BEFORE THE HON'BLE KERALA STATE ELECTRICITY REGULATORY COMMISSION Thiruvananthapuram

SUGGESTIONS / OBJECTIONS

IN THE MATTER OF

DRAFT - KERALA ELECTRICITY SUPPLY (AMENDMENT) CODE, 2019

31st October, 2019

At the outset, we would like to appreciate the KSERC for the efforts taken to amend the supply code, most of which are consumer friendly. We also observed that the Electricity Ombudsman also played a key role in amending the supply code.

We have, however, observed that some of the revisions are not consumer friendly.

We would like to give the following objections / suggestion on these clauses, clause wise

Clause 11(2)- Limits of connected loads and contract demand for new LT connections

Reg.No.ER.772/86

Current clause

- The maximum contract demand permissible for low tension consumer who avails power under demand based metering shall be 100kVA, irrespective of his connected load

Modified clause

- ***Addition to existing clause***
  "Provided further that the contract demand for an Industrial consumer in **Industrial parks** except in multi storied buildings shall be limited to **150kVA** in low tension subject to payment of low voltage surcharge in which their LT metering point shall be at the transformer point"

Clause 11(2)- Limits of connected loads and contract demand for new LT connections

- The HT&EHT association whole heartedly welcome the amendment proposed to increase the contract demand from 100kVA to 150kVA in Industrial parks. The reason the KSERC has given for this increase is “to attract investments in industrial parks”. The association is of the view that industries should be promoted everywhere not in industrial parks alone.

- Hence the association suggests increasing the contract demand of all industrial consumers to 150kVA for all whose LT metering point is at the transformer point.

Clause 72 (3) Interest on security deposit

Reg.No.ER.772/86

Current clause

- If the adjustment of interest is delayed, interest at **twice** the bank rate shall be payable for the delayed period (by the licensee)

Modified clause

- If the adjustment of interest is delayed, interest at **1.5 times** the bank rate shall be payable for the delayed period (by the licensee)

The ESCRP has not recommended review of this clause. Hence, this clause should not have been taken for review. Moreover, as per clause 131. **Payment of bills and interest for belated payments,** the licensee is entitled to recover interest **"@ 12% per annum, based on actual number of days of delay from the due date, up to a period of 30 days and thereafter at the rate of 18% per annum for the entire period of default from the due date**".

Hence the HT&EHT Association is of the view that either the current clause be retained or modified in line with clause 131 of the supply code

Clause 95 4 (C)- Procedure for shifting electric line or electrical plant of the licensee

Reg.No.ER.772/86

Current clause

- The applicant remits the **labour charges** required for shifting the electric line or electrical plant

Modified clause

- *The applicant shall remit* ***the labour charges and material charges*** *required for shifting the electric line or electric plant as estimated by the licensee as per the cost data approved by the Commission from time to time as per the Regulation 33 of the Kerala Electricity Supply Code, 2014*

Suggestions / Objections on
Draft – Kerala Electricity Supply (Amendment) Code 2019

Reg.No.ER.772/86

Clause 95 4 (C)
Procedure for shifting electric line or electrical plant of the licensee

- The revision has come based on the view expressed by the Honourable High Court of Kerala. The ESCRP has not recommended revision of this clause. Hence the clause should not have been taken for review. The HT&EHT Association is of the view that in certain cases it may result in heavy burden on the consumer
- **Hence the association is of the view that the current clause be retained.**

Clause 149.2(i) - Power of officers authorised under Section 126 and under Section 135 of the Act to enter, inspect and initiate proceedings against theft, unauthorised use and other irregularities

Reg.No.ER.772/86

Current clause

- Entry, inspection and further proceedings under Section 126 of the Act shall be done only by the assessing officer as designated by the Government under the said Section

Modified clause

- *Entry and inspection by the assessing officer / officers of and above the rank of* ***Sub – engineer*** *of the licensee having jurisdiction in the area.*
- *Provided that further proceedings under Section 126 of the Act shall be done only by the assessing officer as designated by the Government under the said section*

Clause 149.2(i) - Power of officers authorised under Section 126 and under Section 135 of the Act to enter, inspect and initiate proceedings against theft, unauthorised use and other irregularities

- For HT& EHT consumers, even for meter readings it is an AE who comes every month.
- Hence the HTEHT association is of the view that the assessing officer shall be an officer of **AE or above grade**. A sub-engineer may not be competent to asses an HT or EHT installation fully.

