

# KERALA STATE

# ELECTRICITY REGULATORY COMMISSION

## ANNUAL REPORT

## 2016-2017

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1. **INTRODUCTION**

The Kerala State Electricity Regulatory Commission, established in the year 2002, entered in to its 15th year of service in 2016-17. During this period, this statutory body has taken all efforts to maintain a fair, transparent and objective regulatory system in the Power Sector of the State of Kerala. In this Annual Report, the Commission hereby presents its activities during the financial year 2016-17. As in the previous reports, this annual report also provides an insight into the earnest and concerted efforts made by the Commission for achieving its specified and perceived goals.

1. THE COMMISSION

The Kerala State Electricity Regulatory Commission was constituted as a quasi-judicial body under 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 published 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 of property, both movable and immovable, and to contract and shall, by the said name, sue or be sued. The Commission, came under the purview of the Electricity Act, 2003, with effect from 10th June, 2003 as the Electricity Regulatory Commissions Act, 1998 was repealed by the name.

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

1. FUNCTIONS OF THE COMMISSION

The Commission is vested with the responsibility of performing the following functions under Section 86 and other enabling provisions of the Electricity Act, 2003.

1. Determination of the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State;
2. Regulating the purchase of electricity 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;
3. Facilitating intra-state transmission and wheeling of electricity;
4. Issuance of licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
5. Promoting 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;
6. Adjudication of the disputes between the licensees and generating companies and to refer any dispute for arbitration;
7. Levying fee for the purposes of the Electricity Act, 2003;
8. Specifying Kerala Electricity Supply Code;
9. Specifying State Grid Code;
10. Specifying regulations relating to standards of performance and enforcement of standards with respect to quality, continuity and reliability of service by licensees;
11. Fixing the trading margin in the intra-State trading of electricity, if considered, necessary;
12. Discharging such other functions as may be assigned to it under the Electricity Act, 2003;
13. Advising the State Government on all or any of the following matters, namely:–
14. Promotion of competition, efficiency and economy in the activities of the electricity industry;
15. Promotion of investment in the electricity industry;
16. Reorganization and restructuring of the electricity industry in the State;
17. Matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by the State Government.
18. Management of Kerala State Electricity Regulatory Commission Fund constituted under Section 103 of the Electricity Act, 2003.
19. **CHAIRMAN AND MEMBERS OF THE COMMISSION**

Sri. T.M. Manoharan, IFS (Rtd) continued as Chairperson. Sri. K. Vikraman Nair and Shri S.Venugopal continued as Members. Sri. Santhoshkumar K.B continued as Secretary .

1. **OFFICE OF THE COMMISSION**

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

1. **STATE ADVISORY COMMITTEE**

The State Advisory Committee reconstituted as per notification No.955/ Admn/ 2013/ KSERC dated 03/02/2015 published as Gazette Extra Ordinary No. 309 dated 10/02/2015 continued during 2016-17 . The State Advisory Committee as per Section 88 of the Electricity Act, 2003 is entrusted with the task of advising the Commission on major questions of policy, matters relating to quality, continuity and extent of service provided by the licensees; compliance by licensees with the conditions and requirement of their license, protection of consumer interest and electricity supply and overall standards of performance by utilities.

The following were the members of the State Advisory Committee during the year under review.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Sri T.M. Manoharan ,Chairman  Kerala State Electricity Regulatory Commission | : | Ex-officio Chairman |
|  | Sri. S. Venugopal, Member  Kerala State Electricity Regulatory Commission | : | Ex-officio Member |
|  | Sri. K. Vikraman Nair, Member  Kerala State Electricity Regulatory Commission | : | Ex-officio Member |
|  | The Secretary, Power Department, Government of Kerala, Thiruvananthapuram. | : | Ex-officio Member |
|  | The Secretary, Consumer Affairs Department, Government of Kerala, Thiruvananthapuram. | : | Ex-officio Member |
|  | The Chairman and Managing Director, Kerala State Electricity Board Ltd, Vyduthi Bhavanam, Pattom, Thiruvananthapuram. | : | Member |
|  | The Director (Distribution&Generation-Electrical)  Kerala State Electricity Board Ltd,Pattom Thiruvananthapuram | : | Member |
|  | The Director, Energy Management Centre, Sreekariyam P.O., Thiruvananthapuram. | : | Member |
|  | The Director, ANERT, Thiruvananthapuram | : | Member |
|  | The General Manager, N.T.P.C., Kayamkulam | : | Member |
|  | Sri. K. Asokan, Chairman, Friends of Electricity Employees and Consumers, ‘Madhavam’, Mayanad P.O., (Via.) Medical College, Kozhikode- 673 008 | : | Member |
|  | The President, Kerala State Small Industries Association, Veekay Towers, Beerankunju Road, Kochi- 682 018 | : | Member |
|  | Fr.Thomas Peelianickal,  Executive Director, Kuttanadu Vikasana Samithi,Ramankari, Alappuzha | : | Member |
|  | The Chairman, Confederation of Real Estate Developers’ Association of India (CREDAI), C/o SI Property (Kerala) Private Ltd., ‘Silver Oaks’, Near Golf Club, Thiruvananthapuram- 695 003 | : | Member |
|  | Sri. K. P. Babu, Rarichanpuram, Karalink Road, Karaparamba, Kozhikode- 673 010 | : | Member |
|  | The President, Chamber of Commerce, T.T.C. Road, Jawahar Nagar, Kowdiar, Thiruvananthapuram | : | Member |
|  | The President ,The High Tension & Extra High Tension Industrial Electricity Consumers' Association Productivity House, Kalamassery- 683 104, Ernakulam District | : | Member |
|  | Sri. R. Chandrachoodan Nair,  R.G Bhavanam,Thyekkevila P.O, Kollam- 16 | : | Member |
|  | Sri T.K.Bhaskara Panicker, President,  FRATS (Federation of Residents’ Association,  Renfrew College,USRA-72,Vellayambalam Thiruvananthapuram | : | Member |
|  | Sri. S.Balasubrahmanian,  Asst. Director-Projects, Smart City(Kochi) Infrastructure Ltd., Brahmapuram P.O., Kochi- 682 303 | : | Member |
|  | Sri.Ravi,  Chalakudy puzha Samrakshana Samithi,Chaithanya,Pariyaram,Chalakudy | : | Member |

1. **STATE CO-ORDINATION FORUM**

The State Government constituted a Co-ordination Forum consisting of the Chairperson 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 the power sector in the State.

1. **LICENSEES**

The Kerala State Electricity Board Ltd. continued to function as the State Transmission Utility and a distribution licensee as per Section 14 of the Electricity Act, 2003. In addition to Kerala State Electricity Board Ltd, the following are the distribution licensees in the State.

1. Thrissur Corporation, Thrissur
2. Kannan Devan Hills Plantations Company Private Limited (KDHPCL), Munnar
3. Technopark, Kazhakuttam, Thiruvananthapuram
4. Cochin Special Economic Zone Authority (CSEZA), Kakkanad, Kochi
5. KINESCO Power Utilities Private Limited (KPUPL), Kakkanad, Kochi
6. Rubber Park India Private Limited (RPIL), Valayanchirangara, Ernakulam
7. Cochin Port Trust, Willingdon Island,Kochi
8. Infopark, Cochin
9. Smart City Kochi Infrastructure pvt Ltd
10. Kerala State Information Technology Infrastructure Ltd ,Park Centre,

Technopark.

1. **PROCEEDINGS OF THE COMMISSION**

The details of the public hearings and other proceedings of the Commission are furnished in Annexure I.

**10. REGULATIONS ISSUED BY THE COMMISSION**

The Commission issued the following Regulations/ Amendments to the Regulations in 2016-17.

* 1. Kerala State Electricity Regulatory Commission (Grid Interactive Distributed Solar Energy Systems) Amendment Regulations, 2016 dated 15th March 2016 Published in Government Gazette No. 836 dated 21st April 2016.

The eligible consumers, KSEB Ltd and other stakeholders has raised certain issues regarding the KSERC (Grid Interactive Distributed Solar Energy Systems) Regulations, 2014. Duly considering the practical difficulties encountered while implementing the KSERC (Grid Interactive Distributed Solar Energy Systems) Regulations, 2014, the Commission vide the notification No. 2521/ADL/KSERC/2015 Dated, Thiruvananthapuram 15th March 2016 , has amended the Kerala State Electricity Regulatory Commission (Grid Interactive Distributed Solar Energy Systems) Regulations, 2014, with the following main changes:

(i) Permission for connecting solar plants upto 15% transformer capacity irrespective of the load in LT feeder

(ii) Permission for connecting solar plants at 11000 volts, provided the cumulative capacity of the solar energy systems connected to the distribution feeder under a particular power transformer in the feeding substation is less than eighty percent of the average load of that feeder

(iii) Refund of 80% registration fee on commissioning of the project

(iv) Extension of validity of registration by further six months

(v) Provisions to refund 80% registration fee if the application is withdrawn within the validity period

(2) Kerala State Electricity Regulatory Commission (Terms and Conditions of Service of Officers and other Employees) Regulations, 2016

(3) Kerala Electricity Supply Code (Removal of Difficulties) Order, 2016 dated 26th October 2016 Published in Government Gazette No. 1978 dated 16th November 2016.

Government of Kerala has, under section 108 of the Electricity Act 2003, issued directives to the Commission to rework the Supply Code as part of implementation of complete electrification and ease of doing business. The Commission, vide notification dated 26.10.2016, issued Removal of difficulty order to the Supply Code, 2014 with the following objectives:

(i) Simplify the application formats in the Kerala Electricity Supply Code, 2014

(ii) To provide on line facility for application

(iii) To reduce the number of documents required for availing electric connection to 2

(iv) Determining KVA/kW rates

(v) Permit grant of electric connection to residential structures of plinth area of 100 sq m and less

(vi) Dispensing with the requirement of approvals like test cum completion certificate and accept Self certification by consumers

(4) The Kerala Electricity Supply (Amendment) Code, 2017 dated 24th January 2017 Published in Government Gazette No. 198 dated 2nd February 2017.

The major provisions amended include:

(i) The height of multi storied building fixed to 15 m in line with CEA regulation

(ii) Licensees may permit the applicant to undertake the works of electric line or plant or both by himself, on an application from the applicant for permission

(iii) The period of dismantling enhanced to 180 days from 45 days

* + - * 1. Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Amendment Regulations, 2017 dated 20th March 2017 Published in Government Gazette No. 532 dated 21st March 2017.

The Amendment Regulation was issued to revise the cross subsidy surcharge formula in line with the Tariff Policy, 2016

1. **Abstract of disposal of petitions received by the Commission.**

No. of petitions pending settlement as on 31.03.2016 - 34

No. of petitions received during 2016-17 - 55

No. of petitions disposed of during 2016-17 - 64

No. of petitions pending as on 31.03.2017 - 25

The details of petitions pending are given below,-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sl.No.** | **Date** | **Petitioner** | **Respondent** | **Subject** | **Remarks** |
| 1 | 13.07.16 | KSEBL | M/s LKPL | Non supply of gas power by LANCO |  |
| 2 | 03.08.16 | KSEBL |  | For order in terms of APTEL order |  |
| 3 | 05.08.16 | KSEBL |  | Do |  |
| 4 | 22.08.16 | KSEBL |  | Truing up for 2013-14 |  |
| 5 | 20.10.16 | KSEBL |  | Approval for long term transmission plan |  |
| 6 | 15.11.16 | M/s KDHPCL | KSEBL | Truing up for 2015-16 |  |
| 7 | 16.11.16 | KSEBL |  | Truing up for 2014-15 |  |
| 8 | 30.11.16 | Rubber Park India Ltd | KSEBL | ARR &ERC for 2017-18 |  |
| 9 | 13.12.16 | M/s Infopark | KSEBL | ARR& ERC for 2017-18 |  |
| 10 | 15.12.16 | M/s Cochin Port Trust | KSEBL | Truing up for 2015-16 |  |
| 11 | 20.12.16 | M/s CSEZA | KSEBL | For obtaining single point power supply |  |
| 12 | 29.12.16 | Indsil Hydro Power & Manganese Ltd. | KSEBL | Dispute on non-payment of Invoice dt29.07.16 |  |
| 13 | 03.01.17 | TCED | KSEBL | Truing up for 2015-16 |  |
| 14 | 04.01.17 | Microtrol Sterilization Service (P) Ltd. | KSEBL | Change of Tariff |  |
| 15 | 18.01.17 | M/s KPUPL | KSEBL | ARR& ERC for 2017-18 |  |
| 16 | 19.01.17 | Rubber Park India Ltd | KSEBL | Truing up for 2015-16 |  |
| 17 | 20.01.17 | Kochi Municipal Corpn. | KSEBL | Tariff for sale of power from Waste Energy |  |
| 18 | 08.02.17 | M/s CSEZA | KSEBL | Truing up for 2015-16 |  |
| 19 | 27.02.17 | M/s KPUPL | KSEBL | For including additional licence area |  |
| 20 | 02.03.17 | Technopark | KSEBL | ARR& ERC for 2017-18 |  |
| 21 | 10.03.17 | M/s KPUPL | KSEBL | Fixation of wheeling charges, transmission charges etc. |  |
| 22 | 15.03.17 | M/s CIAL | KSEBL | For refund of registration fee |  |
| 23 | 31.03.17 | M/s Infopark | KSEBL | Truing up for 2015-16 |  |
| 24 | 08.08.16 | Mathew Peter (Atlas) | KSEBL | Non compliance petition |  |
| 25 | 08.08.16 | K. Madhuraj (Atlas) | KSEBL | Non compliance petition |  |

1. **IMPORTANT ORDERS ISSUED BY THE COMMISSION**
2. **Order No.393/D(F&T)/KSERC/2016 dated 7.4.2016 in the matter of determination of tariff of Kochi Metro Rail Limited (KMRL).**

The Commission, vide the order dated 07-04-2016, provisionally extended the tariff applicable to Railway Traction (110kV) (as per the tariff order dated 14.08.2014 in OP No 9 of 2014) to Kochi Metro Rail Limited (KMRL). The Commission also ordered that, the request of the KMRL to approve a separate tariff will be considered during the next tariff determination process.

