

***WELCOME TO CEO'S MEET @RENAI
COCHIN ON 17-11-2018.***

- ▶ *Kerala High Tension and Extra High Tension Industrial Electricity Consumers' Association Started in 1986-87 .*
- ▶ *The Association was a forum to Interact with Govt and KSEB officials and it was Done by Top Executives of Major Industries at that time.*
- ▶ *Power Cut and Load Shedding are the major issues during that period.*
- ▶ *The Electricity Regulatory Commission Act- 1998 and Electricity Act-2003 Changed the Entire Scenario in Power Sector across India.*
- ▶ *Cosnumers got the right to respond the Tariff Fixation process.*
- ▶ *As on today India is a Power Suplus Country with The Installed Capacity of more than 3,44,000 MW,and the Peak demand is only half of that Capacity.*

INTRODUCTION

Electricity tariff was stagnant for 10 years from 2002 while there were increases in tariff in most of the other States.

Effective representation by the Association before the Regulatory Commission was the main reason for this.

Association engaged renowned consultants like Price Water Cooperhouse and Dalloitte for this.

- ▶ *Refund of Service Connection Charge illegally Collected by KSEBL.*
- ▶ *Open Access Denial by KSEBL and its restoration within a weeks time by Proper representation by Association at KSERC and Simultaneous move to High Court of Kerala.*
- ▶ *Direction from APTEL to KSERC to determine the Voltage Wise CoS and retail Tariff based on it.*
- ▶ *Introduction of PF incentive and the enhancement from 2.5 % to 5 %.*
- ▶ *Our Petition at APTEL for extending PF incentive to Open Access Power.*
- ▶ *Introduction of Prompt Payment Incentive and Eligibility of Bank Rate Interest for the Security Deposit.*

INTRODUCTION

- ▶ *The KSEBL'S ARR ,ERC & Tariff Proposal is for the Control Period 2018-2022.*
- ▶ *The ARR & ERC Submitted based on the KSERC Tariff Regulations-2018.*
- ▶ *Two Tariff Hikes Proposed in this Control period first one for 2018-19 and second one for 2020-21.*

KSEBL'S FIRST MULTI-YEAR TARIFF PROPOSAL

No	Head	2018-19	2019-20	2020-21	2021-22
1	ARR in Rs Cr	14247.34	15512.45	16348.70	17240.93
2	ERC in Rs Cr	13146.64	14113.20	14283.48	14722.01
3	Revenue Gap in Rs Cr.	1100.70	1399.05	2065.28	2518.92

SUMMARY OF KSEBL TARIFF PROPOSALS

Category of Consumer.	% Increase in 2018-19	% Increase in 2020-21	Unit Cost Increase from Current level in Rs	Total % Hike from present level
HT	7.25	8.44	1.09	16.47
EHT-66 KV	15.01	9.87	1.58	27.38
EHT-110KV	10.89	4.81	0.91	16.25
EHT-220 KV	15.74	9.33	1.45	24.87

