amendment) Regulation, 2007
2	17.05.2007	Office of the Commission	Public Hearing on the Draft Tariff Schedule based on the ARR & ERC of KSE Board for the FY 2007-08
3	18.05.2007	Office of the Commission	Discussion on ARR & ERC for the FY 2007-08 filed by Kanan Devan Hills Plantation Co. Pvt. Ltd, Munnar
4	02.06.2007	Office of the Commission	Public Hearing on he Draft Tariff Schedule based on the ARR & ERC for 2007-08 filed by Cochin Special Economic Zone
5	29.06.2007	Office of the Commission	Public Hearing on the Petition filed by M/s.Reliance Communication Ltd
6	10.07.2007	Office of the Commission	Hearing on the petition filed by Kerala State Electricity Board on the Orders issued in respect of Service Station Owners Association
7	25.09.2007	Council Hall, Thrissur	Public Hearing on the ARR & ERC for 2007-08 filed by Thrissur Corporation
8	26.09.2007	Rubber Park, Kochi	Public Hearing on ARR & ERC for 2007-08 filed by Rubber Park India Ltd
9	26.09.2007	YMCA Hall, Ernakulam	Public Hearing on ARR & ERC for 2007-08 filed by Cochin Port Trust
10	10.10.2007	Travancore Hall, Technopark	Public Hearing on Tariff Proposal filed by M/s. Technopark
11	16.10.2007	N.M.R.Hall, Palakkad	Public Hearing on the Tariff Petition filed by KSE Board
12	17.10.2007	Municipal Hall, Aluva	Public Hearing on the Tariff Petition filed by KSE Board

13	18.10.2007	Office of the Commission	Public Hearing on the Tariff petition filed by KSE Board
14	23.10.2007	Office of the Commission	Public Hearing on the Truing Up Petition filed by KSE Board
15	27.10.2007	Office of the Commission	Public Hearing on the Model PPA for IPP's in Private load filed by KSE Board
16	27.11.2007	Office of the Commission	Conciliation Meeting of KSE Board and Kanan Devan Hills Plantations Co. Pvt. Ltd
17	28.11.2007	Office of the Commission	Hearing on the petition filed by M/s. KPL Oil Mills
18	12.12.2007	Office of the Commission	Hearing on the petition filed by M/s. KPL Oil Mills
19	14.12.2007	Office of the Commission	Public Hearing on the Draft Kerala State Electricity Regulatory Commission (Terms and Conditions for Open Access) (First Amendment) Regulations, 2007
20	18.12.2007	Al Saj Auditorium, Kazhakkuttam	Public Hearing on the petition filed by M/s.Technopark for the expansion of Phase II &III of Technopark Campus
21	27.12.2007	Chamber of Commerce Hall, Thrissur	Public Hearing on the Tariff Petition filed by Thrissur Corporation
22	08.01.2008	Office of the Commission	Public Hearing on the Draft Kerala Electricity Supply Code (3rd Amendment) Regulation, 2007
23	09.01.2008	Office of the Commission	Hearing on the representation made by Kanan Devan Hills Plantations Co. Pvt Ltd
24	11.01.2008	Ernakulam	Public Hearing on ARR & ERC 2008-09 filed by CSEZ
25	25.01.2008	Office of the Commission	Public Hearing on the Review petition filed by Kanan Devan Hills Plantations Co (Pvt) Ltd
26	28.01.2008	Panchayat Hall, Munnar	Public Hearing on the Tariff Revision petition filed by M/s.KDHP Ltd
27	15.02.2008	Office of the Commission	Maintainability Hearing on Truing up petition filed by KSEB
28	21.02.2008	Puthussery Grama Panchayat Community Hall, Palakkad	Public Hearing on Extension of Licence filed by KINFRA
29	04.03.2008	Office of the Commission	Public Hearing on ARR & ERC for 2008-09 filed by KSEB
30	06.03.2008	YMCA Hall, Ernakulam	Public Hearing on ARR & ERC for 2008-09 filed by KSEB
31	13.03.2008	Office of the Commission	Hearing in the matter of levying surcharge for the entire unit of electricity purchased from KSEB filed by M/s.Cochin Port Trust
32	25.03.2008	Kochi	Public Hearing on Tariff Petition filed by M/s. Cochin Port Trust
33	26.03.2008	Kochi	Public Hearing on Extension of Licence filed by KINFRA

12. PETITIONS RECEIVED BY THE COMMISSION

During the reporting year, the Commission received 56 Petitions from different Organizations including the petition related to ARR&ERC of KSEB and other licensees for the year 2008-09. Out of these the Commission disposed off 14 petitions including three petitions received during the previous year. Details are furnished below:

Following important petitions were disposed off by the Commission during the reporting year i.e. from April 2007 to March 2008.