Clause 152.(3) Anomalies attributable to the licensee which are detected at the premises of the consumer.

Reg.No.ER.772/86

Current clause

- Provided that, if the period of such short collection due to the anomalies is not known or cannot be reliably assessed, the period of assessment of such short collection of electricity charges shall be limited to **twelve months**
- Provided **also** that realisation of electricity charges short collected shall be limited for a maximum period of **twenty four** months, even if the period during which such anomaly persisted is found to be more than twenty four months.

Modified clause

- *Deleted fully*
- Provided **further** that realisation of electricity charges short collected shall be limited for a maximum period of **twenty four** months, even if the period during which such anomaly persisted is found to be more than twenty four months.

Clause 152.(3) Anomalies attributable to the licensee which are detected at the premises of the consumer.

- In the current regulation there is an ambiguity regarding period of assessment of short collection. One clause says the period shall be limited to twelve months whereas the other clause says the period shall be twenty four months. In the proposed revision the period of assessment is retained as twenty four months.
- Since the meter readings and billing are done monthly or bimonthly, it should be possible for the licensee to detect any anomaly in a year.
- Hence the HT&EHT Association is of the view the view that the period of assessment for any short collection shall be limited to **twelve months**.

Clause 155.(2)
Provisional Assessment under Section 126 of the Act

Reg.No.ER.772/86

Current clause

- The assessing officer shall inspect the premises of the consumer or inspect the equipment, gadgets, machine and devices found connected to the system and used or inspect the records maintained by the consumer or by any other person before initiating proceedings for provisional assessment.

Modified clause

- *The assessing officer /officers of and above the rank of **sub – engineer** of the licensee having jurisdiction in the area may inspect the premises of the consumer or inspect the equipment, gadgets, machine and devices found connected to the system and used or inspect the records maintained by the consumer or by any other person before initiating proceedings by the assessing officer for provisional assessment*

Same as in the case of clause 149, the HT&EHT association is of the view that the assessing officer shall be AE or above in the case of HT and EHT installations

Clause 158.(17)- Appeal before Appellate Authority under Section 127 of the Act.

Reg.No.ER.772/86

Current clause

- In case the Appellate Authority holds that no case of unauthorised use of electricity is established, no further proceedings shall be initiated or continued by the licensee in this regard and the amount deposited by the appellant shall be refunded along with interest at the rate of **sixteen percent** per annum compounded every six months for the period from the date of deposit till the amount is refunded..

Modified clause

- In case the Appellate Authority holds that no case of unauthorised use of electricity is established, no further proceedings shall be initiated or continued by the licensee in this regard and the amount deposited by the appellant shall be refunded along with interest at the rate of **'MCLR +200 base points'** per annum compounded every six months for the period from the date of deposit till the amount is refunded

Clause 158.(18)- Appeal before Appellate Authority under Section 127 of the Act.

Reg.No.ER.772/86

Current clause

- In case the amount payable as determined by the appellate authority is less than the amount already deposited by the consumer at the time of filing the appeal, the excess amount shall be refunded along with interest at the rate of **sixteen percent** per annum compounded every six months from the date of such deposit till the date of refund

Modified clause

- In case the amount payable as determined by the appellate authority is less than the amount already deposited by the consumer at the time of filing the appeal, the excess amount shall be refunded along with interest at the rate of **'MCLR +200 base points'** per annum compounded every six months from the date of such deposit till the date of refund

Clause 158.(17) & 158.(19)-
Appeal before Appellate Authority under Section 127 of the Act.

- The ESCRP has not recommended review of this clause. Hence, this clause should not have been taken for review. This clause deals with refund of amount deposited with the licensee for no fault of the consumer. If consumer defaults, the licensee is demanding 18% interest per annum as per clause 131 of the supply code.
- Hence, HTEHT association is of the view that the current clause be retained which is just the right compensation for the consumer for unlawfully holding the amount with the licensee.

Thank You