IMPACT OF THE TARIFF OF PROPOSAL

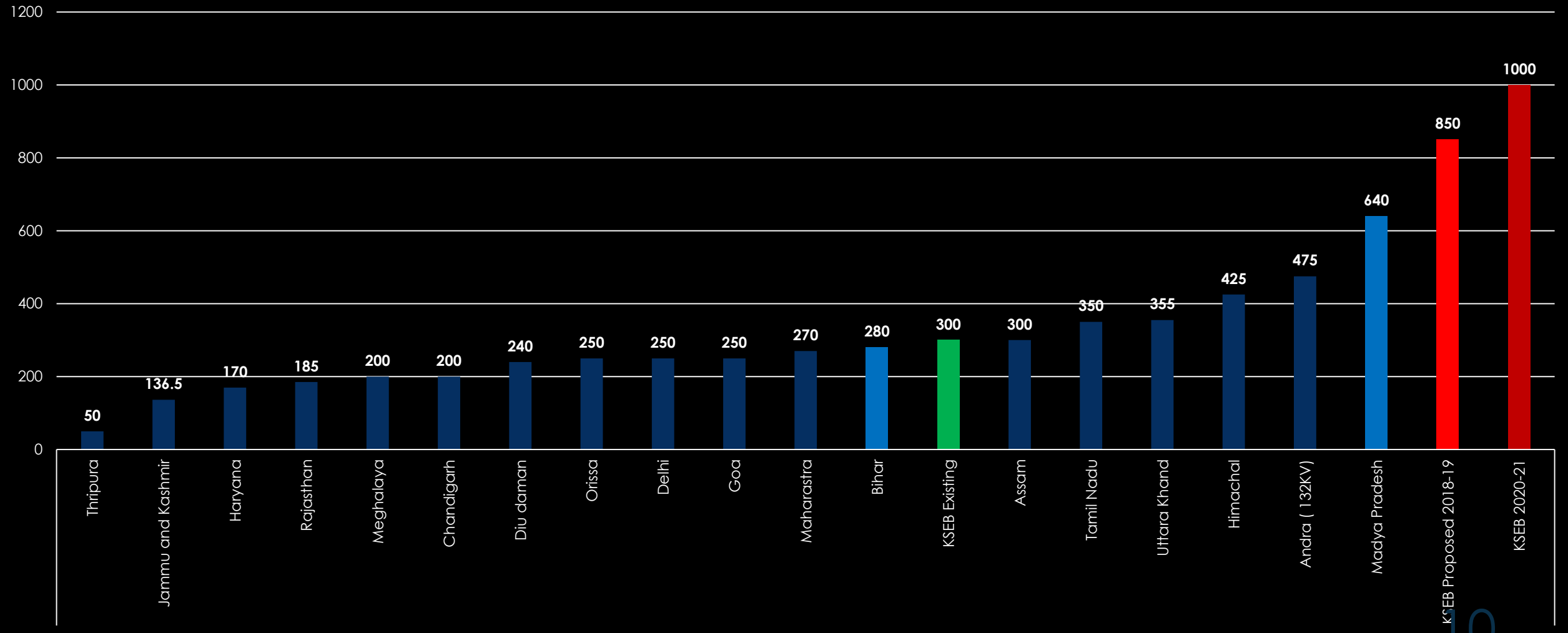
Category of Consumer.	Present Demand Charge in Rs/kVA	Demand Charge for 2018-19 in Rs/kVA	Demand Charge for 2020-21 in Rs /kVA.	Total % Hike from present level
HT	300	600	750	150 %
EHT-66 KV	300	850	1000	233 %
EHT-110KV	290	825	950	228 %
EHT-220 KV	280	700	850	204 %