1. Review Petitions

Sl.No.	Date of Petition	Petitioner	Respondent	Subject matter	Disposal by the Commission
1	RP-1/ 20.12.07	Kanan Devan Hills Plantations Co. Pvt Ltd Munnar		Review petition in the matter of Schedule of Tariff & Terms and conditions for bulk supply	Order issued on 15.02.08

2. Dispute Petitions

Sl. No	Date of Petition	Petitioner	Respondent	Subject matter	Disposal by the Commission
1	DP-34/ 22.03.07	Reliance Communica tions	Secretary, KSEB	Category change and retrospective revision tariff rates from commercial to industrial	Order issued on 20.07.07
2	DP-36/ 09.10.07	KPL Oil Mills Pvt Ltd	Kerala State Electricity Board and Others	Challenging the tariff change from LT IV to LT VII A relating to their coconut oil manufacturing unit	Order issued on 09.01.08

3. Tariff Petitions:

Sl.No.	Date of Petition	Petitioner	Respondent	Subject matter	Disposal by the Commission
1	TP-20 & TP-22 / 25.10.07	KSEB	—	Truing up for the year 2003-04 and 2004-05	Order issued on 24.11.07
2	TP-23/ 11.12.06	KSEB	—	Application for approval of ARR & ERC for 2007-08	Order issued on 26.11.07

3	TP-24/ 21.12.06	Technopark	—	Filing of ARR & ERC for the year 2007-08	Order issued on 28.2.08
4	TP-26/ 1.02.07	KINFRA	—	Filing of ARR & ERC for the year 2007-08	Order issued on 20.09.07
5	TP-27/ 19.3.07	Rubber Park India (P) Ltd	—	Filing of ARR & ERC for the year 2007-08 to 2009-10	Order issued on 03.10.07
6	TP-28/ 29.3.07	CSEZ	—	Filing of ARR & ERC for the year 2007-08	Order issued on 03.10.07
7	TP-29/ 30.03.07	KDHP	—	Filing of ARR & ERC for the year 2007-08	Order issued on 11.09.07
8	TP-32/ 23.06.07	Thrissur Corporation	—	Filing of ARR & ERC for 2007-08	Order issued on 25.10.07
9	TP-33/ 01.12.07	Thrissur Corporation	—	Tariff Petition for 2007-08	Order issued on 31.12.07
10	TP-35/ 12.12.07	KDHP	—	Tariff Petition for 2007-08	Order issued on 31.1.08
11	TP-36 to TP-51/ 25.01.08	M/s.Manjeera Constructions Ltd M/s.Zenith Energy Services Pvt Ltd M/s.Eastern Condiments Pvt Ltd M/s.Watts Electronic Pvt Ltd M/s.Ind- Bharath Power Infra pvt Ltd M/s. Shah Agency, Bangalore M/s.Mitcon Consultancy Service Ltd		Tariff Petition of Wind Energy	Order issued on 27-02-2008

		M/s.Cotton World, Bangalore			
		M/s.Sunstar Overseas Ltd			
		M/s.Srinivasa Builders, Hyderabad			
		M/s.Venkatrama Poultries Ltd			
		M/s.Popy Umbrella Mart, Alappuzha			
		M/s.Bhima and Brothers, Alappuzha		Tariff Petition of Wind Energy	Order issued on 27.02.08
		M/s.Suzlon Energy Ltd			
		M/s. Bhima & Brothers			

13. REGULATIONS ISSUED BY THE COMMISSION

During the year, Commission notified the following Regulations:

- 1) Kerala State Electricity Supply Code (Second Amendment) Regulations, 2007
- 2) KSERC(Fees) Regulations, 2007
- 3) KSERC (Supply of Power from Captive Generating Plants to Distribution Licensees) Regulations, 2007
- 4) Kerala State Electricity Supply Code (Third Amendment) Regulations, 2007
- 5) KSERC (Licensees' Standards of Performance) Regulations, 2006 – Postponement of enforcement in the case of KSEB.

