KERALA STATE ELECTRICITY BOARD

ABSTRACT

Settlement of arrears of EHT, HT & LT consumers - One Time Settlement – Special Scheme – Orders issued.

DISTRIBUTION PROFIT CENTRE

BO (FB) (Genl) No.387/2012(DPC1/OTS-Special Scheme/2012) Dated, Thiruvananthapuram, 17.02.2012.

Read: - (1) B.O (FB) (Genl) No.1588/2011 (DPC1/5/OTS/2011) dated 24.06.2011
(2) B.O (FB) (Genl) No. 2878/2011 (DPC1/5/OTS/2011) dated 14.12.2011
(3) Note No. DPC1/OTS-Special Scheme/2012 dated 28.01.2012 of the Secretary
(4) Proceedings of the Board Meeting dated 30.01.2012 (Agenda Item No. 14/2012)

ORDER

Kerala State Electricity Board (KSEB) is a statutory body constituted on 01.04.1957 under Section 5 of the Electricity Supply (Act), 1948 for the coordinated development of Generation, Transmission and Distribution of electricity in the State of Kerala. As per the provisions of the Electricity Act, 2003, KSEB continued as a State Transmission Utility (STU) and Distribution Licensee till 24-09-2008, performing same functions of generation, transmission and distribution of electricity within the State of Kerala. In exercise of powers conferred under sub-sections (1), (2), (5), (6) and (7) of section 131 of the Electricity Act, 2003, State Government vide notification G.O (Ms).No.37/2008/PD dated 25th September, 2008 has vested all functions, properties, interests, rights, obligations and liabilities of KSEB with the State Government till it is re-vested in a corporate entity. State Government vide order G.O (MS) No. 50/2011/PD dated 31-12-2011 has extended the time limit for re-vesting the assets and liabilities of KSEB up to 30.06.2012.

KSE Board is going through a transformation in view of the Electricity Act, 2003 and a new company by name Kerala State Electricity Board Ltd. has been formed as envisaged in the said Act. In the wake of system change the Board has to ensure maximum efficiency in collecting outstanding arrears.

The Government vide order G.O (Ms) No. 42/2011/PD dated 03.11.2011 has ordered 'in principle' approval of Kerala Electricity Second Transfer Scheme (Re-vesting) 2011, modality of funding of terminal liability. Since the order was issued based on the actuarial valuation of pension liabilities as on 31-03-2009, Board is in the process of re-assessing the actuarial valuation of the pension liabilities as on 30.09.2011 after considering the impact of recent pay revision. The pension liabilities of KSEB still remain unfunded. Government have agreed to contribute a portion of the estimated liability. Board has to find out sources for funding the balance liabilities.

The Board allowed One Time Settlement scheme to settle arrears of electricity charges of consumers reducing penal interest. The Board vide order read as 2nd paper above has extended the One Time Settlement scheme to settle arrears of electricity charges up to 31.03.2012. Penal interest accrued on arrears can be reduced to 9%, if the consumer is ready to clear all the arrears in one time and to 15 % if the consumer is ready to clear the arrears in six monthly installments (1/3rd arrears should be collected as 1st instalment). Deputy Chief Engineers of Electrical Circles are delegated with the power to settle revenue arrears up to a principal amount of ₹2,00,000/-. Chief

Engineers (Distribution) are delegated with powers to settle revenue arrears above ₹2,00,000/- but up to ₹4,00,000/- (principal amount). Full Time Members are authorized to settle arrears above ₹4,00,000/-.

Settlement of large number of revenue matters was made by way of Adalaths conducted by the Board.

Further, the Board ordered to reduce penal interest as 3% for all Public Sector Units, Government Departments, Government Institutions and Local Bodies provided they remit the arrears as one lump sum.

Consequent to the "100 Days Programme" announced by the Hon'ble Chief Minister, the Board vide B.O (FB) (Genl) No.1588/2011 (DPC1/5/OTS/2011) dated 24.06.2011 allowed settlement of outstanding arrears @ 3% interest for one time payment or @ 6% interest in 10 equal monthly installments for re-opening/ for final settlement of closed industrial units and to extend the scheme to HT & EHT consumers also.