1. **Order No. 373/D(F&T)/2016 dated 11.04.2016 in the matte of tariff applicable to Working Women Hostels established as per the scheme issued by the Ministry of Women and Child Development, Government of India and under the supervision and monitoring of Department of Social Welfare, Government of Kerala.**

The Commission vide the **Order No. 373/D(F&T)/2016 dated 11.04.2016**, ordered that, the electricity tariff applicable to Hostels, which are established, to provide affordable accommodation to working women, as per the scheme laid out by the Ministry of Women and Child Development, Government of India and monitored and supervised by the State Social Welfare Department (now Social Justice Department), Government of Kerala, shall be LT VI (B) tariff category.

1. **Order dated 11.04.2016 in OA 35/2015 in the matter of determination of ARR & ERC of M/s Technopark, for the first control period 2015-16 to 2017-18**

M/s Technopark on 17.07.2015 filed the application on ARR & ERC for the first control period for the years 2015-16 to 2017-18 as per the provisions in the KSERC (Terms and Conditions for Determination of Tariff) Regulation 2014. Considering the delay in filing the ARR&ERC application, the Commission vide its order dated 20-08-2015 issued a show cause notice under section 142 of the Act 2003 directing the licensee to pay a penalty of Rs.50,000/- for non-compliance of regulations. The licensee on 28-09-2015 remitted the penalty. The Commission admitted the application of the licensee as OA No.35/15, after making payment of the penalty. Public hearing was held at the Conference Hall, Park Centre, Technopark, Thiruvananthapuram on 24-11-2015. After carefully considering the claims of the applicant , clarifications filed by the licensee, oral submissions during the hearing and the views expressed by M/s KSEB Ltd, the Commission approved provisionally the ARR and ERC for the licensee for the first control period as stated below,-

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Year** | **ARR** | **ERC** | **Revenue Surplus** |
|  | **(Rs. in lakh)** | **(Rs. in lakh)** | **(Rs. in lakh)** |
| 2015-16 | 4959.24 | 5214.2 | **255.00** |
| 2016-17 | 5388.15 | 5715.6 | **327.49** |
| 2017-18 | 5856.10 | 6174.7 | **318.60** |

1. **Order in O.A. No. 12 of 2015 Order dated 20- 05- 2016, in the matter of ‘approval of the cost data of the rates of materials and labour for the distribution works for the year 2016-17 for KSEB Ltd.**

The Commission, vide the order dated 20.5.2016, approved the cost data of the rates of materials and labour for the distribution works for the year 2016-17 for KSEB Ltd.

1. **Order dated 23-05-2016 in File No.761/D (F&T)/2016/KSERC in the matter of adoption of tariff as per Section 63 for Purchase of 100 MW evening peak power (from 18.30 hrs to 22.30 hrs) and 50 MW for the time blocks from 05.00 hrs to 18.30 hrs and 22.30 hrs to 24.00 hrs for the month of May -2016 from M/s PTC India Ltd.**

KSEB Ltd, vide letter dated 11.4.2016 requested before the Commission to permit procurement of 100MW evening peak power (from 18.30 hrs to 22.30 hrs) and 50 MW for the time blocks from 05.00 hrs to 18.30 hrs and 22.30 hrs to 24.00 hrs for the month of May -2016 by strictly following the revised guidelines issued by the Ministry of power, Government of India facilitating reverse auction through the national e-bidding portal developed through MSTC Ltd. by Government of India. The Commission vide letter dated 22-04-2016 granted ‘in principle’ approval for the same. KSEB Ltd again filed a petition on 05.05.2016 for adoption of tariff as per clause 11.4 of the ‘Guidelines for short-term procurement of power by Distribution Licensees through Tariff based bidding process’ issued by Ministry of Power, Government of India for procurement of power from M/s PTC India Ltd for the period from 05-05-2016 to 31-05-2016 by KSEB Ltd. Considering the facts and circumstances, the Commission decided to adopt the tariff under Section 63 of the Electricity Act 2003 for Purchase of power during the month of May 2016 on short term basis, as per guidelines issued by Ministry of Power, from M/s PTC India Ltd at delivery point as detailed below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Period** | **Duration** | **Quantum (MW)  on Firm basis** | **Rate at Delivery Point** | **Source of Power** |
| 05.05.2016 to 01.06.2016 | 22:30 hrs to  00:00 hrs | 50 MW | Rs.3.21/- (Three Rupees and Twenty one paise only) per kWh | DVC in Eastern Region |
| 05.05.2016 to 31.05.2016 | 05:00 hrs to  18:30 hrs | 50 MW | Rs.3.14/- (Three Rupees and Fourteen paise only) per kWh | DVC in Eastern Region |
| 05.05.2016 to 31.05.2016 | 18:30 hrs to  22:30 hrs | 100 MW | Rs.3.40/- (Three Rupees and Forty Paise Only) per kWh | DVC in Eastern Region |

1. **Order dated 10/05/2016 in OA 1/2016 in the matter of application for the approval of revised ARR & ERC for the year 2016-17 filed by M/s Rubber Park India Private Limited**

M/s Rubber Park India Private Limited filed application for the revised ARR & ERC for the years 2016-17 and 2017-18 vide letter No.RP/E/02/11023 dated 27th November 2015. The Commission considered the application submitted for the year 2016-17 and admitted the same as OA No. 01/16. Public hearing was held on 05-02-2016 at the Conference Hall of Rubber Park India Private Limited, Valayanchirangara, Ernakulam. After considering the claims of the applicant, clarifications filed by the licensee, oral submissions during the hearing and the views expressed by M/s KSEB Ltd, the Commission approved provisionally the ARR and ERC for the licensee for the first control period as stated below,-

|  |  |
| --- | --- |
| **Financial Year** | **2016-17** |
| ARR (Rs. in lakh) | 1601.71 |
| ERC (Rs. in lakh) | 1503.04 |
| Surplus / (Revenue Gap) | (98.67) |

1. **Order dated 04.05.2016 in OA No.40/2015 in the matter of Truing up of accounts of Thrissur Corporation for the year 2013-14**

TCED filed the application on 09.02.2015 for the truing up of accounts for the year 2013-14 and subsequently filed a revised application on 23.4.2015 stating that there occurred some errors in the application filed earlier. The Commission accepted the revised application of the licensee for the truing up of accounts for the year 2013-14 as OA No. 40/15. Hearing on the application on truing up of accounts of Thrissur Corporation for the year 2013-14 was held on 18-12-2015 at the Conference Hall, Ramanilayam, Thrissur. During the hearing, representatives of Thrissur Corporation and KSEB Ltd were present. After considering the application filed by the licensee for the truing up of accounts for the year 2013-14, the objections raised by M/s KSEB Ltd and other stakeholders, the clarifications and details submitted by the licensee the Commission approved a total expenditure of Rs 7945.18 lakh, a total revenue of Rs 9538.40 lakh and a revenue surplus of Rs 1593.22 lakh. The accumulated revenue surplus was determined at Rs 8428.47 lakh after the truing up for the year 2013-14. The licensee was directed to keep the surplus in a separate fund and utilize it as per the orders of the Commission.

1. **Order dated 01-06-2016 in file No. 668/ F&T /2016 / KSERC in the matter of adoption of tariff as per Section 63 for Purchase of 200 MW RTC power procurement by KSEB Ltd. from 01.03.2017 to 30.06.2017 on short term basis from M/s PTC India Ltd.**

KSEB Ltd, vide letter dated 14.3.2016 requested the Commission to permit KSEB Ltd to invite short term tender for the procurement of 250MW RTC power for the period from 01-03-2017 to 30-06-2017 to tide over the power deficit anticipated during the said period. The request of KSEB Ltd was based on the provisions of the ‘Guidelines for Short-term (i.e., for a period less than or equal to one year) procurement of power’ by distribution licensees through Tariff Based Bidding Process notified by the Central Government. Duly considering the request of KSEB Ltd, the Commission, vide approval No 422/DD(Tech)/2016/KSERC/ dated 31.3.2016 granted’ in principle’ approval for inviting bids for procuring 250 MW on short-term basis from March-2017 to June-2017.

Subsequently KSEB Ltd filed petition for adoption of tariff as per section-63 of the Electricity Act-2003, for procuring 200 MW RTC power from M/s. PTC India Limited for the period from 01.03.2017 to 30.06.2017 at the rate of Rs.3.08 per kWh at delivery point on short term basis and also to condone the bonafide action of KSEB Limited in executing the PPA prior to obtaining approval of the Commission, in view of the expeditious action required for applying for the open access within the stipulated time.

The Commission after considering the facts and circumstances, adopted the tariff under Section 63 of the Electricity Act 2003 for the Purchase of 200 MW RTC power from M/s PTC Ltd, for the period from 01.03.2017 to 30.06.2017 on short term basis, as per guidelines for short-term (i.e., for a period less than or equal to one year) procurement of power by distribution licensees through Tariff based bidding process notified by the central government vide the resolution No. 23/25/2011-R&R dated 15th May 2012. Any liability likely to be incurred as compensation for not scheduling the contracted power from M/s PTC shall not be allowed to pass on to the consumers of the State.

1. **Clarification orders dated 10.5.2016 and 15.6.2016 issued by the Commission File No. 346/D (F&T) /2016/KSERC to M/s Travancore Cements Limited.**

Travancore Cements Limited requested the Commission to waive the clause of 51% consumption for captive use to proceed further with KSEB Ltd regarding PPA. The Commission vide the order dated 10.05.2016 communicated that, since the conditions relating to captive generating plants have been formulated by Govt. of India, the Commission cannot waive the clause (51% of consumption of the aggregate electricity generated by the plant in order to qualify the plant as a Captive Generating Plant) relating to the eligibility criteria for captive generating plants, as mentioned in Rule 3 of the Electricity Rules, 2005

Travancore Cements Limited, further vide letter dated 25.4.2016, requested the Commission for approval for proceeding with entering into PPA with KSEB Ltd for their proposed 350MW solar project at various locations. The commission vide letter dated 15.6.2016 clarified as follows:

(a) As per Section 7 of Electricity Act, 2003, any generating company may establish, operate and maintain a generating station without obtaining a license from the Commission, however, the generator shall comply with the technical standards as specified by Central Electricity Authority.

(b) As per Section 12 of Electricity Act, 2003, transmission, distribution and trading of electricity, only, requires license from the Electricity Regulatory Commission.

(c) A distribution licensee can purchase power from a generating company under Section 63 of Electricity Act, 2003, through competitive bidding process, for which no tariff need to be determined by the Commission. However, the purchasing licensee within the state has to obtain approval of the PPA from the Commission.

(d) The tariff for the electricity generated by a generating company is determined under Section 62 of Electricity Act, 2003. The authority to determine the tariff of electricity which is sold within the state is the State Electricity Regulatory Commission. If the sale of power is to the distribution licensees which include those from other states, the authority to determine the tariff is Central Electricity Regulatory Commission.

1. **Order dated 17-06-2016 in file No.272/F&T/2016/KSERC in the matter of Approval of PPA for the purchase of additional 150MW of power from M/s Maithon Power Ltd. with KSEB Ltd**

KSEB Ltd. in its petition dated 15.2.2016 requested to approve the PPA it has entered into with M/s Maithon Power Ltd. on 29.6.2015 for the procurement of 150 MW power for 25 years from June 2016 onwards for which the Commission vide order dated 08-07-2015 in OP No. 23 of 2015 granted permission to KSEB Ltd for the procurement of additional 150 MW RTC power from M/s Maithon Power Ltd. Based on the request of KSEB Ltd., the Commission vide its order dated 08-07-2015 in OP No. 23 of 2015 granted permission for procuring 150 MW power from M/s Maithon Power Ltd, at the CERC determined tariff under Section-62 of the Electricity Act 2003, in lieu of the 150 MW power already contracted from Regunathpur power plant of DVC. After duly considering the facts and circumstances, the Commission approved the Power Purchase Agreement (PPA) dated 29-6-2015 for purchase of 150 MW power at CERC determined tariff for 30 years from the date of CoD of the station, entered by KSEB Ltd with M/s Maithon Power Ltd. It was also ordered that, KSEB Ltd shall actively participate in the deliberations of the Tariff determination of M/s Maithon Power Ltd before CERC. The Commission also ordered that KSEB Ltd. shall submit the following before the Commission:

1. A copy of the tariff order issued by CERC in respect of M/s Maithon Power Ltd.
2. A copy of the objections / comments filed by KSEB Ltd, in the tariff application of M/s Maithon Power Ltd before CERC
3. Codicil PPA if any executed between KSEB Ltd. and M/s Maithon Power Ltd, consequent to the revision of tariff by CERC
4. **Order dated 21/06/2016 in OA 2/2016 In the matter of Truing up of Accounts of Kanan Devan Hill Plantations Company Private Limited for the year 2014-15**

M/s KDHPCL filed application for the truing up for 2014-15 which was admitted as OA No.2/16. The application was based on the audited accounts of the licensee. Public hearing was conducted on 09-03-2016 at the Court room of the Commission. The Commission after considering the application filed by M/s. KDHPCL for truing up of accounts for the year 2014-15, objections raised by KSEB Ltd. and the clarifications and details provided by the licensee approved the total expenditure of Rs 2237.47 lakh and total revenue of Rs 2345.47 lakh with a revenue surplus of Rs 108.00 lakh.

1. **Order No. OP No. 31/2015 dated 22-06-2016, in the matter of ‘purchase of 210 MW RTC power during the months of August & September 2015 under ‘Scheme for Utilisation of Gas Based Power Generating Capacity notified by Ministry of Power (MoP)’ from 1108 MW LANCO Kondopalli Power Ltd.(LKPL)’.**

KSEB Ltd. filed a petition before the Commission to ratify the action of the KSEB Ltd in entering into PPA with M/s LANCO Kondapalli Power Ltd.(LKPL) on 12-06-2015 for procuring 210 MW RTC power during August and September-2015 under the ‘Scheme for Utilisation of Gas Based Power Generating Capacity’ notified by Ministry of Power (MoP) at Rs. 4.70 per kWh and also to ratify the action of KSEB Ltd in exempting M/s PTC Ltd from supplying 150 MW from Simhapuri Energy Ltd. (SEL) till 31-08-2015, without liability for compensation on either party.