14. ORDERS ISSUED BY THE COMMISSION

1. Order dated 20th July 2007 on the petition filed by M/s.Reliance Communications, Thiruvananthapuram

M/s.Reliance Communications filed a petition in the matter of category change and requested for retrospective revision of tariff rates from commercial to Industrial vide letter dated 22-03-2007. In that case, the appellant could not establish their right to consider the petition on the basis of the regulations which were in force on the date of application. The Commission held that the appeal cannot be decided by the Commission under the provisions of the existing laws and hence was rejected. The Appeal was disposed of accordingly.

2. Order dated 20th September 2007 on the petition filed by Kinfra Export Promotion Industrial Parks Ltd on the ARR & ERC for the FY 2007-08

Kinfra Export Promotion Industrial Parks Ltd filed ARR & ERC for the year 2007-08 vide letter No.KEPIP/ERC/78/2007 dated 30-01-2007. Commission approved an Annual Aggregate Revenue Requirement of Rs. 2130.57 lakh and Total Expected Revenue from Charges of Rs. 2152.98 projected respectively by the Licensee. Surplus is Rs. 22.41 lakh.

3. Order dated 3rd October 2007 on the petition filed by Rubber Parks India (P) Ltd on the ARR & ERC for the FY 2007-08 to 2009-10

Rubber Parks India (P) Ltd filed ARR & ERC for the year 2007-08 to 2009-10 vide letter No. RPIL/KSEB/2006-07/3746 Srws 14.03.2007. Commission approved an Aggregate Revenue Requirement of Rs. 573.61 lakh for 2007-08, Rs. 798.52 lakh for 2008-09 and Rs. 1153.33 lakh proposed by the Licensee. Expected Revenue from Charges of Rs. 454.75 lakh for 2007-08, Rs. 678.5 lakh for 2008-09 and Rs. 989.96 lakh for 2009-10 was projected by the Licensee.

4. Order dated 3rd October 2007 on the petition filed by Cochin Special Economic Zone on the ARR & ERC for the FY 2007-08

Cochin Special Economic Zone filed ARR & ERC for the year 2007-08 vide letter No.3/29/2006:Infra:CSEZ/1993 dated 27th March 2007. Commission approved a revenue from Tariff for 2007-08 calculated based on a sales estimate of 10% increase from the figures for 2006-07. Revenue from Non Tariff Income for 2007-08 has been projected at Rs. 16 lakh as compared to Rs. 15 lakh during 2006-07. Based on the above the Commission placed the expected revenue from charges for 2007-08 at Rs. 14.506 Crore.

5. Order dated 25th October 2007 on the petition filed by Thrissur Corporation on the ARR & ERC for the FY 2007-08 to 2009-10

Thrissur Corporation filed ARR & ERC for the year 2007-08 to 2009-10 vide letter No.E1-1005/03 vol.III dated 15.06.2007. Commission approved an Aggregate Revenue Requirement of Rs. 38.40 Crore for 2007-08, Rs. 39.93 Crore for 2008-09 and Rs. 42.12 Crore for 2009-10 and Expected Revenue from Charges at Rs. 44.97 Crore for 2007-08, Rs. 48.40 Crore for 2008-09 and Rs. 52.20 Crore for 2009-10.

6. Order dated 24th November 2007 on the petition filed by Kerala State Electricity Board on the Truing Up for the years 2003-04 and 2005-04

Kerala State Electricity Board filed petition on Truing Up for the years 2003-04 and 2004-05 vide letter No. KSEB/TRAC/A&F/Truing Up 03-04/06/383 dated 22nd June 2006 and No. KSEB/TRAC/Truing Up 2004-05/06/590 dated 19th October 2006. Commission approved an amount of Rs. 360.06 Crore as the total revenue gap for the years 2003-04 and 2004-05. The same was allowed to be carried in the ARR & ERC of the licensee for the year 2007-08.