IMPACT ON MAXIMUM DEMAND CHARGES

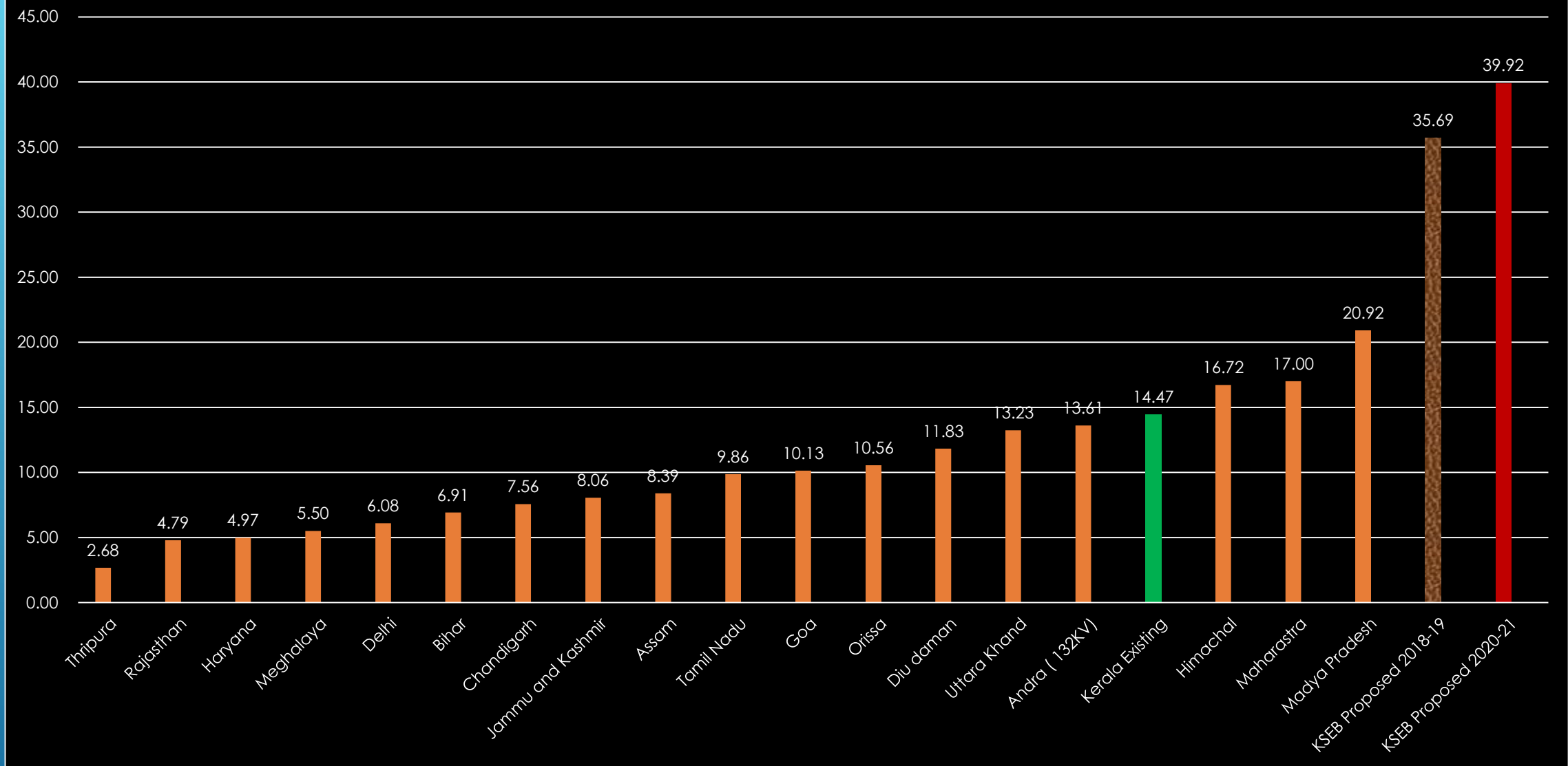
Category of Consumer.	Present Demand Charge as % of Total Cost	Demand Charge for 2018-19 as % of Total Cost	Demand Charge for 2020-21 as % of Total Cost
HT	18.19	33.75	38.68
EHT-66 KV	14.47	35.64	39.92
EHT-110KV	12.36	31.73	34.90
EHT-220 KV	20.61	44.54	48.43

IMPACT ON MAXIMUM DEMAND CHARGES

Demand charge in Rs/kVA



DEMAND CHARGE ACROSS INDIA IN RS/KVA.



DEMAND CHARGE AS % OF TOTAL COST ACROSS INDIAN STATES

- ▶ OPEN ACCESS POWER SOURCING WILL BE NO LONGER ATTRACTIVE.
- ▶ By Reducing the Energy Rate by 80ps/kWh, the margin from OA will not be there with the current Market deriving price trends.
- ▶ CSS will increase by 80 ps /unit due to Change in 'T-C' in the CSS formula.
- ▶ If KSEBL's proposal is approved as such, it will be the death bell to Open Access power sourcing.

OPEN ACCESS NO LONGER AN OPTION

- ▶ The Present PF Incentive starts from 0.90 on-wards, where as in the New proposal it Starts from 0.95.
- ▶ In the new proposal Unity Power factor is eligible only **1.25 %** of Energy Bill, around **4.75 ps to 6 ps/kWh** even at UPF,for 2020-21 it will be **0.60%** for UPF,around **2.28 ps to 2.88ps/kWh** .
- ▶ Also suggest elimination of PF incentive by this Control period.
- ▶ The PF incentive become a reality in Kerala after many years of fight by HT/EHT Association.

In the latest Tariff Order by Maharashtra Electricity Regulatory Commission for 2019-20 the Incentive for Unity Power factor is **7.5 % of Total Electricity Bill,including Maximum demand Charge, exclusion only for Duty and Tax components.**

The Total pay out of KSEB on account of Incentive Pay out is only Rs72 Cr which is only 0.74 % of the Revenue,while in Maharashtra the inventive pay out is Rs1790 Cr and around 4 % of the revenue and 7.7 % of HT Category Revenue.