The Commission, vide the order dated 22.06.2016, approved the action of KSEB Ltd in entering into PPA with M/s LANCO Kondappalli on 12-06-2015 for procuring 210 MW RTC power during August and September-2015 under the ‘Scheme for Utilisation of Gas Based Power Generating Capacity’ notified by MoP at Rs. 4.70 per kWh and the action in exempting M/s PTC Ltd from supplying 150 MW from Simhapuri Energy Ltd till 31.8.2015 without compensation on either party. The Commission ordered that, the additional liability if any, on account of reduction of 150MW power from M/s PTC in anticipation of supply of power by M/s LANCO cannot be passed on to consumers.

1. **Approval of the modified Annexure 13 to Supply Code as per the request of KSEB Ltd**

Commission, vide order dated 05.07.2016, modified the Annexure 13 - format of Agreement for supply of Energy (Low Tension (Demand Based Tariff), High Tension and Extra High Tension).

1. **Order 449/D(F&T)/KSERC/2016** **dated 5.7.2016, in the matter of clarifications issued on the Tariff of Aquarium run by ADAK.**

The Executive Director, ADAK, requested before the Commission, to categorize the aquariums run by ADAK under LT V(B) agricultural tariff. The Commission, after examining the relevant documents submitted by the petitioner, vide letter dated 5.7.2016, clarified that these aquariums run by ADAK shall be classified under the tariff category - LT V (B) Agriculture.

1. **Notification dated 13th July 2016 on appointment of Adjudicating officer under Energy Conservation Act, 2001**

In compliance of the Section 27 of the Energy Conservation Act, 2001, the Kerala State Electricity Regulatory Commission appointed Sri K Vikraman Nair, Member, Kerala State Electricity Regulatory Commission as Adjudicating Officer for holding inquiry in matters related to the Energy Conservation Act, 200.

1. **Approval of the cost data of the rates of materials and labour for the distribution works in the distribution license area of Kannan Devan Hills Plantations Company Private Limited, Munnar for the year 2016-17. (O.A. No. 20 of 2014 (663/C.Engg/KDHP/2014) Order dated 14-07- 2016)**

Kannan Devan Hills Plantations Company Limited (KDHPCL) has submitted an application, as per the provisions of Kerala State Electricity Regulatory Commission (Conduct of Business) Regulations, 2003, for the approval of the cost data of the rates of materials and labour for the distribution works in the distribution license area of Kannan Devan Hills Plantations Company Private Limited, Munnar for the year for the year 2014-15 for the recovery of expenditure under Section 46 of the Electricity Act 2003.

The Commission vide the order dated 14.07.2016, approved the same.

1. **Order dated 14/07/2016 in OA 3/2016 in the matter of application for the approval of revised ARR & ERC for the year 2016-17 filed by M/s KINESCO Power and Utilities Private Limited (KPUPL)**

M/s KPUPL vide letter dated 29-12-2015 submitted the revised ARR & ERC for the subsequent years of the Control Period 2016-17 as per the provisions of KSERC (Terms and Conditions for determination of Tariff) Regulation, 2014.The Commission sought clarifications on the application, vide letter dated 18-01-2016. The licensee submitted the clarifications vide letter dated 05-02-2016 and the Commission admitted the application as OA No. 03/16. Public hearing was held on 04-03-2016 at the Conference Hall, KINESCO Power and Utilities Private Limited (KPUPL), Kakkanad, Ernakulam. The Commission after considering the claims of the applicant and the views expressed by M/s KSEB Ltd approved provisionally the revision in the ARR and ERC for the licensee for the year 2016-17 as stated below,-

|  |  |
| --- | --- |
| **Financial Year** | **2016-17** |
| ARR (Rs. in lakh) | **5526.12** |
| ERC (Rs. in lakh) | **5950.10** |
| Surplus / (Revenue Gap) | **(+)423.98** |

1. **Order dated 18/07/2016 on RP 1/2016 In the matter of petition for review and reconsideration of the order on ARR&ERC of CSEZ dated 09-09-2015 for the control period 2015-16 to 2017**

M/s Cochin Special Economic Zone Authority (CSEZA) vide letter dated 08-02-2016 filed an application under the KSERC (Conduct of Business) Amendment Regulations, 2014 for review and reconsideration of the order dated 09-09-2015 on the ARR & ERC for the first control period 2015-16 to 2017-18 as per the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2014. The licensee requested the Commission to review the approved distribution loss, power purchase cost, the proposed capital expenditure for granting the depreciation and RoE. Public hearing on the application was held on 20-04-2016 at the Court Room, Office of the Commission. The Commission came to the conclusion that facts placed by the petitioner for a review of the Order dated 09-09-2015 was not sufficient to warrant a review of the orders already issued. The Commission issued an ‘in principle’ approval of the capital expenditure of Rs.131.36 lakh for 2015-16, Rs.47.25 for 2016-17 and Rs.137.85 lakh for 2017-18, as requested for by the licensee for the control period 2015-16 to 2017-18 subject to prudence check while truing up of the accounts.

1. **Order dated 20.07.2016 in OA 6/2016 In the matter of the application for the approval of revised ARR & ERC for the year 2016-17 filed by M/s Infopark**

M/s Infopark Kochi vide letter No. INFOPARK/KSERC/422/2016 dated 11th March 2016 submitted application for approval of revised ARR and ERC for the year 2016-17. The Commission considered the application submitted by the licensee and admitted it as OA No. 06/16. Public hearing was held on 06-05-2016 at 11.00 A.M at the Conference Hall of M/s Infoparks Kerala**,** Cherthala. The Commission after considering the claims of the applicant and the views expressed by M/s KSEB Ltd approved provisionally the revision in the ARR and ERC for the licensee for the year 2016-17 as stated below,-

|  |  |
| --- | --- |
| **Financial Year** | **2016-17** |
| ARR (Rs. in lakh) | 690.34 |
| ERC (Rs. in lakh) | 586.63 |
| Surplus / (Revenue Gap) | **(103.71)** |

1. **Order dated 25.07.2016 in OA No.41/2015 in the matter of Truing up of accounts of Thrissur Corporation Electricity Department for the year 2014-2015.**

Thrissur Corporation Electricity Department filed the application for truing up of accounts for the year 2014-15 before the Commission on 27.11.2015. The Commission admitted the application as OA No. 41/15 after submission of the required details and clarifications. Hearing on the application on truing up of accounts of Thrissur Corporation for the year 2014-15 was held on 5.5.2016. During the hearing, representatives of Thrissur Corporation and KSEB Ltd were present. The Commission, after considering the application filed by the licensee for the truing up of accounts for the year 2014-15, the objections raised by M/s KSEB Ltd., the clarifications and details submitted by the licensee thereon, approved a total expenditure of Rs 9316.24 lakh, a total revenue of Rs.10855.98 lakh and a revenue surplus of Rs.1539.74 lakh. The accumulated revenue surplus was determined as Rs.9968.21 lakh after the truing up for the year 2014-15. The licensee was directed to keep the surplus so arrived at, after the truing up process, in a separate fund and utilize it only as per the orders of the Commission.

1. **Interim Order dated 03-08-2016 in Petition No. 1232/DD(T)/OA-NOC/2016/KSERC, in the matter of ‘difficulties due to denial of application for NOC for Interstate short term open access (Collective transaction)**

Hon’ble High Court in its judgment dated 29th July, 2016 in Writ petition No 25043 of 2016 directed the Commission as follows:

(i) The Regulatory Commission shall immediately take into consideration Exhibit-P6 and pass appropriate orders after hearing the parties with in a period of one week from the date of receipt of a copy of this judgment.

(ii) The parties shall appear before the Regulatory Commission on 1st August, 2016.

(iii) It shall always be open for the Regulatory Commission to pass appropriate interim orders after hearing either parties.

In compliance with the directions of the Hon’ble High Court in its judgment dated 29.07.2016, in Writ Petition No. 25043/2016, the Commission issued the following interim orders,-

(1) The orders issued by the Chief Engineer (System Operations) KSEB Ltd denying the NOC for Short Term Open Access to the petitioners in the Writ Petition are hereby quashed and the applications already submitted by them shall be considered afresh and orders issued on or before 06.08.2016.

(2) The orders issued by the Chief Engineer (System Operations) KSEB Ltd denying the NOC for Short Term Open Access to the other embedded consumers are also quashed and the applications already submitted by such consumers shall also be considered afresh and orders issued on or before 06.08.2016.

(3) SBU (Distribution), SBU (Transmission) and SLDC under KSEB Ltd are granted time upto 19.08.2016 for filing their written statements for consideration of the Commission while issuing the final orders.

1. **Order dated 03-08-2016 in file No.539/F&T/2016/KSERC on the petition for seeking extension of the validity of the tariff orders in OP No.9/2014 dated 14-08-2014, 25-09-2014 and 30-09-2014**

Kerala State Electricity Board Limited filed a petition vide letter No.KSEB/TRAC/Tariff Petition/2016-17/2707 dated 04-04-2016 under section 62(4) and 62(6) of the Electricity Act, 2003 read along with Regulations 22(b), 44 and 69 of KSERC (Conduct of Business) Regulations, 2003 seeking extension of the validity period of tariff which expired on 31-03-2016.

The prayers of KSEB Ltd in the petition were –

1. The delay in filing the instant petition for grant of extension of validity period of approved tariff beyond 31-03-2016 may kindly be condoned.
2. Hon’ble Commission may kindly grant extension of the validity of tariff order dated 14-08-2014, 25-09-2014 and 30-09-2014 in petition OP No.9/2014 till 30-09-2016 or the date of effect of the new tariff order pertaining to the financial year 2016-17, whichever is earlier.

Admissibility hearing was conducted the at the Court Room, Office of Commission on 13-07-2016 at 11.30 AM and in view of the facts and statutory provisions the Commission found that the request of the licensee in this petition cannot be granted.

1. **Order dated 09.08.2016 in review petition No.RP No 2/2016 (420/D (F&T)/2016/KSERC) in the matter of replacement of two faulty diesel engine generator set with new gas based generator set at Brahmapuram Diesel Power Plant ( BDPP) of KSEB Limited.**

Kerala State Electricity Board Limited (KSEB Ltd), vide its application dated 18.11.2014, requested for investment approval for the replacement of the existing two faulty Diesel Generators at BDPP with new Gas based generator sets. Commission vide the order No. 02234/C.Engg/BDPP/2014 dated 12.01.2016 declined the proposal citing the following reasons:

a) The State is having only manageable shortage in the next five to six years.

b) The tariff of the proposed gas plant is prohibitively high when compared with the cost of electricity available from other sources.

c) The ‘take or pay’ condition to be included in the Gas Supply Agreement and the ‘ Ship or pay’ condition to be incorporated in the Gas Transport agreement would force KSEB Limited to bear the fuel cost including transportation charges irrespective of scheduling of power.

KSEB Ltd, vide the letter KSEBL/ TRAC/ BDPP/2016 dated 14-03-2016 filed a review petition before the Commission on 14-03-2016 and prayed that, ‘KSEBL may humbly pray before the Hon’ble Commission to review the order No. 022343/C.Engg/BDPP/2014 dated 12.01.2016 ‘in the matter of replacement of two faulty diesel engine generator sets with new gas based generator sets at BDPP’ and kindly grant the investment approval for the replacement work at BDPP’

The Commission after considering the materials placed before it and after a detailed analysis, found that no sufficient grounds have been placed by the petitioner KSEB Ltd. before the Commission, necessitating a review of its Order dated 12-01-2016 in the matter of ‘Replacement of two faulty diesel engine generator sets with new gas based generator sets at BDPP. Accordingly, the petition was rejected.

1. **Order Dated 19/08/2016 in OA No 5/ 2016 in the matter of truing up of accounts of M/s Cochin Port Trust for the year 2014-15**

M/s Cochin Port Trust filed application for truing up of accounts for the financial year 2014-15 vide letter No.FD/Costing/Truing-up 2014-15/2016 dated 6th February 2016. The Commission considered the application and admitted the same as OA No. 05/16. In the application, the licensee had arrived at a revenue gap of Rs.821.19 lakh for the year 2014-15 as against a revenue surplus of Rs.120.12 lakh approved by the Commission in the order dated 19-05-2014 in OP 1/14 on the application for the approval of ARR & ERC. Hearing on the application for truing up of accounts of the licensee for the year 2014-15 was held on 19-04-2016 at the Court Room, Office of the Commission, Thiruvananthapuram. The Commission after considering the application for the truing up of Cochin Port Trust for the year 2014-15 and the details and clarifications submitted by the licensee and the views of KSEB Ltd. arrived at a total expenditure of Rs.2539.70 lakh, total revenue of Rs.3122.96 lakh and a revenue surplus of Rs 583.26lakh. The cumulative revenue surplus from 2004-05 to 2014-15 was determined to be Rs.3417.42 lakh.

1. **Order dated 26.08.2016 in petition No. O.P. No.8/2016, in the matter of notifying TMRs Thirumala, Pallom, Shornur and Kannur of KSEBL as “approved laboratory” as per provisions in the Kerala Electricity Supply Code, 2014.**

The KSEB Ltd submitted a petition before the Commission on 17.02.2016 for notifying TMRs of Thirumala, Pallom, Shornur and Kannur as approved laboratory, as defined in Kerala Electricity Supply Code, 2014’ for testing energy meters.

The Commission vide the order dated 26.08.2017, ordered as follows.

(i) The KSEB Ltd shall initiate action immediately for obtaining accreditation from NABL for their TMR units at Shornur and Kannur for testing of the energy meters since the equipment are already installed.

(ii) The KSEB Ltd shall immediately take necessary steps for procurement of the equipment for testing meters and get accreditation from NABL for their TMR units at Thirumala and Pallom.