7. Order dated 31st December 2007 on the petition filed by Thrissur Corporation on Tariff for 2007-08

Thrissur Corporation filed petition on Tariff for 2007-08 vide letter No. E1-6254/07 dated 29.11.2007. The Commission decided to reduce 20 ps per unit for LT VII-A and VII-B in the existing tariff and enhance 50 ps for HT IV category. Commission also decided that category which are apparently

commercial in nature, presently categorized in the industrial tariff have to be shifted to appropriate commercial category. Thus, consumers charged under LT IV industrial tariff such as freezing plants, cold storage, audio/video/CD recording/duplication units, and marble cutting units were shifted to LT VII(A). The Commission has also categorized self financing educational institutions, seafood processing units, milk chilling plants and call centres as new consumer groups and included them under appropriate Commercial Category (LT VII A / HT IV).

8. Order dated 31st January 2008 on the petition on tariff for 2007-08 filed by Kanan Devan Hills Plantations Company Private Ltd

Kanan Devan Hills Plantations Company Pvt Ltd filed Tariff petition for 2007-08 vide letter No. A&L/131/2332/2007 dated 12.12.2007. The Commission decided to reduce 20ps unit for LT VII-A and VII-B in the existing tariff and enhances 50 ps for HT III category. The Commission also decided that category which are apparently commercial in nature, presently categorized in the industrial tariff have to be shifted to appropriate commercial category. Thus, consumers charged under LT IV Industrial tariff such as freezing plants, cold storage, audio/video/CD recording/duplication units and marble cutting units were shifted to LT VII(A). The Commission has also categorized self financing educational institutions, seafood processing units, milk chilling plants and call centres as new consumer groups and included them under appropriate Commercial Category (LT VII A / HT II). Based on the above changes, the Commission estimated that the changes in tariff would result in decrease in revenue of Rs. 1.62 lakh. However, for the financial year the increase would be applicable only for two months which would be Rs. 0.27 lakh.

15. APPLICATION OF INFORMATION TECHNOLOGY

Computers are extensively used in day to day work and in all activities of the commission.

Letters, regulations, minutes, orders and other documents are prepared using computers. For facilitating the work, adequate hardware and software have been installed in the office of the Commission and connected over a Local Area Network. The various orders passed by the Commission from time to time, Regulations issued by the Commission, notices and minutes of the meetings, etc., are uploaded on the website of the Commission, "www.erckerala.org." In addition, Internet services are made available for the official use of Officers and Staff members of the Commission.

16. MEMBERSHIP OF THE FORUM OF INDIAN REGULATORS (FOIR) AND FORUM OF REGULATORS (FOR)

The secretariat of the FOIR and FOR is located at the Central Electricity Regulatory Commission, New Delhi. The Forum is an association of the Chairpersons and members of the Central Electricity Regulatory Commission and the State Regulatory Commissions. The Forum provides a venue for exchange of views and information among Indian Electricity Regulators and preparation of common ground and agenda in respect of various regulatory issues.

The Annual subscription for membership of the Forum is Rs.1.50 lakh per Commission, for the year 2007-08. The meeting of the Forum is being held once in every six months. The Chairman and Members of the Commission have been regularly attending the meetings of the Forum and exchanging views and information, with other regulators.

8th Annual General Body Meeting of FOIR was held on 7th June 2007 at Casuarina, India Habitat Centre, Lodhi Road, New Delhi.

21st General Body Meeting of FOIR was held on 4th – 5th October 2007 at Cambay Spa & Resort, Neesa Leisure Ltd, Gandhinagar (Gujarat).

24th Governing Body Meeting of FOIR was held on 29th October 2007 at CERC's Conference Room, 7th Floor, SCOPE Complex, New Delhi.

In accordance with the provisions of Subsection (2) of Section 166 of the Electricity Act, the Central Government have constituted the Forum of Regulators (FOR) on 16.02.2005 in which Chairmen of the Commissions are Members.

The 7th Meeting of FOR was held on 4th – 5th October, 2007 at Ahmedabad, Gujarat.

17. FINANCE AND ACCOUNTS

Audited statement of Income and Expenditure for the Financial Year 2006-07

Sl.No.	Particulars	Income	Expenditure
1	By grants / Loans / Subsidies		
1.1	Govt. of Kerala	75,01,864.00	
1.2	Other Grants from Power Finance Corporation for infrastructural activities to the extent	73,306.00	
2	By Sales / Services		
3	By Licence fee	3,73,578.90	
4	By Consultancy		
5	By Fees / Subscription / Fines		
6	By Investments		
7	By Royalty, Publications etc		
8	By Interest		
9	By Other Income	10,72,891.00	
10	By increase in stock of finished goods and works-in-progress		
11	By Excess of Expenditure over Income (transferred to Capital Fund Account)		
12	To Establishment Expenses		
12.1	Salaries (Chairman & Member of the Commission)		13,49,623.00
12.2	Salaries (Officers Establishment)		
12.3	Allowances & Bonus		17,10,768.00
12.4	Payment for Professional & Other Services		
12.5	Wages		1,54,690.00
13	Other Establishment Charges		

