Incentive for high load factor, prompt payment, high power factor and improvement in TOD billing system -sanction accorded- Orders issued.

CORPORATE OFFICE (Commercial & Tariff)

Read: 1. KSERC order dated 13-03-2014

ORDER

KSERC vide order dated 13-03-2014 in the matter of ‘Incentive for high load factor, prompt payment, high power factor and improvement in TOD billing system’, has ordered the following.

1. The HT and EHT consumers in the state will be eligible for an incentive of 0.3% [zero point three percent] of the invoice amount (excluding Duty and other levies payable to Government), if payment of electricity charges is made in full before 5 clear days from the due date.

2. The plea to provide incentive for high load factor cannot be granted in the present power situation in the state and therefore the request to provide incentive for high load factor is declined.

3. The plea to increase the existing power factor incentive cannot be granted at present in the prevalent power situation in the State and therefore the request to increase the power factor incentive is declined.

4. The methodology of calculating MD charges as specified in the Schedule of tariff order dated 30.04.2013 for the period from 01.05.2013 as approved and published by the Commission need not be reviewed.

2. As detailed above, the KSERC has ordered to provide incentive of 0.30% of the invoice amount (excluding duty and other levies payable to the Government), to all HT and EHT consumers who are not in arrears provided the consumer made the payment before 5 clear days from the due date. Further, the Commission has issued the following general instructions on the procedures to be followed for implementing the prompt payment incentive.
(i) The early payment incentive shall be implemented in the case of HT and EHT consumers, as a first step, with effect from 01-04-2014. The same shall be rolled out to other major consumers later with the approval of the Commission, after the necessary infrastructure is ready and experience is evaluated.

(ii) All the licensees including KSEB are directed to make available the invoice details of all HT and EHT consumers through their website and also to send a copy of the invoice to the consumers by email on the date of issue of the invoice.

(iii) Early payment incentive will be allowed to all HT and EHT consumers who are not in arrears, the arrears being defined as any payments due to the licensee, unless it is stayed by a court of law.

(iv) The incentive will be computed by the licensee based upon the date on which the invoice amount in full is credited to the bank account of the licensee and the incentive amount shall be credited to the account of the consumer immediately. This amount shall be adjusted in the first subsequent invoice raised against the consumer. Any delay in adjusting the incentive amount shall attract penal interest at twice the bank rate.

(v) Incentive shall not be payable on Electricity duty and other levies payable to Government.

3. Chief Engineer vide note under reference(2) cited above has brought the matter before the Board and recommended the following in order to implement the incentive scheme to the HT&EHT consumers.

   (i) KSEBL has to make available the invoice at the website of the KSEB as soon as the same is ready.

   (ii) KSEB has to send a copy of the invoice to the consumers by email on the date of issue of the invoice. Hence necessary direction has to be given to the Director (IT) and Special Officer (Revenue) to ensure that,

       (a) The invoice of all HT&EHT consumers shall be make available at the website on the date of invoice itself, and,

       (b) Send a copy of the invoice to all the HT&EHT consumers by email on the date of issue of the invoice itself.

   (iii) KSERC has directed to provide incentive to the HT&EHT consumers not in arrears, the arrears being defined as any payments due to the licensee, unless it is stayed by a court of law. Hence necessary direction is to be issued to the Special Officer Revenue to sort out the HT&EHT consumers not in arrears, as on 1st day of every month. This details may be made available to the website of the Board. This has to be updated every month.

   (iv) For availing the incentive, the following procedure shall be followed.

       (a) the consumer has to remit the invoice amount in full to the bank account of KSEB.
(b) If the invoice amount is credited in full, before 5 clear days from the due date, the incentive @0.30% of the invoice amount shall be credited to the account of the consumer.
(c) The incentive so credited shall be adjusted in the first subsequent invoice raised against the consumer.
(d) Any delay in crediting the incentive shall attract penal interest at twice the bank rate on KSEB.

Hence, in order to smoothly implement the incentive scheme, KSEB may request to all the consumers to effect the payment through RTGS (Federal Bank Virtual Account) or RTGS of other scheduled banks. The consumers shall provide the account number and other details. Hence SOR may be directed to issue circulars/ notice on the same individually to all the consumers to provide the bank account of the consumers and also to make the payment through RTGS.

(v) KSEB has also to make changes, if any, in the HT&EHT billing software for implementing the incentive scheme as ordered by the Commission. Deputy Chief Engineer (IT) may be authorized to make changes if any required in the HT&EHT billing software for implementing the incentive scheme immediately.

4. Having considered the request of Chief Engineer (Commercial & Tariff), Board hereby orders to

(1) implement the incentive @0.30% of the invoice amount (excluding duty and other levies payable to the Government), to all HT and EHT consumers who are not in arrears, provided the consumer has made the payment before 5 clear days from the due date as per the invoice.

(2) the Deputy Chief Engineer (IT) and Special Officer (Revenue) that,

(i) The invoice of all HT&EHT consumers shall be made available at the website on the date of invoice itself, and,
(ii) Send a copy of the invoice to all the HT&EHT consumers by email on the date of issue of the invoice itself.

(3) the Special Officer (Revenue) to prepare and update the list of HT&EHT consumers not in arrears, as on 1\textsuperscript{st} day of every month and the details may be made available to the website of the Board.

(4) the Special Officer (Revenue) to ensure that,

(i) The consumer has remitted the invoice amount in full to the bank account of KSEB.
(ii) If the invoice amount is credited in full, before 5 clear days from the due date, the incentive @0.30% of the invoice amount shall be credited to the account of the consumer.
(iii) The incentive so credited shall be adjusted in the first subsequent invoice raised against the consumer.
(iv) Notice shall be issued to all consumers individually to provide the bank account and also request them to make the payment through RTGS.

(5) the Deputy Chief Engineer (IT) to make changes if any required in the HT&EHT billing software for implementing the incentive scheme immediately.

By Order of the Chairman and Managing Director

M. Shahul Hameed
Secretary (Administration)

To,

The Chief Engineer (Commercial & Tariff)
The Deputy Chief Engineer (IT)
The Special Officer (Revenue)

Copy to: -
The Chief Engineer (IT),
The Chief Internal Auditor,
TA to (Chairman & Managing Director)/
TA to Director (Distribution & Generation Electrical )
TA to Director (Trans. & System Operation / Generation Civil)
PA to Director (Finance)/ Sr. CA to Secretary (Administration)
CA to IGP (CVO, KSEB)
Library / Stock File

Forwarded by order

Assistant Engineer