(iii) The following investments for the three TMRs are approved.

|  |  |  |
| --- | --- | --- |
| Sl No | TMR | Cost Estimate Approved by the Commission (Rs Lakh) |
| 1 | Thirumala | 128.5 |
| 2 | Pallom | 128.5 |
| 3 | Kannur | 16.10 |

Any further investment required for purchase of equipment shall be incurred only after getting approval of the Commission.

1. Commission approves the meter testing facilities at the TMR units of KSEB Ltd at Shornur and Kannur for testing the single phase and three phase whole current meters, CT operated meters and ABT meters excluding instrument transformers, upto a period of one year or till the validity of the calibration equipment at the TMRs expires, whichever is earlier.
2. Commission approves the meter testing facilities at the TMR units of KSEB Ltd at Thirumala and Pallom for testing the single phase and three-phase whole current meters, LT and HT CT operated meters excluding instrument transformers, upto a period of one year or till the validity of the calibration equipment at the TMRs expires, whichever is earlier.

(vi) KSEB Ltd shall submit the progress of the accreditation process of each of the four TMRs and the status on continued accreditation of TMR, Angamaly every six months from the date of this order.

1. **Order dated 30.08.2016, in petition No. OP No. 13/2015, in the matter of Purchase of 865 MW power for long term by KSEB Ltd. on DBFOO basis– adoption of Tariff under Section 63 of the Electricity Act, 2003.**

Kerala State Electricity Board Limited had, on 21.04.2015, filed a petition before the Kerala State Electricity Regulatory Commission for the adoption of tariff determined under Section 63 of the Electricity Act, 2003 for the 865 MW of power procured by it on ‘Design, Build, Finance, Own and Operate (DBFOO)’ basis in the open bid process claimed to be in accordance with the Bidding Guidelines and the documents notified by the Government of India.

After examining the whole matter, the Commission, vide the order dated 30.08.2016, ordered as follows:

(1) The purchase of 200 MW of power by KSEB Ltd from M/s Jindal Power Ltd, New Delhi at the rate of Rs.3.60 / kWh as per the Bid -1 dated 05.03.2014 which was opened on 31.10.2014, is approved.

(2) The purchase of 100 MW of power by KSEB Ltd from M/s Bharat Aluminium Company Ltd, Chhattisgarh at the rate of Rs.4.29/ kWh as per the Bid -2 dated 25.05.2014 which was opened on 14.11.2014, is approved.

(3) The approval of the following purchases of power by KSEB Ltd from the bidders other than the lowest bidder (L1) will be considered on getting the approval from Government of India for the deviations from the guidelines and on getting the views from Government of Kerala on the issues raised in paragraphs 34 and 38 of this order.



(4) A copy of this order will be submitted to Government of Kerala with request to communicate their views after duly considering the relevant facts and legal provisions in view of the Government Order GO (MS) No. 45/2014/PD dated 20.12.2014 sanctioning the purchase of 865 MW of power by KSEB Ltd on DBFOO basis.

(5) KSEB Ltd is directed to follow up the matter in Government of India and in Government of Kerala and to submit the results to the Commission as early as possible, considering the fact that the power purchases as per Bid-1 will have to commence with effect from December, 2016.

(6) All the orders above are subject to the final decisions of the Hon’ble High Court in Writ Petition No. WP (C) 33100/2014.

1. **Order dated 14.10.2016 in petition O.A. No. 12 of 2016, in the matter of ‘approval of the cost data of the rates of materials and labour for the distribution works in the license area of Thrissur Corporation Electricity Department for the year 2016-17’.**

Thrissur Corporation Electricity Department submitted an application, as per the provisions of Kerala State Electricity Regulatory Commission (Conduct of Business) Regulations, 2003, for the approval of the cost data for the distribution works for the year 2016-17 for the recovery of expenditure under Section 46 of the Electricity Act 2003.

The Commission vide the order dated 14.10.2016, approved the cost data of the rates of materials and labour for the distribution works in the license area of Thrissur Corporation Electricity Department for the year 2016-17’

1. **Order dated 17.10.2016, in petition O.P. No.12/2016 in the matter of ‘directing KSEB Ltd for expediting processing of application for consent of open access to Cochin Special Economic Zone authority (CSEZA)’.**

The Cochin Special Economic Zone Authority (CSEZA) filed a petition on 30.8.2016, requesting the Commission for directing KSEB Ltd for expediting the application of the CSEZA for granting consent for open access.

The Commission ordered as follows:

The petitioner CSEZA may file proper application before the nodal agency for availing open access as per the provisions of the KSERC (Connectivity and Interstate open access) Regulation, 2013 and detailed procedure for grant of connectivity & open access in intra-state transmission system, and the nodal agency shall process the application as per the provisions of the KSERC (Connectivity and Inter-state open access) Regulation, 2013 and the detailed procedure for grant of connectivity & open access in intra-state transmission system .

1. **Order dated 26.10.2016, in petition No.34/2015, in the matter of ‘Petition under Section 86 (1) (b) of the Electricity Act, 2003, for approval of agreement for extension of power purchase agreement dated 03.05.1999 between KSEB Ltd and BSES Kerala Power Ltd.’**

M/s BSES Kerala Power Ltd (BKPL) filed a petition before the Commission on 03.10.2015, with following prayers,-

(i) Approve the agreement for extension of PPA between KSEB Ltd and BKPL including tariff for two years with effect from the first November 2015 pending finalization of the proposal submitted to KSEB Ltd for gas conversion of the plant and extension of PPA term.

(ii) Grant interim approval for continuing purchase of power from BKPL by KSEB Ltd during the intervening period beyond 31.10.2015 till the time extension of PPA is approved and signed, at the tariff proposed in the draft agreement for extension of PPA, subject to adjustment with respect to tariff approved by the Hon’ble Commission.

The Commission vide the order dated 26.10.2016, ordered that, the petition filed by M/s BKPL purporting to be a draft PPA under section 86(1)(b) of the Electricity Act-2003 for approval of agreement for extension of power purchase agreement dated 03-05-1999 between KSEB and M/s BKPL is an inchoate document and is not maintainable under the relevant provisions of the Act and the relevant regulations. Hence the petition was dismissed.

1. **Order dated 31.10.2016, in the matter of ‘providing temporary service connection and tariff for different types of lamp for public lighting at Sabarimala during Mandala Makaravilakku festival 2016-17’.**

The Commission, vide order dated 31.10.2016 approved the cost for providing temporary service connection at Sabarimala during festival season 2016-17 the details of which is shown below:

|  |  |  |
| --- | --- | --- |
| **Sl No** | **Particulars** | **Rate in Rupees** |
| 1 | Abstract estimate for LT single phase weather proof temporary service connection up to and including 5kW | 3,050 |
| 2 | Abstract estimate for LT three phase weather proof temporary service connection up to and including 10kW | 5,550 |
| 3 | Abstract estimate for LT three phase weather proof temporary service connection above 10 kW and up to and including 25 kW | 14,800 |
| 4 | Abstract estimate for LT three phase weather proof temporary service connection above 25 kW and below 50 kVA . | 21,250 |
| 5 | Abstract estimate for LT three phase weather proof temporary service connection from 50 kVA and above including 100 kVA | 23,350 |
| 6 | Estimate for providing support pole for weather proof service connection. | 7,700 |

The Commission also approved the tariff for different types of street lights for public lighting at Sabarimala during festival season 2016-17 as shown below:

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl No** | **Type of Lamp** | **Tariff** | **Tariff** |
|  |  | **Rs/Lamp/Month** | **Rs/lamp/Month** |
|  |  | **(12 hrs burning)** | **(14 hrs burning)** |
| 1 | Fluoescent Lamp (2x40) | 122 | 142 |
| 2 | Sodium Vapour (250W) | 414 | 483 |
| 3 | Halogen Lamp (400W) | 661 | 771 |
| 4 | CFL/LED (11W) | 7 | 8 |
| 5 | CFL/LED (15W) | 9 | 11 |
| 6 | CFL/LED (18W) | 12 | 14 |
| 7 | CFL 36 W | 22 | 26 |
| 8 | CFL 72 W | 45 | 53 |
| 9 | CFL 144 W | 90 | 105 |

1. **Order dated 09.11.2016, in petition No. 2193/DD/2015, in the matter of ‘Tariff applicable to private hospital, the donations to which are exempted from the payment of Income Tax under section 80G of the Income Tax Act, 1961’.**

M/s Lisie Hospital, Ernakulam filed a petition under regulation 22(d) of KSERC (Conduct of Business) Regulations, 2003, with the prayer to include private hospitals and charitable institution registered as Charitable Trust, the donations to which are exempted from payment of income Tax under HT II (A) tariff.

The Commission, vide the order dated 09.11.2016, ordered that, as per the provisions of the tariff order dated 14.08.2014 issued by the Commission, the private hospitals managed by the charitable trusts registered under the Trust Act are not eligible for the tariff applicable to the consumers of LT VI A and HT II A categories, which are applicable to the private hospitals managed by the charitable societies registered under the Travancore- Cochin Literary, Scientific and Charitable Societies Registration Act, 1955. Hence the petitioner M/s Lissie Hospital, Ernakulam is not eligible for HT II A tariff.

1. **Order dated 09.11.2016 in OA No.11/2016 in the matter of Truing up of accounts of M/s Cochin Special Economic Zone Authority (CSEZA) for the year 2014-15**

The Cochin Special Economic Zone Authority submitted an application dated 07-01-2016 before the Commission for truing up of accounts for the financial year 2014-15. Hearing on the application on truing up was held on 13-07-2016 at the Court Room, Office of the Commission. The Commission considered the application objections thereof, and the clarifications and details submitted by the licensee and approved theaggregate revenue requirements at Rs.3308.84 lakh, the actual revenue realized at Rs.3393.18 lakh with a revenue surplus of Rs.84.34 lakh. The total accumulated surplus after the truing up accounts for the financial year 2014-15 was assessed at Rs.1364.94 lakh including the revenue surplus of Rs.1280.60 lakh till 2013-14.

1. **Order dated 09.11.2016 in OA 8/2016 In the matter of Truing up of accounts of M/s Infoparks Kerala for the year 2014-15**

M/s Infopark Kochi vide letter No.INFOPARK/KSERC/441/2016 dated 11th March 2016 submitted application for the truing up of accounts for the financial year 2014-15. The Commission considered the application submitted by the licensee and admitted it as OA No. 08/16. In the application, the licensee had claimed a revenuegap of Rs.30.28 lakh for the year 2014-15 as against a revenue gap of Rs.10.04 lakh approved by the Commission in the order on ARR&ERC dated 23-04-2014. Public hearing on the application of M/s Infopark for the truing up of accounts for the year 2014-15 was held at the Court Room, Office of the Commission, Thiruvananthapuram on 28-06-2016. After considering the application of Infopark for truing up of the accounts for the financial year 2014-15 and the details and clarifications submitted by it, the Commission approved a total expenditure of Rs.143.84 lakh, a total revenue of Rs.109.38 lakh and a revenue gap of Rs.34.46 lakh for the year 2014-15.

1. **Order dated 10.11.2016 in the matter of ‘determination of tariff of Hospitals managed by public charitable trust’.**

M/s Little Flower Hospital, Angamaly, filed a petition before the Commission with following prayers.,

(i) The tariff of the private hospital managed by public charitable trust, the donations to which are exempted from payment of income tax are also eligible to be categorized under HT – II (A) tariff which came into operation with effect from 14.08.2014.

(ii) Direct the respondent to collect energy charges from the petitioner hospital under HT –II (A) tariff with effect from 14.08.2014

The Commission vide the order dated 10.11.2016 ordered that: as per the provisions of the tariff order dated 14.08.2014 issued by the Commission, the private hospitals managed by the charitable trusts registered under the Trust Act are not eligible for the tariff applicable to the consumers of LT VI A and HT II A categories, which are applicable to the private hospitals managed by the charitable societies registered under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955. Hence the petitioner M/s Little Flower Hospital, Angamaly is not eligible for HT II A tariff.

1. **Order dated 10.11.2016 in petition O.P. No. 09/2016, in the matter of ‘Removal of difficulties encountered by HT & EHT consumers in implementing provisions of supply code 2014, regulations 99 & 100 by licensee Kerala State Electricity Board Ltd’.**

The Kerala HT & EHT Industrial Electricity Consumers’ Association filed a petition on 29.03.2016 in the matter of removal of difficulties encountered by the HT & EHT consumers in implementing the provisions in Regulations 99 and 100 of Kerala Electricity Supply Code 2014, by the licensee namely M/s Kerala State Electricity Board Ltd (KSEB Ltd). The main contention of the petitioner was that KSEB Ltd is not strictly following the provisions in the Supply Code in enhancement / reduction of contract demand, which causes hardship to HT and EHT consumers. Considering the issues raised by petitioner and the submissions made by KSEB Ltd and regulations issued by CEA and other circumstances of the case, the Commission vide the order dated 10.11.2016, ordered as follows:

1. The following documents as specified in Regulation 99 and 100 of the Kerala Electricity Supply Code, 2014 shall only be insisted for enhancement / reduction in contract demand.

(a) The identity proof of the applicant

(b) The resolution of the company/ firm / trust / society authorizing the signatory in the application, to apply for change in contract demand, if the consumer is a company/ firm / trust / society.

(c) Copy of the latest scheme approval and energisation certificate from electrical inspectorate if there is change in connected load. It is clarified that the scheme approval or the energisation certificate issued by the electrical inspector is not required if there is no change in connected load.