14	Travel Expenses		
	14.1 Domestic Travels – Chairman & Members of the Commission		2,58,243.00
	14.2 Domestic Travels – Officers		1,02,856.00
	14.3 Domestic Travels – Staff		
15	To Administrative Expenses		
	15.1 Purchases		
	15.2 Cartage & Processing Expenses		
	15.3 Electricity & Power		98,840.00
	15.4 Water Charges		1,695.00
	15.5 Rent, Rates, and Taxes		84,300.00
	15.6 Vehicle Running & Hire Charges		1,26,342.97
	15.7 Postage, Telephone & Communication charges		1,43,554.00
	15.8 Expenses on Seminar / Workshops		35,352.00
	15.9 Subscription Expenses		
	15.10 Advertisement and Publicity		
	15.11 Bank Charges		
	15.12 Internet Subscription		73,899.00
	15.13 Website Design and Hosting Expenses		17,582.00
	15.14 Office expenses		84,565.00
	15.15 Other charges		1,73,284.00
	15.16 Building Tax		2,71,000.00
	15.17 KPFC		2,27,257.00
16	To Stationery & Printing		
	7.1 Stationery		
	7.2 Printing		56,123.00
17	To Publications		—
18	To Miscellaneous and Other Expenses		
19	To Repairs and Maintenance		
	10.1 Furniture & Fixture		57,605.00
20	To Vehicles		
	20.1 Vehicle Insurance		19,282.00
21	To Hospitality Expenses		15,361.00
22	To Audit Fees		
23	To Legal Charges		3,64,917.00
24	To Audit Fee		1,02,075.00
25	To Meeting Expenses		2,13,499.00
26	To Sitting Fee		4,500.00
27	Provident Fund & other contributions		
	14.1 Pension Contribution		
	14.2 Contribution to CPF		
	14.3 Leave Salary Contributions		1,50,255.00
	14.4 Leave Surrender		20,555.00

28	Refund of Petition fee		1,25,000.00
29	Depreciation		5,11,418.96
30	Excess of Income over Expenditure (Transferred to Capital Fund Account)		24,67,197.97
	TOTAL	90,21,639.90	90,21,639.90

18. CONSUMER GRIEVANCE REDRESSAL FORUM AND ELECTRICITY OMBUDSMAN

The Electricity Act, 2003 requires every distribution licensees to establish a Forum for redressal of grievances of consumers. Electricity Ombudsman is a statutory authority appointed or designated by the State Commission to hear and settle the non-redressal of grievances at the level of Consumer Grievance Redressal Forum. All the licensees have established the forum and their addresses are given below: -

Sl.No	Name of Licensee	Redressal Forum
1	Kerala State Electricity Board	(1) Southern Region: Deputy Chief Engineer (Ele), Consumer Grievance Redressal Forum, KSEB, Vydhyuthi Bhavanam Kottarakkara – 691 506 (2) Central Region: Deputy Chief Engineer (Ele) Consumer Grievance Redressal Forum, KSEB, Power House Building Kochi–682 018 (3) Northern Region: Deputy Chief Engineer (Ele) Consumer Grievance Redressal Forum, KSEBVydhyuthi Bhavanam, Gandhi Road Kozhikode – 673 011
2	Cochin Port Trust	The Deputy Chief Engineer Consumer Grievance Redressal Forum Cochin Port Trust, W.Island, Cochin – 682 003
3	Kanan Devan Hills Plantations Co. Pvt Ltd	Technical Officer (Electrical) Consumer Grievance Redressal Forum KDHPC, Munnar Workshop Munnar – 685 612
4	Technopark, Thiruvananthapuram	Chief Executive Officer Consumer Grievance Redressal Forum Technopark, Technopark Campus Thiruvananthapuram – 695 581

