KERALA STATE ELECTRICTY BOARD

ABSTRACT

Fuel Price Adjustment charges on all consumers and bulk consumers/other licensees to recover the additional financial liability for the period from October-2010 to March-2011- order issued by KSERC on petition No. OP 9/2011 and OP17/2011 - compliance- Orders issued

Corporate Office (Tariff & Regulatory Affairs Cell)

B.O (FB) No. 2342/2011(KSEB/TRAC/ fuel surcharge/Oct-10-March-11) dtd Tvpm, 30-09-2011

Read: 1.KSERC Order dated 21st July 2011 on Petition No. OP 9/2011and OP 17/2011
2. G.O. (MS) No. 35/11/PD Thiruvananthapuram dated 24.09.2011
3. Note No. KSEB/TRAC/Fuel surcharge/ Oct-10 to Mar-11 dated 28-09-2011
4. Proceedings of the Board meeting held on 29-09-2011 (Agenda Item No. OA. 5-7/2011)

ORDER

As per provisions of Fuel surcharge regulations, 2009, KSEB had filed a petition before the Kerala State Electricity Regulatory Commission (KSERC) on 07-03-2011 for recovering the additional liability of Rs 53.69 crore incurred for power procurement from various thermal sources during the period from October-2010 to December-2010. Further, KSEB vide the petition dated 9-05-2011 had filed the petition for recovering the additional liability of Rs 107.54 crore incurred for the power procurement during the period from January-2011 to March-2011. Thus the total amount of additional liability claimed by the Board during the period from October-2010 to March-2011 was Rs 161.23 crore. KSERC vide the order dated 21st July-2011 cited as 1st paper above had approved Rs 150.29 crore against the KSEB's claim of Rs 161.23 crore. Further, KSERC vide the order dated 3-02-2011 on approving fuel surcharge for the period from April-2010 to September-2010 has ordered that the unabridged surcharge amounting to Rs. 30.85 crore shall also be considered together with the fuel surcharge for the next quarters. Accordingly, Hon'ble Commission has approved the fuel surcharge of Rs 181.14 crore (including Rs. 30.85 crore due for previous quarters) as per the order dated 21st July-2011.

2. KSERC has further ordered to realize the approved additional liability of Rs 181.14 crore by imposing a fuel surcharge @Rs 0.25 per unit for the consumption from 1st August 2011 onwards for the next 6 months or till an amount of Rs.181.14 Crore is realized which ever is earlier. Commission has further ordered that:

(i) The fuel surcharge of 25 paise/kWh is applicable to consumers of all licensees in addition to the existing energy charges.

(ii) Fuel surcharge shall not be applicable to domestic consumers having consumption not more than 20units per month and connected load of less than or equal to 500W, as per clause 3(6) KSERC (Fuel Surcharge Formula) Regulations 2009.

(iii) All distribution licensees other than KSEB shall collect the fuel surcharge from consumers as per this order and maintain separate accounts and properly transfer the amount on a monthly basis to KSEB.

(iv) All licensees on or before the close of 30 days from each month shall provide the Commission with the details of surcharge collected from each consumer category. If the details of surcharge are not provided on time, the Commission may initiate suo-motu proceedings for withdrawal of surcharge.

(v) As soon Rs.181.14 Crore is recovered, KSEB shall inform the Commission promptly and the Commission shall terminate the collection of fuel surcharge by all licensees.

(vi) All licensees shall indicate the rate of surcharge and the total amount as surcharge separately in the bills issued to the consumers.

(vii) KSEB shall make appropriate changes in the billing software so as to show the fuel surcharge details in the bills without any ambiguity. Any clarification sought by the consumers in this regard shall be properly furnished by the licensees.

(viii) All licensees shall strictly adhere to the provisions of Section 65 of the Electricity Act 2003 while providing any subsidy to the consumers. Any violation in this regard shall be dealt with as per the provisions of the Electricity Act 2003.

3. As the State Government desired to exempt domestic consumers with monthly consumption up to 120 units from payment of fuel surcharge, KSEB had requested before the Hon'ble Commission to postpone the implementation of the fuel surcharge upto 1st of October-2011. Accordingly KSERC has allowed to extend the date of implementation of the surcharge from 1st August 2011 to 1st October, on condition that the advance payment has to be made on account of the subsidy allowed by the Government to any consumer groups for exempting them from fuel surcharge along with its carrying cost for the delay.