POWER FACTOR INCENTIVE

- ▶ *Please Participate in the Public Hearing Actively.*
- ▶ *Involve Trade Union in the Hearing Process and ensure their participation in Public Hearing.*
- ▶ *If the Top Executive of the Industrial Units Present during the Public Hearing of your area there will be an added advantage.*
- ▶ *Individual units Can stress their concerns and Impact of Tariff on their operations.*
- ▶ *Electrical Engineers Study the KSEBL's proposal and Actively Participate in our Discussions with PWC.*

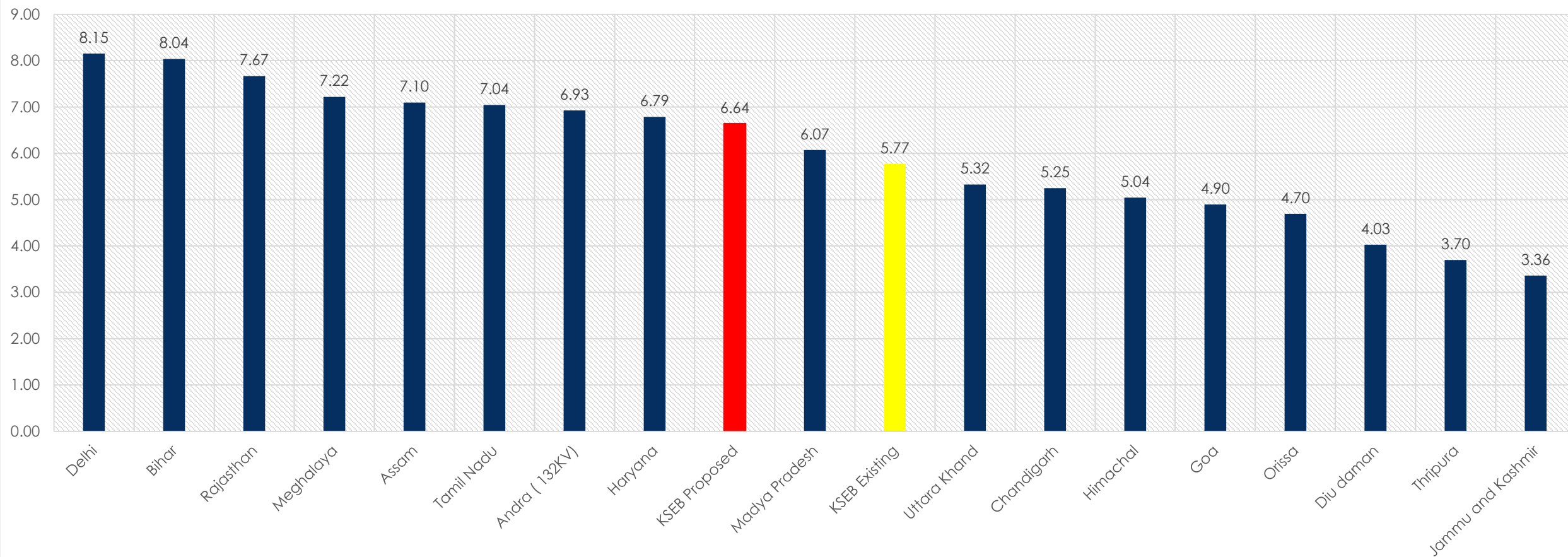
APPEAL TO MEMBERS

- ▶ Discussion with PWC on 22nd and 23rd November at Hotel Summit, South Kalamassery.
- ▶ Hearing at Kozhikode on 26-11-2018, @11 am. Venue: Nalanda Auditorium.
- ▶ Hearing at Ernakulam on 27-11-2018 @ 11am. Venue: Corporation Town Hall.
- ▶ Hearing at Kattappana on 28-11-2018 @11am. Venue: Municipal Corporation Hall.
- ▶ Hearing at Trivandrum on 30-11-2018 @11 am. Venue: Institution of Engineers Hall.

▶ ***Thanks.***

IMPORTANT DATES

Average Energy Cost @ 70% PLF



AVERAGE ELECTRICITY COST IN INDIA IN RS/KWH 16
11/17/2018