5	Cochin Special Economic Zone, Cochin	Assistant Development Commissioner Consumer Grievance Redressal Forum Cochin Special Economic zone Ministry of Commerce and Industry Government of India, Kakkanad Cochin – 682 037
6	Rubber Park India Pvt. Ltd, Cochin	Managing Director Consumer Grievance Redressal Forum Rubber Park India Pvt. Ltd, 2A, Kautileeyam RubberPark, Valayanchirangara, Ernakulam-683 556
7	KINFRA Export Promotion Industrial Parks Ltd, Cochin	Resident Engineer Consumer Grievance Redressal Forum KINFRA Export Promotion Industrial Parks Ltd. IX/159 A, Kusumagiri P.O., Kakkanad, Cochin-30
8	Thrissur Corporation	Electrical Engineer Consumer Grievance Redressal Forum Thrissur Corporation, Thrissur-680 001

18(1) Consumer Protection Initiatives:

To make the Consumer Grievance Redressal Forums more effective the following persons have been appointed as third Member to the Forum of the licensees during 2007-08.

Name of the Third Member	Address of the CGRF
1. Shri.K.P.Radhakrishan, Thadathil House, Kalpathur (P.O) Meppayur – 673 524	Consumer Grievance Redressal Forum Kerala State Electricity Board Kozhikode 673 032
2. Shri.N.Abdul Rahman, Pournami, BNRA 41, NCC Road, Ambalamukku Thiruvananthapuram	Consumer Grievance Redressal Forum Rubber Park India Pvt Ltd Valayanchirangara Kochi 683 556
	Consumer Grievance Redressal Forum, Cochin Special Economic Zone, Kakkanad, Kochi 682 037
	Consumer Grievance Redressal Forum, KINFRA Export Promotion Industrial Park Ltd, Kusumagiri (P.O.) Kakkanad, Kochi 682 037

- | | | |
|----|--|--|
| 3. | Smt.Ajitha Kumari.C
Chakkoth House
Near Ayyanthole Ground, Thrissur | Consumer Grievance Redressal Forum
Cochin Port Trust, W.Island
Kochi – 682 003 |
| 4. | Shri.Roy Kurien
Ullerickal House, Paniamkara
Vadakkencherry (Via)
Palakkad Dist | Consumer Grievance Redressal Forum
Kerala State Electricity Board
Power House Building
Ernakulam, Kochi |
| 5. | Shri. R.Vijayarajan
'Midhila', 131, Pranavam Nagar
Mannuthy (P.O), Thrissur | Consumer Grievance Redressal Forum
Thrissur Corporation
Thrissur 680 001 |
| 6. | Shir.P.Udayabhanu
Saradhabhavanam
Mannadi (P.O)
Mannadi, Pathanamthitta | Consumer Grievance Redressal Forum
Kanan Devan Hills Plantations Co Pvt Ltd.,
Munnar 685 612 |
| 7. | Shri. Gireesh P.Raja
T.C.27/782, Athani Lane
ARA-100, Vanchiyoor
Thiruvananthapuram | Consumer Grievance Redressal Forum
Technopark
Technopark Campus
Thiruvananthapuram |

A summary on the activities of the Consumer Grievance Redressal Forum is furnished separately.

19. RENEWABLE ENERGY INITIATIVES

The following Wind Power developers have executed Power Purchase Agreements for development of Wind farms in private land in Kerala during 2007-08. The Commission has approved the P.P.A's.

1. M/s.Watts Electronics Pvt Ltd., 41/2296, Veekshanam Road, Kochi
2. M/s.Cotton World, Amrutha, Byatarayanapura Post, Bellary Road, Bangalore
3. M/s.Shah Agency, 965, 14th Cross, 16th Main, B.S.K.2nd Stage, Bangalore
4. M/s.Ind Barath Power Infra Pvt Ltd., Plot No.30-A, Road No.1, Film Nagar, Jubilee Hills, Hyderabad
5. M/s.Venkatrama Poultries Ltd, D.No.5-60-2/49, 4/5, Ashok Nagar, Guntur
6. M/s.Manjeera Constructions Ltd, 304, Aditya Trade Centre, Aditya Enclave Road, Ameerpet, Hyderabad
7. M/s.Eastern Condiments (P) Ltd, 4th Floor, Mather Square, Opp.North Railway Station, Ernakulam, Kochi
8. M/s.Sunstar Overseas Ltd, Naya Bazar, New Delhi 110 006
9. M/s.Srinivasa Builders, 101, 102, Venkatarama Towers, 3-6-69, Opp.Skyline Cinema, Basheerbagh, Hyderabad
10. M/s.Zenith Energy Pvt Ltd, 10-5-6/B, My Home Plaza, Masabtank, Hyderabad
11. M/s.Mitcon Consultancy Services Ltd, Kubera Chambers, Shivajinagar, Pune

20. STANDARD OF PERFORMANCE

Commission vide its Regulation dated 9th May 2006 has ordered the following Standards of Performance for the function of the Licensees.