4. Government vide the order read as 2nd paper above has ordered to provide Rs 54.60 core as cash subsidy for exempting domestic consumers with monthly consumption up to 120 units per month from payment of fuel surcharge from 1st October-2011 for six months, i.e., from 01-10-2011 to 31-03-2012.

5. Member (Finance) vide note cited as 3rd paper above has placed the KSERC order dated 21st July-2011 and Government Order dated 24th September-2011 for the approval of the Board for implementation. Member has also placed the procedures to be followed for speedy implementation of the KSERC order on billing, collection and monitoring of the fuel surcharge as ordered by the Commission. Having considered the matter in detail, Board here by orders to:

(i) implement the order of the KSERC dated 21.07.2011 on petition No. OP 9/2010 &17/2011 on introducing Fuel Price Adjustment charges @ 25 paise per unit on all consumers and bulk consumers/other licensees to recover the additional financial liability for the period from October 2010 to March 2011 w.e.f 1st October-2011 for a period of six months or till the approved amount of Rs 181.14 crore is fully recovered.

(ii) exempt domestic consumers with monthly consumption up to 120 units from payment of fuel surcharge in view of the Government Order G.O (Ms) No. 35/11/PD dated 24-09-2011

(iii) the Distribution field units and Special Officer (Revenue) (SOR) to raise the invoice for fuel surcharge @ Rs 0.25 per unit for the consumption from 1st October-2011 onwards.

(iv) the Director (IT) to make necessary modifications in the ORUMA and HT- EHT billing software to raise the fuel surcharge as ordered by KSERC. Director (IT) shall further ensure that, the rate of surcharge and the total amount of surcharge shall invariably be recorded in the bills issued to consumers. Though the consumers having monthly consumption up to 120 units are exempted from paying fuel surcharge, invoices issued to them should contain the amount of fuel surcharge and subsidy allowed to them on account of exemption (same as total amount of fuel surcharge). Director (IT) shall also ensure that the modification in the billing software shall be made in accordance with the Board's Circular for implementing the fuel surcharge effective from 01.10.2011

(v) the Deputy Chief Engineer (Commercial) shall monitor the implementation of the Fuel surcharge by other Licensees and prompt payment of surcharge collected from their consumers to KSEB as ordered by the Commission.

(vi) authorize the Deputy Chief Engineer (TRAC) to issue necessary billing procedures and other instructions to the field offices and take up the matter with Board through Chief Engineer (Commercial & Tariff). Deputy Chief Engineer (TRAC) shall compile the month wise details of the fuel surcharge billed from field offices and SOR and furnish the same to the Commission on or before 30th of the succeeding month.

(vii) the Chief Engineers (Distribution) / Deputy Chief Engineers shall ensure the proper implementation and billing of fuel surcharge as ordered by the Commission and subsequent guidelines and procedures issued from the Board.

(viii) All the section offices shall keep the account of the surcharge separately for each tariff category. Deputy Chief Engineers, Distribution circles and Special Officer Revenue (SOR) shall take necessary action to compile and communicate the details of fuel surcharge collected in each month to the Deputy Chief Engineer (TRAC) on monthly basis on or before 20th of the succeeding month with a copy to the Financial Advisor. Any failure from the part of the Deputy Chief Engineers, Distribution Circles and SOR on providing the surcharge details shall be viewed seriously by the Board.

(ix) Financial Advisor shall provide a separate account code for accounting the fuel surcharge and shall issue necessary instructions to the filed offices / ARUs to account the fuel surcharge for the domestic consumers with monthly consumption up to 120 units as fuel surcharge and subsidy receivable from Government separately. Financial Advisor shall take further necessary steps to get the subsidy from Government on monthly basis, on account of exempting domestic consumers with monthly consumption upto 120 units.

By the Order of the Board

Sd/-

S.Roopakalajagath

Secretary

To

Chief Engineer (Distribution) South/Central/North
Chief Engineer (Commercial & Tariff)

The Financial Adviser
Director (IT) &SPIO
Special Officer (Revenue)

Copy to:

Legal Adviser & Disciplinary Enquiry Officer
All Chief Engineers (Ele) & (Civil)
The Chief Internal Auditor
All Deputy Chief Engineers (Ele) Circles
Deputy Chief Engineer (TRAC)/ Commercial
All Executive Engineers (Ele) Divisions
TA to Chairman / Member (Distn./Trans/Gen)
PA to Member (Finance), Sr.CA to Secretary
CA to I.G of Police
Public Relations Officer
All RAO's
Fair Copy Superintendent
Stock file

Forwarded by order

Assistant Engineer