Though the Board has collected huge amount of arrears through the above schemes, the accrued arrears of LT consumers as on 30.06.2011 is 303.06 Crore and that of HT & EHT consumers is 899.53 Crore. There are a lot of consumers whose service connections were dismantled due to long pending arrears and against whom Revenue Recovery action had been initiated by the Board but no amount has been realized from them. Hence huge amount of revenue is still pending realization to the Board.

Having considered the matter, the Board has decided to introduce a special scheme to settle long pending arrears of EHT, HT & LT consumers for the period from 01.02.2012 to 31.03.2012 with the following conditions:

1. Consumers having arrears for a period more than 3 years will only be considered for settlement.
2. The principal amount in full has to be remitted in one time for getting benefit of the scheme.
3. After remittance of the principal amount the penal interest will be reduced to 5% for settlement. Settlement of outstanding arrears of interest @ 3% will be allowed for re-opening/for final settlement of closed Industrial units.
4. The penal interest of Government Departments will be at the rate of 3% provided they remit the principal amount in advance.
5. Minimum demand charges / fixed charges demanded can be limited to a period of six months after disconnection, if the connection is dismantled.
6. No charges shall be levied after due date of dismantling except by way of minimum guarantee/ rental liabilities, if the connection is dismantled.
7. The settlements in cases where RR action has already been initiated shall be made only after intimating the same to Revenue Department and after collecting charges for RR action.
8. The settlement shall be done subject to the withdrawal of court cases if any.
9. Deputy Chief Engineers of Electrical Circles shall be authorized to settle arrears of LT consumers without any financial limit.

10. The Full Time Members shall be authorized to settle the arrears of EHT and HT consumers.

11. Applications from LT consumers who opt for this scheme shall be accepted in the concerned Electrical Section and principal amount shall be collected. The cases shall be forwarded to the concerned Deputy Chief Engineer of Electrical Circle for settlement.

12. Applications from EHT and HT consumers who opt for this scheme shall be accepted in the office of the Special Officer (Revenue) and principal amount shall be collected. The cases shall be taken up with the Full Time Members for final settlement.

13. The Public Relations Officer and Deputy Chief Engineers shall give wide publicity regarding the scheme.

14. The Chief Engineer (Commercial & Tariff) shall be authorized to intimate the details of the scheme directly to the Head of all Government Departments, Public Sector units, Government Institutions and Local Bodies. Special Officer (Revenue) shall intimate the details of the scheme to all EHT and HT consumers having long pending arrears.

15. The amount realized from the special scheme for settlement of arrears is proposed to be reserved for contributing to the pension fund of the Kerala State Electricity Board, with concurrence of Kerala State Electricity Regulatory Commission.

The Deputy Chief Engineers of Electrical Circle and the Special Officer (Revenue) shall intimate the details and amount collected through this scheme, to the Member (Finance) & Member (Distribution).

Orders are issued accordingly.

By Order of the Board,
Sd/-
S. Roopakala Jagath,
SECRETARY.

To

Chief Engineers (Distribution / Transmission/ Commercial & Tariff)
Deputy Chief Engineers of all Electrical Circles / The Special Officer (Revenue)

Copy to:

The Chief Vigilance Officer / The Legal Adviser & Disciplinary Enquiry Officer
The Chief Engineer (Human Resources Management) / The Chief Engineer,……
The Financial Adviser/ Chief Internal Auditor / The Senior Law Officer
Deputy Secretary (Administration) /The Director (IT)/Public Relations Officer.
The Deputy Chief Engineer (Commercial/TRAC/ Transmission Circles)
Executive Engineers of all Electrical Divisions / Transmission Divisions
Assistant Executive Engineers of all Electrical Sub Divisions
Assistant Engineers of all Electrical Sections
All Regional Audit Officers / The RAO, ECA, Vydyuthi Bhavanam, Pattom.
The Legal Liaison Officer, Power House, Kochi / TA to Chairman / TA to Member (Generation Operation / Transmission / Distribution / Generation Projects)
The PA to Member (Finance)/Secretary / The Fair Copy Superintendent/ Library / Stock File.

Forwarded / By Order

Assistant Engineer