Standards of Performance and amount to be paid to Consumers for default in each case

	Nature of Service	Standards of Performance (Indicative Maximum time limit for rendering service)	Amount payable to affected consumer
1.	Normal Fuse-off Call * Cities and Towns Rural areas	Within 6 hrs of recording of complaints with licensee Within 24 hrs of recording of complaints with the licensee	Rs.25 in each case of default Rs.25 in each case of default
2.	Line Breakdowns* Cities and Towns Rural areas	Within 12 hrs Within 24 hrs in all cases	Rs.25 to each affected consumer Rs.25 to each affected consumer
3.	Distribution Transformer Failure* Cities and Towns Rural areas	Within 24 hrs of reporting of failure of transformers Within 48 hrs of reporting of failure of transformers	Rs.25 to each affected consumer Rs.25 to each affected consumer
4.	Period of Scheduled outages Maximum duration in a single stretch Restoration of supply	Not to exceed 12 hrs By 6 PM on any day	Rs.25 to each affected consumer Rs.25 to each affected consumer
5.	Meter Complaints Inspect and check correctness Replace slow, creeping or stuck metes Replace burnt meters if cause no attributable to consumer Replace burnt meters in all other cases	Within 30 days Within 30 days Within 7 days of receipt of complaint Within 24 hrs of payment of charges by consumer	Rs.10 in each case of default Rs.10 in each case of default Rs. 10 in each case of default Rs.10 in each case of default
6.	Application for new connection/additional load Release of supply where service is feasible from existing line without system Deviation. (Weatherproof connection only) Release of supply where, extension of line. enhancement required for providing connection	Within one month of receipt of application in complete shape and remittance of CD & connection charges. As per Supply Code As specified by the Commission in the Kerala Electricity Supply Code, 2005 Network expansion/	Rs.50 for each day of default Rs.50 for each day of default in case of LT and Rs.50 for each day of default in case of HT.

7.	Erection of substation for release of supply	As specified by the Commission in the Kerala Electricity Supply Code, 2005. This will be applicable in the case of applicants who have remitted cost as per Section 46 of the Electricity Act.	Rs.100 for each day of default.
8.	Transfer of ownership and Change of category	Within 14 days of receipt of application in complete shape	Rs.50 for each day of default
9.	Conversion of LT single phase to LT three phase service connection	Within 30 days from the date of payment of charges if no additional line or substation is involved	Rs.50 for each day of default
10.	Conversion from LT to HT if HT line is involved, if transformer substation is involved	As per Kerala Electricity Supply Code 2005	Rs. 50 for each day of default
11.	Resolution of complaints on consumers' Bills if no additional information is required If additional information is required	Within 24 hrs of receipt of complaint Within 7 days of receipt of complaint	Rs.25 for each day of default Rs.25 for each day of default
12.	Reconnection of supply following disconnection Towns and cities Rural areas	On the same day Within 24 hrs of receipt of payment from consumer	Rs.50 for each day of default Rs. 50 for each day of default
13.	Payment of Exgratia in case of electric accidents Cases where it is established beyond doubt that the accident is not due to the fault of the victim In other cases	Within 30 days without waiting for the report from CEIG Within 30 days after receipt of report from CEIG	Rs.50 for each day of default Rs.50 for each day of default
14.	Refund of Deposits	Within 60 days after receipt of request and deposit receipt	Rs.50 for each day of delay

*For calculation of compensation 6 PM to 6 AM will not be considered as delay.
Overall Standards of Performance