1. The replacement of current transformers of consumers requesting for enhancement / reduction in contract demand shall be decided considering the provisions in Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and the IS 15707:2006 and IS 2705.
2. The KSEB Ltd shall issue necessary direction to the field offices based on the direction under (i) and (ii) above within 15 days from date of issue of this order.
3. KSEB Ltd shall ensure that the time lines prescribed by the Supply Code are adhered to by all the officers of KSEB Ltd
4. **Order dated 16.11.2016 in OA 07/2016 In the matter of Application for the approval of revised ARR & ERC for the year 2016-17 filed by M/s Technopark**

M/s Technopark vide letter No. ETPK/KSERC/2015-16/1317 dated 26th December 2015, submitted an application for the approval of revised ARR and ERC for the year 2016-17. The Commission after approving the order dated 11.04.2016 on the original ARR&ERC for the entire control period, processed the revised application submitted and admitted the same as OA No. 07/16. Public hearing on the application for approval of the revised ARR & ERC was held at the Conference Hall, Park Centre, Technopark, Thiruvananthapuram on 29.06.2016. After duly considering the claims of the applicant and the views expressed by M/s KSEB Ltd, the Commission approved provisionally the revision in the ARR and ERC for the licensee for the year 2016-17 as stated below,-

|  |  |
| --- | --- |
| **Financial Year** | **2016-17 (Rs. Lakh)** |
| ARR | 5653.45 |
| ERC | 5970.23 |
| Surplus / (Revenue Gap) | **(+) 316.78** |

1. **Order dated 24.11.2016, in petition O.P. No. 5/2016, in the matter of ‘Determination of the tariff for the Municipal Solid Waste (MSW) to Energy Project, Brahmapuram, proposed by Kochi Municipal Corporation’.**

Kochi Municipal Corporation has, on 23.12.2015, filed an application for the determination of project specific tariff for its 10 MW / 12 MW Municipal Solid Waste (MSW) Power project, for the sale of power to KSEB Ltd.

The Commission, vide the order dated 24.11.2016, dismissed the petition for want of necessary and sufficient details for determining the project specific tariff in accordance with the statutory provisions, policy guidelines and regulations, with direction that the petitioner will be at liberty to approach the Commission for determining the project specific tariff for the proposed MSW project Brahmapuram with all necessary and sufficient details, once the DPR of the project is finalized after duly taking into consideration the environmental impact assessment and cost benefit analysis.

1. **Interim Orders dated 11-08-2016, 29-09-2016, 14.11.2016, 31.01.2017 and 31.03.2017 in file No. 1007/F&T/2016/KSERC/Suo-motu Tariff Determination applicable to the Strategic Business Unit (generation), the Strategic Business Unit (transmission), the Strategic Business Unit (distribution) and the State Load Despatch Centre under KSEB Ltd for the financial year 2016-17**

The Commission vide the interim orders dated **11-08-2016, 29-09-2016, 14.11.2016, 31.01.2017 and 31.03.2017** extended the validity of the tariff approved by the Commission vide the orders dated 14-08-2014, 25-09-2014 and 30-09-2014 in OP 9/2014 and ordered that the tariff shall continue to be applicable on an interim basis till the date of issuance of the final tariff order in the suo-motu proceedings for the years 2016-17 & 2017-18 or till 30-04-2017, whichever is earlier.

1. **Order dated 19.12.2016, in the matter of ‘approval for the purchase of 100 MW RTC power from 01-03-2017 to 31-5-2017 and 100 MW power during peak hours (18:00 hrs to 24:00 hrs) from 01-03-2017 to 31-05-2017 on short term basis and adoption of tariff under Section 63 of the Electricity Act, 2003.**

KSEB Ltd, filed a petition on 29-11-2016, for adoption of tariff under Section 63 of the Electricity Act 2003 for procurement of 100MW RTC power at Rs 3.25/ unit at Kerala periphery and 100MW peak power (18:00 hrs to 24:00 hrs) at Rs 3.65 / unit at Kerala periphery to M/s Tata Power Trading Company Ltd for the period from 1.3.2017 to 31.5.2017.

The Commission issued orders on 19.12.2016 adopting the tariff under Section 63 of the Electricity Act 2003 for the Purchase of 100 MW RTC power and 100 MW peak power (from 18:00 hrs to 24:00 hrs) from M/s Tata Power. Trading Company Ltd, for the period from 01.03.2017 to 30.05.2017 on short term basis, as per the guidelines for short-term (i.e., for a period less than or equal to one year) procurement of power by distribution licensees through Tariff based bidding process notified by the Government of India, Ministry of Power, as detailed below.



1. **Order dated 21.12.2016 in petition No. OP 11/2016, in the matter of ‘implementation of Unnat Jyothi by Affordable LED’s for All (UJALA) and Energy Efficient Fans Programme (EEFP) in the areas of operation of Thrissur Corporation Electricity Department in the state of Kerala under Demand Side Management programme’.**

Thrissur Corporation Electricity Department filed a petition on 16.8.2016 before the Kerala State Electricity Regulatory Commission for Implementation of the Unnat Jyothi by Affordable LED’s for All (UJALA) and the Energy Efficient Fans Programme (EEFP) in the areas of operation of TCED in the State of Kerala, under Demand Side Management programme (DSM), with the following prayers:

a. Allow TCED to implement the Energy Efficient Fans Programme (EEFP) as part of DSM measures, with the support of M/s. Energy Efficiency Services Limited, New Delhi.

b. Allow TCED to implement the Unnat Jyothi by Affordable LED’s for All (UJALA) as part of DSM measures, with the support of M/s. Energy Efficiency Services Limited, New Delhi.

c. In order to recover cost from consumers through their electricity bill, allow TCED to make necessary modifications/additions in electricity bill of consumers by adding one line item.

d. Authorize TCED to treat default in payment by consumers as “default of payment” under sec 56 of the Electricity Act, 2003 read with Kerala Electricity Supply Code (i.e. disconnection of supply in default of payment) or as amended from time to time and recover such charges by suit, cut-off the supply of electricity.

e. To provide irrevocable and revolving Letter of Credit (LC) in favor EESL

The Commission vide the order dated 21.12.2016 had accorded ‘in principle’ approval for the same to M/s TCED.

1. **Order dated 21.12.2016, in OP No. 14/2016, in the matter of ‘approval of Supplementary Power Purchase Agreement (SPPA) to be entered into by Kanan Devan Hills Plantations Company Private Limited with KSEB Ltd for additional power of 2000 kVA’.**

The Executive Director, Kanan Devan Hills Plantations Company Private Limited has filed a petition before the Commission on 21.11.2016 seeking approval of the draft Supplementary Power Purchase Agreement (SPPA) to be entered into with KSEB Ltd, for additional power of 2000kVA (2MVA) at 11kV, over and above the existing contract demand of 7000kVA (7MVA). The Commission approved the draft Supplementary Power Purchase Agreement submitted by the Petitioner KDHPCL, subject to the decisions of the Hon’ble Supreme Court in CA 2144/2011 and 5122/2012.

1. **Order dated 21.12.2016 in the matter of ‘Removing the difficulties due to denial of application for NOC for Interstate short term open access (Collective transaction)’.**
2. **(Petition No. 1232/DD(T)/OA-NoC/2016 ) Petitioner : The High Tension and Extra High Tension Industrial Electricity Consumers’ Association, Kerala**

The HT and EHT Industrial Electricity Consumers Association filed a petition before the Commission on 20-07-2016, against the denial of open access by the SLDC of Kerala, and with a direction of the Hon’ble High Court dated 29th July 2016 in Writ petition No 25043 of 2016.

The Commission issued interim orders on 3.8.2016 directing KSEB Ltd to consider the application filed by the embedded consumers afresh, since the denial of open access was not in order. Vide the interim order, the Commission also granted time to SBU (Distribution), SBU (Transmission) and SLDC under KSEB Ltd up to 19.08.2016 for filing their written statements for consideration of the Commission while issuing the final orders.

Duly considering the issues raised by the petitioners, arguments of the KSEB Ltd, the provisions of the Electricity Act-2003, KSERC (Connectivity and Interstate Open Access) Regulations, 2013 as well as other relevant regulations and the provisions in Tariff Policy, 2016, the Commission vide the final order dated 21.12.2016 had ordered as follows.

(1) The denial by the Chief Engineer (System Operations), KSEB Ltd as per his letter No.CESO/EELDII/Inter-State OA/2016-17/1449 dated 19.07.2016, of the NOC to avail open access facility for the purchase of power from power exchanges, by M/s Carborandum Universal Ltd, and other members of the petitioner association, is not in order. Hence the same is set aside.

(2) The denial by the Chief Engineer (System Operations), KSEB Ltd as per his letter No.CESO/EELDII/Inter-State OA/2016-17/1451 dated 19.07.2016, of the NOC to avail open access facility for the purchase of power from power exchanges, by M/s Indsil Hydro Power and Manganese Limited, is not in order. Hence the said order is set aside.

(3) KSEB Ltd is directed to process the applications for open access and to take decisions thereon strictly in accordance with the relevant statutory provisions, regulations and policy guidelines.

(4) The petitioner association and M/s Indsil Hydro Power and Manganese Limited are directed to prefer such complaints before the Co-ordination Committee hereafter.

1. **Purchase of 865 MW power for long term by KSEB Ltd. On DBFOO basis– adoption of Tariff under Section 63 of the Electricity Act, 2003 (Petition No. 1893/DD (T)/Jhabua/2016/KSERC in OP No. 13/2015 Order dated 22.12.2016)**

Subsequent to the order of the Commission dated dated 30.08.2016, in petition No. OP No. 13/2015, in the matter of Purchase of 865 MW power for long term by KSEB Ltd. on DBFOO basis– adoption of Tariff under Section 63 of the Electricity Act, 2003, KSEB Ltd had filed a petition before the Commission for the approval for scheduling the 115 MW power contracted from M/s Jhabua Power Ltd, along with the decision of the State Government to schedule power from M/s Jhabua power Ltd.

The Commission in view of the facts and circumstances and urgency explained by KSEB Ltd and in view of the decision of Government of Kerala in GO (Rt) No.238/2016/PD dated 31.11.2016, approved provisionally the purchase of 115 MW of power by KSEB Ltd from M/s Jhabua Power Ltd at the rate of Rs.4.15 /kWh as per the power purchase agreement dated 31.12.2014, subject to the clearance from Government of India and subject to the final decision of the Hon’ble High Court in Writ Petition No. WP (C) 33100/2014.

1. **Order dated 14.02.2017, in the matter of ‘petition filed by M/s REI Power Bazar (Pvt.) Ltd in respect of approval for setting up and operation of intra state power exchange in the state of Kerala’.**

M/s REI Power Bazar Ltd. filed a petition on 21.1.2016 for approval for setting up and operation of an intra state power exchange in the state of Kerala. Since M/s REI Power Bazar Ltd has not provided sufficient information to process the application, the Commission directed the petitioner to submit the additional details. However, the petitioner failed to provide the necessary and sufficient details for processing the petition. The Commission, vide the order dated 14.02.2017,therefore, dismissed the petition filed by M/s REI Power Bazar Ltd

1. **Order dated 22.2.2017 in petition O.P No. 10/2016, in the matter of ‘Approval of Power Purchase Agreement including tariff of 8.4 MW wind farm of M/s Ahalia Alternate Energy (P) Ltd at Palakkad.’**

M/s Ahalia Alternate Energy Pvt. Ltd, Palakkad filed a petition before the Commission on 8.6.2016 for approval of power purchase agreement (PPA) to be entered into between AAEPL and Kerala State Electricity Board Ltd including tariff for the 8.4 MW wind power project at Elippara, Palakkad. The Commission vide the order dated 22.2.2017, has ordered as follows.

(i) The generic tariff applicable to 8.4 MW wind power project developed by M/s Ahalia Alternate Energy Pvt. Ltd, Palakkad under IPP mode is Rs 5.34 per unit, duly considering the benefit of accelerated depreciation. This tariff is applicable for the entire energy purchased by KSEB Ltd from the date of commercial operation of the first unit on 22-02-2016 till the term of the PPA.

(ii) M/s AAEPL shall claim CDM benefits and share the same with KSEB Ltd.

(iii) The draft power Purchase Agreement is approved with modification to the extend as directed in order (i) and (ii) above. Item No (i) may be incorporated into the agreement by modifying clause 6.9 of draft agreement suitably. M/s AAEPL & KSEB Ltd are directed to make suitable modifications in the draft PPA before they enter into PPA.

(iv) The agreement shall remain valid for a period of 13 years from 23-03-2016, i.e. from the date of commissioning of the three units out of four units installed by M/s AAEPL.

(vi) In clause 6.9 of draft PPA, the word ‘order dated 11/11/2015 of KSERC’ may be substituted by the words ‘Kerala State Electricity Regulatory Commission (Renewable Energy) Regulation, 2015 issued on 11.11.2015’.

1. **Order dated 22.2.2017, in the matter of ‘approval of Capital Investment Plan for the year 2017-18 submitted by Rubber Park India (P) Limited.’**

The managing director, Rubber Park India (P) Limited (RPIL) filed a petition before the Commission on 19.09.2016 seeking approval of capital investment plan for 2017-18 as per Regulation 72 (2) of the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2014.

Considering the facts and circumstances of the case, the Commission approved the capital investment proposal of RPIL for the year 2017-18 in accordance with Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2014 as follows;

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1. **Order dated 01.03.2017 No. No.603/F&T/2015/KSERC in the application filed by M/s Kerala State Electricity Board Limited (KSEB Ltd) for approval of the Aggregate Revenue Requirements & Expected Revenue from Charges for the financial year 2015-16**

The Kerala State Electricity Board Ltd., (hereinafter referred to as KSEB Ltd or the licensee) vide its letter No.KSEB/TRAC/ARR&ERC 2015-16/1673 dated 30.03.2015, submitted before the Commission an application for the approval of Aggregate Revenue Requirements & Expected Revenue from Charges (ARR&ERC) for the financial year 2015-16. The licensee has also filed a petition dated 30.03.2015, for the condonation of delay in filing the application for the approval of the Aggregate Revenue Requirements & Expected Revenue from Charges for the financial year 2015-16.

The Commission had, in exercise of its powers under Section 61 of the Act, issued, vide notification No.787/SEA/2011/KSERC dated 14.11.2014, the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2014 (hereinafter referred to as the Tariff Regulations). The licensee is to file the application for the approval of ARR&ERC for the entire control period (2015-16 to 2017-18), where as the licensee filed the application for the year 2015-16 only stating reasons that they had challenged the validity of the Tariff Regulations, 2014, before the Hon’ble High Court of Kerala in the Writ Petition No.465/2015(G), mainly stating the reason that the norms for expenditure specified in the Tariff Regulations, 2014 are inadequate resulting in under recovery of its expenses.

In view of the pendency of the application filed by the Commission before the Hon'ble High Court, the Commission had, in various orders, extended the validity of the tariff order dated 14.08.2014 for the financial year 2015-16 also. As the financial year 2015-16 was already over, the Commission viewed that the approval of the estimate of expenditure and of the revenue for the said year has lost its relevance and the request of KSEB Ltd for the approval of the Aggregate Revenue Requirements & Expected Revenue from Charges for the financial year 2015-16 has become infructuous. The Commission ordered KSEB Ltdto submit it application for truing up of accounts of SBU-G, SBU-T, SBU- D and SLDC of KSEB Ltd for the financial year 2015-16 along with all necessary and sufficient particulars of the actual expenditure and revenue, in accordance with the Tariff Regulations, 2014.

1. **Order dated 06.03.2017, in petition OA No. 14/2016, in the matter of ‘application filed by M/s Kerala Irrigation Infrastructure Development Corporation Limited (KIIDC) for seeking determination of project specific preferential tariff for land neutral (floating) Solar PV project at Chulliar Dam, Palakkad.**

M/s Kerala Irrigation Infrastructure Development Corporation (KIIDC) filed a petition on 20.8.2016 for determination of project specific preferential tariff for land neutral (floating) Solar PV project of 1.008 MW capacity at Chulliar Dam, Palakkad.

The Commission vide the order dated 06.03.2017, dismissed the petition for want of necessary and sufficient details for determining the project specific tariff in accordance with the statutory provisions, policy guidelines and regulations, with direction that the petitioner will be at liberty to approach the Commission for determining the project specific tariff with all necessary and sufficient details.

1. **Notification dated, Thiruvananthapuram, 07.03.2017, on authorized officer of RPIL**

The Commission, under first proviso to sub-section (1A) of Section 135 of the Electricity Act, 2003 (Central Act 36 of 2003),designates the Assistant Resident Engineer, Electrical, of the Rubber Park India Pvt. Ltd. as the authorized officer of the Rubber Park India Pvt. Ltd., a distribution licensee of electricity under section 14 of the Act, for the purpose of disconnection of electricity upon detection of theft of electricity under the provisions of Section 135 of the Act.

1. **Order dated 08.03.2017 in OA No.13/2016 for the Truing up of accounts of Technopark for the financial year 2013-14**

M/s Technopark filed an application for truing up of accounts for the year 2013-14 vide letter No.ETPK/KSERC/2016-17/612 dated 08th August 2016. The Commission admitted the application as OA No.13/16 after considering the clarification submitted subsequently. The hearing on the application was held at the Court Room, Office of the Commission on 25-10-2016. The Commission, after considering the application, the objections raised by KSEB Ltd, the clarifications and details submitted by the licensee, approved a total expenditure of Rs.4014.24 lakh, total revenue of Rs 3974.21.lakh and a revenue gap of Rs. 40.03 lakh. The total accumulated surplus after the truing up of accounts for the period from 2007-08 to 2012-13 was Rs.465.56 lakh. The total accumulated surplus after the truing up of accounts for the period 2013-14 is Rs 425.53 lakh.

1. **Order dated 14.3.2017, in petition OA No. 2/2017, in the matter of ‘Application for reclassification of tariff applicable to the members of the Qualified Private Medical Practitioners’ Association, presently categorised under Low Tension VI (F) at LT level and High Tension II (B) at HT level.**

The Qualified Private Medical Practitioners’ Association, (QPMPA), has filed an application for reclassification of tariff applicable to the members of the Applicant Association which were categorised under LT VI (F) at Low Tension level and HT II (B) at High Tension level, and to classify them under Low Tension IV (A) Industry and High Tension – I - Industry (A) category.

The Commission vide the order dated 14.03.2017, dismissed the petition, citing that, the members of the applicant association are not entitled to industrial tariff for electricity, though they may come within the meaning of industry for the purpose of Industrial Disputes Act.

1. **Order dated 14.03.2017, in petition OP No. 13/2016, in the matter of ‘ revision of cross subsidy surcharge and imposing additional surcharge for open access consumers’.**

KSEB Ltd on 09-08-2016, filed a petition before the Commission for determination of cross subsidy for the year 2016-17 and additional surcharge for the year 2015-16 and 2016-17. The Commission observed that KSEB Ltd has not submitted proper application with sufficient data to substantiate its claims for cross subsidy surcharge and additional surcharge as proposed by it in its application dated 9.8.2016 and revised submission dated 23.12.2016. Therefore, the Commission, vide the order dated 14.03.2017, dismissed the petition.

1. **Order dated 16-03-2017 in OA.No.9/2016 in the application for the Truing up of accounts of M/s KSEB for the financial year 2011-12**

Kerala State Electricity Board Limited filed the application on 19-11-2014 before the Commission for approval of truing up of C&AG audited accounts of its predecessor in interest namely KSEB for the year 2011-12. The application was admitted as OA No. 9/2016. The Commission in its order dated 1st June 2011 had approved the Aggregate Revenue Requirement (ARR) for 2011-12 at Rs 6512.73 crore and Expected Revenue from Charges (ERC) at Rs 5624.92 crore with a revenue gap of Rs.887.81 crore. Subsequently, the Commission in its order dated 21st November, 2011 had revised the ARR for the year 2011-12 at Rs 6553.54 crore and revenue gap was re-determined as Rs 928.62 crore. The actual revenue gap as per the application for the truing up of accounts was Rs 1934.13 crore. The Commission after considering in detail, the application filed by KSEB Ltd, the objections from stakeholders and other materials as recorded arrived the revenue gap for the year 2011-12 at Rs 1386.97 crore, as against the revenue gap of Rs 1934.13 crore claimed by KSEB Ltd based on the C&AG audited accounts for the year 2011-12.

While agreeing with the majority order on items such as cost of generation of power, cost of purchase of power, interests and finance charges, depreciation, return on equity, repairs and maintenance charges and administrative and general expenses, the Chairperson, with due deference to the decisions taken by the learned Members, differed with the findings and decisions on the items of the employee cost on the following reasons that the majority order is :

1. not in accordance with the scheme of law relating to determination of tariff,
2. not in the interest of consumers, and
3. not in the long term interest of KSEB Ltd, which should function more economically and efficiently to withstand and survive the impending tough competition in power sector.
4. **Order dated 20/03/2017 in O.A No.15/2016 for truing up of accounts for the year 2009-10 filed by KINESCO Power and Utilities Private Limited**

KPUPL filed the application for the truing up of accounts for the financial year 2009-10 on 18-12-2014, which was admitted as OA No.15/2016. Hearing on the application for truing up of accounts of the licensee for the years 2009-10 to 2014-15 were taken up together and was held on 07-12-2016 at the Court Room, Office of the Commission. The Commission in the order arrived at a revenue surplus of Rs.332.55 lakh and the accumulated surplus relating to the distribution business of the licensee at the end of the financial year 2009-10, after the truing up of accounts was determined as Rs.1735.56 lakh.

1. **Order dated 20/03/2017 in O.A No.16/2016 for truing up of accounts for the year 2010-11 filed by KINESCO Power and Utilities Private Limited**

KPUPLfiled the application for the truing up of accounts for the financial year 2010-11 on 5-5-2016 and the same was admitted as OA No.16/2016. Hearing on the application for truing up of accounts of the licensee for the year 2010-11 was held on 07-12-2016 at the Court Room, Office of the Commission. After considering the application for approval of truing up of accounts of M/s KPUPL, the clarifications thereon, comments of the KSEB and the explanations thereon the Commission approved a revenue surplus of Rs.393.15 lakh for the year 2010-11.The accumulated surplus at the end of the financial year 2010-11 was determined as Rs. 2128.71 lakh

1. **Order dated 20/03/2017 in O.A No.17/2016 for truing up of accounts for the year 2011-12 filed by KINESCO Power and Utilities Private Limited**

KINESCO Power and Utilities Private on 1.7.2016 submitted its application for truing up of accounts for 2011-12, in accordance with the KSERC (Terms and Conditions of Tariff for Retail Sale of Electricity) Regulations, 2006. Hearing on the application for truing up of accounts of the licensee for the year 2011-12 was held on 07-12-2016 at the Court Room, Office of the Commission. After considering the application for approval of truing up of accounts of M/s KPUPL, the clarifications thereon, comments of the KSEB and the explanations thereon submitted by the M/s KPUPL, the Commission determined a revenue surplus of Rs.564.50 lakh for the year 2011-12. The accumulated surplus at the end of the financial year 2011-12 was determined as Rs.2693.21 lakh.

1. **Order dated 20/03/2017 in O.A No.18/2016 for truing up of accounts for the year 2012-13 filed by KINESCO Power and Utilities Private Limited**

KINESCO Power and Utilities Private Limited on 01.07.2016 submitted its application for truing up of accounts for 2012-13, in accordance with the KSERC (Terms and Conditions of Tariff for Retail Sale of Electricity) Regulations, 2006. Hearing on the application for truing up of accounts of the licensee for the financial year was held on 07-12-2016 at the Court Room, Office of the Commission. The revenue surplus for the year 2012-13 after truing up of accounts was determined as Rs.408.40 lakh as against a revenue gap of Rs.424.07 lakh presented by the licensee as per the truing up application. The accumulated revenue surplus after truing up till 2012-13 was determined as Rs.3101.61 lakh.

1. **Order dated 20/03/2017 in O.A No.19/2016 for truing up of accounts for the year 2013-14 filed by KINESCO Power and Utilities Private Limited**

KINESCO Power and Utilities Private Limited on 20.07.2016 submitted its application for truing up of accounts for 2013-14, in accordance with the KSERC (Terms and Conditions of Tariff for Retail Sale of Electricity) Regulations, 2006. Hearing on the application for truing up of accounts of the licensee for the year 2013-14 was held on 07-12-2016 at the Court Room, Office of the Commission After considering the application filed by KPUPL for the approval truing up of accounts for the year 2013-14, the clarifications and the additional details submitted by the licensee thereon along with the comments of KSEB Ltd, the Commission approved the ARR at Rs 3818.68 lakh, ERC at Rs. 4424.42 lakh and the revenue surplus at Rs 605.74 lakh for the year 2013-14. Total revenue surplus as on 31.03.2014 was determined as Rs.3707.35 lakh.

1. **Order dated 20/03/2017 in O.A No.20/2016 for truing up of accounts for the year 2014-15 filed by KINESCO Power and Utilities Private Limited**

KINESCO Power and Utilities Private Limited on 26.10.2016, submitted its application for truing up of accounts for 2014-15, in accordance with the KSERC (Terms and Conditions of Tariff for Retail Sale of Electricity) Regulations, 2006. Hearing on the application for truing up of accounts of the licensee for the year 2014-15 was held on 07-12-2016 at the Court Room, Office of the Commission. After considering the application for approval of truing up of accounts of M/s KPUPL, the clarifications thereon, comments of the KSEB and the explanations thereon submitted by the M/s KPUPL, the Commission approved a revenue surplus of Rs.635.44 lakh for the year 2014-15. The accumulated surplus at the end of the financial year 2014-15 was determined as Rs.4342.79 lakh.

1. **Order dated 20-3-2017 in OA.No.10/2016 in the matter application for the Truing up of accounts of M/s KSEB for the financial year 2012-13**

Kerala State Electricity Board Limited filed the application before the Commission on 21-04-2015 for approval of truing up of C&AG audited accounts of its predecessor in interest namely KSEB for the year 2012-13. The application was admitted as OP No. 10/2016. The Commission vide the order dated 28-4-2012 had approved the ARR for the year 2012-13 at Rs 7986.40 crore, Expected Revenue from Charges (ERC) as Rs 6097.24 crore and revenue gap as Rs 1889.15 crore. The Commission after considering in detail, the application filed by KSEB Ltd, the objections from stakeholders and other materials, approved for the year 2012-13 a revenue gap of Rs 3132.97 crore, as against the revenue gap of Rs 3998.89 crore presented by KSEB Ltd based on the C&AG audited accounts for the year 2012-13

While agreeing with the majority order on items such as cost of generation of power, cost of purchase of power, interests and finance charges, depreciation, return on equity, repairs and maintenance charges and administrative and general expenses, the chairperson, with due deference to the decisions taken by the learned Members, differed with the findings and decisions on the items of the employee cost on the ground that the majority order is

1. not in accordance with the scheme of law relating to determination of tariff
2. not in the interest of consumers, and
3. not in the long term interest of KSEB Ltd, which should function more economically and efficiently to withstand and survive the impending tough competition in power sector.
4. **Petition for re-categorization of ‘Call Centers’ under LT-IV (B) IT/ITES category (Order dated 22.3.2017 (1834/DD (T)/2016/KSERC))**

M/s Technopark, filed a petition before the Commission on 4.11.2016 for re-categorization of call centers under LT IV (B) IT/ITES category. The Commission disposed that petition observing that the request of M/s Technopark for re-categorisation of ‘Call Centers’ under LT-IV (B) IT/ITES category can be considered in the next tariff revision.

1. **Approval of One Time Settlement of (OTS) for TCED and KSEB Ltd**
2. The OTS proposed by TCED was approved by the Commission on 29-08-2016 with suitable modification, in line with regulation 136(5) of Kerala Electricity Supply Code 2014, TCED later requested the Commission for revision of time schedule and the same was approved by the Commission
3. Based on the proposal submitted by KSEB Ltd on 27.9.2016, regarding One Time Settlement scheme, in line with regulation 136(5) of Kerala Electricity Supply Code 2014, the Commission granted approval for the same with direction to revise the effective period from 1.1.2017 to 31.3.2017.

**13. APPLICATION OF INFORMATION TECHNOLOGY**

The Office of the Commission is equipped with local area network and all officers are provided with internet services. The Commission has a website ([www.erckerala.org](http://www.erckerala.org/)) and it is regularly updated with various orders, regulations, notices issued, minutes of meetings, etc.