	Service area	Standards (indicative Time Limit for rectification)	Overall Standards of Performance
1.	Normal fuse-off Calls Cities and Towns Rural areas	Within 6 hrs Within 24 hrs	95% 95%
2.	Line Breakdowns Cities and Towns Rural areas	Within 12 hrs Within 24 hrs	90% 90%
3.	Distribution Transformer Failure Cities and Towns Rural areas	Within 24 hrs Within 48 hrs	90% 90%
4.	Period of Schedules outages Maximum duration in a single stretch Restoration of supply	Not to exceed 12 hrs By 6 PM on any day	98% 98%
5.	Voltage Variations Where no expansion or enhancement of network is involved Where up-gradation or distribution system is required	Within 7 days Within 120 days	90% 90%
6.	Meter Complaints Inspect and check correctness Replace slow, creeping or stuck meters Replace burnt meters if cause is not attributable to consumer Replace burnt meters in all other cases	Within 30 days Within 30 days Within 7 days of receipt of complaint Within 24 hrs of payment of charges by consumer	95% 95% 95% 95%
7.	Application for new connection/Additional load connection feasible from existing network Release of supply	Within 30 days of receipt of application along with prescribed charges	95%
8.	Network expansion/ Enhancement required for providing connection Release of supply (LT)	As specified in the Kerala Electricity Supply Code, 2005 As specified in the Kerala	95%

	Release of supply (HT) 11KV supply	Electricity Supply Code, 2005	95%
9.	Erection of sub-station for release of supply	Within the time period as approved by the Commission	95%
10.	Transfer of ownership and conversion of service Title transfer of ownership change of category	Within 14 days of receipt of application	95%
11.	Resolution of complaints on consumer's bills If no additional information is required If additional information is required	Within 24 hrs Within 7 days	99% 98%
12.	Reconnection of supply following disconnection Cities and Towns Rural areas	On the same day Within 24 hrs	99% 99%
13.	Payment of Exgratia in case of electric accidents Cases where it is established beyond doubt that the accident is not due to the fault of the victim In other cases	Within 30 days without waiting for report from CEIG Within 30 days after receipt of report from CEIG	98% 95%
14.	Refund of deposits	Within 60 days	95%
15.	Billing Efficiency		99% of the consumers to be billed during the billing cycle
16.	Collection Efficiency Metered installations		95 percent
17.	Distribution Transformer failure Urban areas Rural areas		Shall not exceed 5 per cent p.a Shall not exceed 12 per cent p.a
18.	Faulty Meters		Shall not exceed 2.5 per cent of metered installations
19.	Reliability Indices		City – 99.5 Town – 99.5 Rural area – 99

All the licensees except Kerala State Electricity Board have implemented the Standards of Performance directive issued by the Commission. As per the direction contained in G.O.(MS) 34/06/PD dated 16.12.2006, the Government of Kerala has stated that the annual targets for performance Standards implementation by Kerala State Electricity Board has to be refixed in consultation with the Government.

The Kerala State Electricity Board has taken initiative to assess the existing standards of performance and then to fix annual targets to achieve standards required by the Commission. It has constituted a Task Force to conduct a study to apprise and quantify the existing performance standards of the Board.

21. LOSS REDUCTION INITIATIVES

With the continued monitoring of Kerala State Electricity Regulatory Commission during the past six years from 2001-02, KSEB could reduce T&D loss is to the tune of above 9.21%, with an average loss reduction of about 1.53% per year against target of 2 to 3% reduction per year set by the Commission. In 2007-08, KSEB proposed T&D loss reduction of 1.83%. However, after considering all aspects, the Commission decided to fix the target of 2% reduction from the level of 21.55%, for 2007-08. Accordingly the loss target for 2007-08 was fixed as 19.55% against the projected level of 19.72% by KSEB.

22. ENGAGEMENT OF INTERNAL AUDITORS

Shri Sathyavageshwaran has been engaged as Chartered Accountant for auditing the accounts of the Commission from 01.04.2007 to 31.03.2008.

23. PUBLIC INFORMATION ACT

Dr.B.Jayasankar, Senior Economic Analyst is designated as the Public Information Officer of the Commission. Sri.K.Rajan, U.D.Clerk is designated as the Assistant Public Information Officer. The Secretary of the Commission acted as the Appellate Officer with regard to the Public Information Act. 12 petitions were received during 2007-08 under Public Information Act and replies were furnished within the stipulated time.

24. CONCLUSION

With the sincere co-operation of the Government of Kerala and the licensees operating within the State, particularly the Kerala State Electricity Board, the Commission was able to fulfill the tasks set for the year 2007-08. The biggest achievement of the Commission is that it could bring down the revenue gap and Transmission & Distribution losses of KSEB substantially.