1. **MEETING OF FORUM OF REGULATORS (FOR) AND FORUM OF INDIAN REGULATORS (FOIR)**

In accordance with the provisions of sub-section (1) of Section 166 of the Electricity Act, the Central Government has constituted the Forum of Regulators (FOR) with Chairpersons of the State Commissions as Members and Chairperson of CERC as the Chairman. The Kerala State Electricity Regulatory Commission is a member of FOR and the membership fee paid for the year is 6,00,000/-. Details of meetings held by FOR during 2016-17 are given below.

54th meeting held at Varanasi during 7th to 9th April 2016

55th meeting held at NewDelhi on 22nd July 2016

56th meeting held at NewDelhi on 30th September 2016

57th meeting held at Raipur on 16th December 2016

58th meeting held at NewDelhi on 27th February 2017

The Chairman, KSERC attended all the meetings.

1. **Meeting of Forum of Indian Regulators**

The FOIR is an association of the Chairpersons and Members of the Electricity Regulatory Commissions. Other regulatory bodies like Petroleum and Natural Gas Regulatory Board (PMGRB), Competition Commission of India (CCI), Airports Economic Regulatory Authority (AERA), Tariff Authority of major Ports and Administrative Staff College of India and the Energy Resource Institute are also members. The Forum provides a venue for exchange of views and information among Indian Regulators in various fields.

The membership fee of the Forum of Indian Regulators was Rs.2,50,000 for the year 2016-17.The 17th Annual General body meeting of the FOIR was held at New Delhi on 24th June 2016. The Chairman KSERC attended the meeting.

1. South Asia Forum for Infrastructure Regulation (SAFIR)

SAFIR is an association of regulators in the field of infrastructure from SAARC countries. The membership fee paid for SAFIR for the year 2016-17 was Rs.1,50,000/- (Rs. One Lakh Fifty thousand only)

1. **SOUTHERN ELECTRICITY REGULATORY FORUM (SERF)**

SERF is a forum constituted for interaction among the Regulatory Commissions of the Southern States of Andhra Pradesh, Karnataka, Tamil Nadu, Telengana and Kerala. Common issues, problems and proposals of the four States are discussed in detail in this forum for appropriate solutions.The Kerala State Electricity Regulatory Commission has hosted the 15th meeting of the Forum at Kochi on 10th Feb.2017. The recommendations of the meeting are,-

(a) Considering the benefit to the consumers and to the utility, smart meters may be introduced in a phased manner. The cost of smart meters at present is comparatively on the higher side. As in the case of electronic energy meters, the cost of smart meters may come down if all the utilities introduce smart meters resulting in large scale production of smart meters.

(b) e-payment system for collection of electricity charges may be introduced and popularized. The service charges for e-payment system may be negotiated with service providers and minimized so that the consumers and utility would be benefited.

(c) On-line facility for new service connection and registration of complaints may be introduced in all utilities.

(d) The suggestion to insist on storage facilities for the solar systems up to a level of 20% of the capacity may be examined in consultation with CERC and CEA.

(e) Load based estimates for realizing expenditure under Section 46 of the Electricity Act, 2003, may be introduced first for LT domestic consumers and subsequently for the other consumers at LT level.

(f) Energy conservation activities may be intensified.

**18. CONSUMER GRIEVANCE REDRESSAL FORUM**

The Electricity Act, 2003 requires that every distribution licensee shall establish a forum for redressal of the grievances of consumers. All the licensees have established the forum under sub-section (5) of Section 42 of the Act with the following officers as the Chairpersons:

|  |  |  |
| --- | --- | --- |
| 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, 220 kV Substation Compound, HMT Colony P.O., Kalamassery- 683 503.  (3) Northern Region:  Deputy Chief Engineer (Ele)  Consumer Grievance Redressal Forum, KSEB, 220 kV Substation  Compound, HMT Colony P.O.,  Kalamassery- 683 503. |
|  |  |  |
| 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 Rubber Park, Valayanchirangara, Ernakulam |
|  |  |  |
| 7 | KINESCO, Cochin | The Chief Executive Officer  Consumer Grievance Redressal Forum KINESCO Power Utilities Limited IX/159 A, Kusumagiri P.O., Kakkanad, Cochin–30 |
|  |  |  |
| 8 | Thrissur Corporation | Electrical Engineer  Consumer Grievance Redressal Forum Thrissur Corporation, Thrissur |

The CGRFs generally function with three members. Of the three members, two members are appointed by the licensees and the third member is nominated by the Commission. The following persons were nominated by the Commission as the Third Member of variousCGRFs.

|  |  |
| --- | --- |
| **CGRF & Licensee** | **Name of Third member** |
| CGRF, Southern Region, KSEB Ltd,Kottarakkara | Sri A.R. Vijayasundaran, Advocate |
| CGRF, Northern Region, KSEB Ltd, Kozhikode. | Sri.K.K.Kunhikrishnan, Advocate |
| CGRF, Central Region, KSEB Ltd, Ernakulam | Sri Jefrin Manuel, Advocate |
| CGRF, Rubber Park India Limited | Sri Jonny Kuriakose, Advocate |
| CGRF, CSEZA, Kakkanad, Kochi | -do- |
| CGRF, Cochin Port Trust | Smt.A. Girija, Advocate |
| CGRF, Thrissur Corporation | Sri.M.G.Rajagopal, Chief Electrical Inspector (Rtd) |
| CGRF, KDHPCL, Munnar | Sri.P.Udayabhanu, Advocate |
| CGRF, Technopark | Sri A.R.Vijayasundaran, Advocate |
| CGRF KINESCO | Sri. Johny Kuriakose, Advocate |

A summary of the petitions received and disposed of by the various CGRFs during 2016-17 is given below:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| No. of petitions received and disposed of by the various CGRFs | | | | | |  |
| Name of the CGRF | No. of petitions | | | | |  |
| pending as on 1.4.2016 | received during 2016-17 | disposed during 2016-17 | pending as on 31-3-2017 | Disposed in favour of consumers | Number of sittings conducted during the year |
| CGRF, Kottarakkara | 68 | 329 | 325 | 72 | 220 | 144 |
| CGRF, Ernakulam | 36 | 161 | 173 | 24 | 129 | 54 |
| CGRF, Kozhikode | 39 | 204 | 198 | 45 | 130 | 425 |
| CGRF, Technopark, Thiruvananthapuram | Nil | Nil | Nil | Nil | Nil | Nil |
| CGRF, Cochin Port Trust, Kochi | Nil | Nil | Nil | Nil | Nil | Nil |
| CGRF, KPUPL, Kochi | Nil | Nil | Nil | Nil | Nil | Nil |
| CGRF, CSEZA, Kochi | Nil | Nil | Nil | Nil | Nil | Nil |
| CGRF, Rubber Park India (P) Ltd, Kochi | Nil | Nil | Nil | Nil | Nil | Nil |
| CGRF, Thrissur Corporation, Thrissur | 1 | 7 | 7 | 1 | 3 | 21 |
| CGRF, KDHPCL, Munnar | Nil | 1 | 1 | Nil | 1 | 1 |

**19. ELECTRICITY OMBUDSMAN**

Electricity Ombudsman is a statutory authority appointed by the Commission under sub-section (6) of Section 42 of the Electricity Act, 2003, to settle the grievances of the consumers who are aggrieved by non redressal of their grievances by the Consumer Grievance Redressal Fora. Shri V.V. Sathyarajan continued as Ombudsman during the period. The Office of the Electricity Ombudsman is located at Pallikkavil Building, Mamangalam – Anjumana Temple Road, Opp. Corporation Regional Office, Edappally, Kochi 682 024 (Phone : 0484-2346488). Abstract of petitions received and disposed of during the year under report is given below.

No. of petitions pending as on 1.4.2016 28

No. of petitions received during 2016-17 113

No. of petitions disposed during 2016-17 105

No. of petitions pending as on 31.3.2017 36

No. of petitions disposed in favor of the consumers 69

No of sittings conducted 108

1. **DEVELOPMENT OF RENEWABLE ENERGY IN THE STATE**

Renewable Energy Purchase Obligation (RPO) is the obligation mandated by the State Electricity Regulatory Commission (SERC) under clause (e) of sub-section (1) of Section 86 of the Electricity Act 2003, to purchase minimum level of renewable energy out of the total consumption in the area of a distribution licensee.

Kerala State Electricity Regulatory Commission has issued orders for compliance of RPO by the licensees and open access consumers in the state. ANERT is monitoring the RPO compliance and reports are being published in their website.

RECs have been purchased by the following entities to meet the RPO obligation as follows:

1. KSEB Ltd 1 Lakh non solar RECs
2. Technopark 3031 non solar RECs
3. Rubber Park India Limited 1081 non solar and 121 solar RECs
4. Infopark 186 non solar RECs
5. Carborandum Universal Ltd 214 solar RECs

To attract investment in the solar sector, a Generation Based Incentive (GBI) of Rs 1 per unit was approved for off grid solar plants. It was also decided that if meters are not available, the GBI can be provided by accounting generation @ 2.45 kWh/kW/ day for each of installed capacity.

1. **STANDARDS OF PERFORMANCE**

Section 57 of the Electricity Act, 2003 (Central Act 36 of 2003) authorizes the State Electricity Regulatory Commission to specify standards of performance of a licensee or a class of licensees. Accordingly, the Kerala State Electricity Regulatory Commission had, for achieving the above purposes, issued the Kerala State Electricity Regulatory Commission (Licensee’s Standards of Performance) Regulations, 2006, fixing various benchmarks for universally accepted parameters at which the licensee must provide supply to its consumers. Many changes have taken place in the field of distribution of electricity since then. Taking into consideration the changed circumstances, the Commission decided to formulate a new set of regulations in supersession of the above Regulations on Standards of Performance. Accordingly, the Commission issued the Kerala State Electricity Regulatory Commission (Standards of Performance of Distribution Licensees) Regulations, 2015 and under notifications dated 15.12.2015 in the Kerala Gazette Extra Ordinary No.66 dated 11.01.2016.

All the licensees reported to have implemented the Standards of Performance Regulation issued by the Commission. The Commission also directed all distribution licensees to display the abstract of the guaranteed standards of performance showing nature of service, standards of performance and amount of compensation pending payable to affected consumers in case certain benchmarks are not attained by the licensee etc., in the distribution section offices of the licensees for information of the consumers.

1. **COMPLIANCE OF THE ELECTRICITY ACT 2003 AND THE RULES AND REGULATIONS MADE THEREUNDER.**

As provided in **clause 19 of Part III, the conditions of license for distribution licensees, under KSERC Licensing Regulations 2006**, for monitoring the compliance of Act, Rules, Regulations and orders by the licensees, a Compliance Examiner has been appointed by the Commission. Non-compliance by the licensees are being strictly monitored. Inspections to verify compliance and to suggest remedial measures are the main functions of the Compliance Examiner.

The Compliance Examiner conducts regular on the spot inspections in the distribution section offices of KSEBL and other licensees in the State through the Junior Consultants (Consumer Advocacy) and the level of compliance of the codes and guidelines issued by the Commission is reported to the Commission. Corrective actions are also proposed to the licensees.

In 2016-17, inspections in 414 Electrical Sections of KSEB Ltd. were conducted by the four Junior Consultants (Consumer Advocacy) and reviewed by the Compliance Examiner at circle level on the observations. The main observations are detailed below,-

1. As per Regulation 6 of the KSERC (Standards of Performance of Distribution Licensees) Regulations, 2015, every distribution licensee shall achieve a minimum revenue collection efficiency of 98%. Due to the non collection of electricity charges from Government Departments such as Kerala Water Authority, Agricultural Department, Health Department, Home Department etc., the collection efficiency is much lower than 98% in Electrical Sections especially in Alapuzha, Palakkad and Malappuram Districts.
2. As per sub-regulation (13) of Regulation 4 of the KSERC (Standards of Performance of Distribution Licensees) Regulations, 2015, the licensee shall adhere to a timelines specified in the Kerala Electricity Supply Code, 2014, failing which the consumer is entitled to get compensation. In many sections this timelines are seen exceeded in many cases especially in change of tariff category, transfer of service connection, refund of security deposit and in cases of new service connection where electric supply can be provided after extension/augmentation of the existing distribution system.
3. As per sub-regulation (6) of Regulation 6 of the KSERC (Standards of Performance of Distribution Licensees) Regulations, 2015, the number of faulty meters shall not exceed 2.5% of the total number of meters in its distribution system. Out of the 414 sections inspected the percentage of faulty meters is above the limit in 348 sections.
4. As per sub-regulation (11) of Regulation 4 of the KSERC (Standards of Performance of Distribution Licensees) Regulations, 2015, the distribution licensee shall maintain the distribution system in such a way that the neutral voltage does not exceed 2% of the supply voltage. There are no records available in any of the sections of KSEB Ltd. to ascertain neutral voltage level.
5. As per Regulation 72 of the Kerala Electricity Supply Code, 2014, the licensee shall pay to the consumer, interest on security deposit at the bank rate prevailing on the first of April of that year. It shall be payable annually with effect from date of such deposit. If the adjustment of interest is delayed, interest at twice the bank rate shall be payable for the delayed period. KSEB Ltd. as a distribution licensee has adjusted the interest on security deposit only during the month of June and July during the year 2016-17.

Consumer Advocacy Cell (CAC) under the Commission worked towards creating awareness among the consumers about the power sector and the regulatory processes thereby ensuring consumer participation in the electricity regulatory process.

To enlighten the consumers about the regulatory mechanism and their role in the functions of the Electricity Regulatory Commission meetings were held with voluntary organisations, NGOs, residents associations and other consumer groups with a view to forming consumer fora at various places across the state to interact with the ordinary consumers in their area. These consumer fora are to be educated in the regulatory affairs and they in turn can empower the consumers in their area through classes and distribution of pamphlets enabling them to respond and take part effectively in the regulatory process. Pamphlets were printed on Standards of Performance, Consumer Grievance Redressal Forum & Electricity Ombudsman, rates approved by the Commission for various services from the licensees, tips on energy saving etc. and distributed to the participants.

In addition to the above activities, complaints of general nature received from consumers/consumer groups were taken up appropriately with the concerned officials of the licensees and settled.

During the current year the Commission received eight numbers of petitions, as detailed below, for the non-compliance of the provisions of the Electricity Act, 2003 and Regulations made there under by the distribution licensees. The Commission disposed two numbers of petitions in favour of the petitioner and one number in favour of the licensee.

**Disposal of Petitions**

**List of petitions disposed during the financial year 2016-17**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **SI No.** | **Petition No. with Date** | **Name of the petitioner** | **Name of the Respondents** | **In the matter of** | **Nature of disposal** | **Date of order** |
| 1. | O.P No. 06/16 | Aby Alex Abraham, IMAGE School of Animation, Pathanamthitta | KSEBL | Imposing penalty under section 142 of the Electricity Act, 2003 for the violation of the provisions of Kerala Electricity Supply Code, 2014. | In favour of the petitioner | 31.05.2016 |
| 2. | O.P No.07/16 | Sri.K.S.Shibu.K.S, Kollara Veedu, Kanjani P.O., Thrissur. | KSEBL | Imposing penalty under section 142 of the Electricity Act, 2003 for the contravention of regulation 6 and 7 of CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010. | In favour of the petitioner to the extent that licensee shall comply with the regulation 6 & 7 of CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010. | 29.12.2016 |
| 3. | C.P. No.04/16 | Sri.Ramkumar, KAP (India) Project Constructions, Thrissur. | KSEBL | Imposing penalty under section 142 of the Electricity Act, 2003 for non compliance of order of the Electricity Ombudsman. | In favour of the licensee | 17.11.2016 |
| 4. | C.P. No.05/16 | K.Suja, Proprietor, Shornur Agri Tools, Koonathara, Shornur. | KSEBL | Imposing penalty under section 142 of the Electricity Act, 2003 for the contravention of provisions of Supply Code, 2014. | No order on prayer of the petitioner since the offense is under Section 126 of the Electricity Act, 2003. | 16.02.2017 |
| 5. | C.P No/06/16 | Smt.Mariamma.K.V, Puthuva, Oorakkad. | KSEBL | Imposing penalty under section 142 of the Electricity Act, 2003 for the contravention of provisions of Supply Code, 2014 | No order on prayer of the petitioner since the offense is under Section 126 of the Electricity Act, 2003. | 24.11.2016 |
| 6. | C.P. No. 07/16 | Sri.Varkey Thomas, Karimpanakkal, Oorakkad | KSEBL | Imposing penalty under section 142 of the Electricity Act, 2003 for the contravention of provisions of Supply Code, 2014 | No order on prayer of the petitioner since the offense is under Section 126 of the Electricity Act, 2003. | 24.11.2016 |
| 8. | C.P.No.10/2016 | Sri.Suresh Babu, M/s. Hot Spices and Builders. | KSEBL | Imposing penalty under section 142 of the Electricity Act, 2003 for the contravention of provisions of Supply Code, 2014 | No order on prayer of the petitioner since the offense is under Section 126 of the Electricity Act, 2003. | 16.11.2016 |

1. **ENGAGEMENT OF AUDITORS**

**M/s. Krishnayagam and Associates were the internal auditors for auditing the accounts of the Commission for 2016-2017.**

**25. IMPLEMENTATION OF THE RIGHT TO Information Act - 2005**

Following officers have been designated as Public Information Officers during 2015-16.

1. **Public Information Officer**

Shri. Thulaseedharan Pillai.K ,Administrative Officer

1. **Assistant Information Officer**

Smt.P.G. Sreedevi,Conf.Assistant

1. **Appellate Authority**
2. Shri Santhoshkumar K.B, Secretary

33 petitions under Right to Information Act 2005 were received and all of them were disposed of during the period under report.

**26. LEGAL MATTERS**

126 Writ Petitions were pending before the Hon. High Court of Kerala during 2016-17 in which the Commission has been arrayed as a party respondent. Likewise there are 26 nos. of Civil Appeals/ Special Leave Petitions (SPLs) pending before the Hon’ble Supreme Court of India in which the Commission is a party. There are 8 nos. of appeals pending before the Hon’ble APTEL in which the Commission is a party.

Counsels who were engaged to appear before the different courts and Tribunal during the year were the following:

High Court : Adv.Sujin

Appellate Tribunal for Electricity: Adv. M.R. Ramesh Babu

Supreme Court : Adv. M.R. Ramesh Babu

**27.FINANCE AND ACCOUNTS**

**The statement of Annual accounts for 2016-17 prepared by the Auditors and approved by the Commission is furnished in Annexure II. It has been audited by the A.G and reply to draft separate audit report has been furnished. Final report is awaited.**

**ANNEXURE-I**

**List of proceedings/hearing held by the Commission during 2016-17**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl.No. | Date & Time | Venue | Subject |
| 1 | 05.04.2016/ 11 am | Commission’s office | O.P. No.06/16- Petition filed by Sri.Aby Alex Abraham, IMAGE School of Animation, under Section 142 of the Electricity Act, 2003, for violating provisions of Kerala Electricity Supply Code. |
| 2 | 12.04.2016/ 11 am | Commission’s office | O.P.No.07/16- Petition filed by Sri.Shibu.K.S for the contravention of Regulation 6 & 7 of Central Electricity Authority (Measures Relating g to Safety and Electricity Supply) Regulations, 2010. |
| 3 | 19.04.2016/ 11 am | Commission’s office | O.P.Nos.04/16 and 05/16- Petitions filed by M/s. CoPT for Truing up for 2013-14 and 2014-15. |
| 4 | 20.04.2016/ 11am | Commission’s office | R.P.No.01/16- Review petition filed by M/s. CSEZA |
| 5 | 26.04.2016/ 11 am. | Commission’s Office | C.P.No.04/16- Petition for non compliance of the order of Electricity Ombudsman, filed by Sri.Ram Kumar, Thrissur. |
| 6 | 27.04.2016/ 11 am | Commission’s Office | O.P.No.07/16- Petition filed by K.S.Shibu. |
| 7 | 05.05.2016/ 11 am | Commission’s office | O.P.41/15- Application for Truing up of Accounts for 2014-15 filed by M/s.TCED. |
| 8 | 06.05.2016/ 11 am | Conference Hall, Infopark, Cherthala. | O.A.No.06/16- Application on revised ARR & ERC for 2016-17 filed by Infopark, Kochi. |
| 9 | 10.05.2016/ 11 am | Commission’s Office | R.P.No.02/2016- Petition filed by Kerala State Electricity Board Limited to review the order dated 12.01.2016 of Kerala State Electricity Regulatory Commission. |
| 10 | 10.05.2016/ 11 am | Commission’s Office | O.P.No.08/16- Petition filed by Kerala State Electricity Board Limited for notifying TMRs as ‘Approved Laboratories’. |
| 11 | 21.06.2016/ 11 am | Commission’s Office | O.P.No.09/16- Petition filed by Kerala HT & EHT Association for Removal of Difficulties in Implementing Kerala Electricity Supply Code, 2014. |
| 12 | 22.06.2016/ 11 am | Commission’s Office | O.P.No.34/15- Petition filed by M/s.BSES Kerala Power Limited for approval of extension of PPA with Kerala State Electricity Board Limited. |
| 13 | 28.06.2016/ 11 am | Commission’s Office | O.A.No.08/16- Truing up petition filed by M/s. Infopark, Kochi. |
| 14 | 29.06.2016/ 11 am | Technopark | OA No.07/16- Application for approval of revised ARR & ERC filed by M/s. Technopark Limited. |
| 15 | 12.07.2016/ 11 am | Commission’s Office | OA Nos.09/16 & 10/16- Truing up petition for 2011-12 and 2012-13 filed by Kerala State Electricity Board Limited. |
| 16 | 13.07.2016/ 11 am | Commission’s Office | O.P.No.11/16- Truing up petition for 2014-15 filed by CSEZA. |
| 17 | 13.07.2016/ 11.30 am | Commission’s Office | Petition filed by Kerala State Electricity Board Limited for extension of validity of Tariff Order in O.P.No.09/14. |
| 18 | 20.07.2016/ 11 am | Commission’ Office | OP No. 09/16- Petition filed by Kerala HT and EHT Association on Removal of Difficulties in Implementing Regulation 99 and 100 of Kerala Electricity Supply Code, 2014. |
| 19 | 27.07.2016/ 11 am | Commission’s Office | Suo Motu Proceedings initiated by the Commission for Determination of Tariff for 2016-17. |
| 20 | 03.08.2016/ 10.30 am | Commission’s Office | Petition filed by HT & EHT Association. |
| 22 | 09.08.2016/ 11 am | Commission’s Office | O.A.Nos.09/16 & 10/16- Truing up petition for 2011-12 and 2012-13 filed by Kerala State Electricity Board Limited. |
| 23 | 10.08.2016/ 11 am | Commission’s Office | Petition filed by BKPL for approval of PPA. |
| 25 | 23.08.2016/ 11 am | Commission’s Office | Petition filed by Little Flower Hospital, Angamaly. |
| 27 | 31.08.2016/ 11 am | Commission’s Office | O.P.No.10/16- Petition for approval of PPA filed by M/s. Ahalia Alternate Energy (P) Limited. |
| 28 | 05.09.2016/ 2.30 pm | Ramanilayam, Thrissur. | O.A.No.12/16- Petition for approval of cost data and O.P.No.11/6- DSM petition filed by TCED. |
| 29 | 22.09.2016/ 11 am | Commission’s Office | Petition filed by M/s.REI Power Bazar (P) Limited seeking permission for setting up and operation of intra state power market. |
| 30 | 27.09.2016/ 11 am | Commission’s Office | C.P.No.05/16- Petition filed by Smt.K.Suja, Shornur under Section 142 of the Electricity Act, 2003. |
| 31 | 27.09.2016/ 11.30 am | Commission’s Office | C.P.No.06/16- Petition filed by Smt.Mariamma under Section 142 of the Electricity Act, 2003. |
| 32 | 27.09.2016/ 12 noon | Commission’s Office | C.P.No.07/16- Petition filed by Varkey Thomas under Section 142 of the Electricity Act, 2003. |
| 33 | 28.09.2016/ 11 am | Commission’s Office | Petition to adjudicate dispute between Kerala State Electricity Board Limited and LKPL in the matter of supply of power. |
| 34 | 05.10.2016/ 11 am | Commission’s Office | O.P.No.12/16- Petition filed by M/s. CSEZA to direct Kerala State Electricity Board Limited for expediting application for open access. |
| 35 | 18.10.2016/ 11 am | Commission’s Office | C.P. Nos.08/16 & 09/16-Petition on denial of domestic connection, filed by owner of Atlas Apartment against Kerala State Electricity Board Limited. |
| 36 | 20.10.2016/ 11 am | Commission’s Office | O.A.No.14/16- Petition filed by M/s. KIIDC for determination of tariff. |
| 37 | 25.10.2016/ 11 am | Commission’s Office | OA.No.13/16- Application for Truing up of Accounts for 2013-14 filed by M/s. Technopark. |
| 39 | 10.11.2016/ 11 am | Commission’s Office | C.P.No.10/16- Petition filed by Sri.Suresh Babu, M/s. Hot Spices and Builders under Section 142 of the Electricity Act, 2003. |
| 40 | 30.11.2016/ 11 am | Commission’s Office | Public hearing on  1.KSERC (Renewable Energy) Amendment Regulations, 2016.  2.Kerala Electricity Supply (2nd Amendment) Code, 2016.  3. KSERC (Terms and Conditions of Determination of Tariff) Amendment, Regulations, 2016. |
| 41 | 07.12.2016/ 11 am | Commission’s Office | Application for Truing up from 2009-10 to 2014-15 filed by M/s. KPUPL. |
| 42 | 08.12.2016/ 11 am | Commission’s Office | Public hearing on petition on cross subsidy surcharge. |
| 43 | 27.12.2016/ 11 am | Collectorate Conference Hall, Kannur. | Public hearing on determination of tariff for 2016-17 and 2017-18 on Suo Motu Proceedings. |
| 44 | 28.12.2016/ 11 am | Nalanda Auditorium, Kozhikode | Public hearing on determination of tariff for 2016-17 and 2017-18 on Suo Motu Proceedings. |
| 45 | 03.01.2017/ 11 am | Town Hall, Kalamassery. | Public hearing on Suo Motu Determination of Tariff applicable to Kerala State Electricity Board Limited. |
| 46 | 04.01.2017/ 11 am | Town Hall, Thrissur | Public hearing on Suo Motu Determination of Tariff. |
| 53 | 12.01.2017/ 11 am | Conference Hall, Vydyuthi Bhavanam, Pathanamthitta. | Public hearing on determination of tariff for 2016-17 and 2017-18 on Suo Motu Proceedings. |
| 55 | 13.01.2017/ 11 am | Municipality Hall, Kottayam | Public hearing on determination of tariff for 2016-17 and 2017-18 on Suo Motu Proceedings. |
| 56 | 17.01.2017/ 11 am | Institute of Engineers Hall, Trivandrum. | Public hearing on determination of tariff for 2016-17 and 2017-18 on Suo Motu Proceedings. |
| 57 | 14.02.2017/ 11 am | Commission’s Office | OA No.01/17- Petition filed by M/s.Microtrol Sterilisation Services (P) Limited. |
| 58 | 14.02.2017/ 11.30 am | Commission’s Office | OA No.02/17- Petition filed by QPMP Association. |
| 59 | 15.03.2017/ 11.30 am | Commission’s Office | O.A.Nos.03/17 & 04/17- Truing up applications for 2013-14 and 2014-15 filed by Kerala State Electricity Board Limited. |
| 60 | 22.03.2017/ 11 am | Commission’s Office | O.P.No.01/17- Petition filed by Kerala State Electricity Board Limited under Section 86 (1) (f) of the Electricity Act, 2003 against LKPL. |