

**KERALA STATE ELECTRICITY REGULATORY COMMISSION**  
**THIRUVANANTHAPURAM**

**Present: Shri. Preman Dinaraj, Chairman**  
**Adv. A J Wilson, Member (Law)**

**Petition No. OP No. 08/2021**

In the matter of : Single Point Supply- Order of the Commission dated 17-07-2019 in the petition OA No:13/19 in the matter of "Petition filed by M/s South Asian Plywood Mills(P) Ltd for determination of Tariff for Single Point Supply and sharing of electricity charges" – further clarification requested by the petitioner- suo motu proceedings initiated by the Commission.

Complainant : M/s. South Asian Plywood Mills Private Limited, NH Bypass, Edapally, Ernakulum

Complainant represented by : Sri. Thankachan Thomas

Respondent : Kerala State Electricity Board Limited

Respondent represented by : Sri. Rajesh R, AEE (TRAC)

First hearing : 30.03.2021

Second hearing : 16.02.2022

**Order dated 17.03.2022**

1. M/s South Asian Plywood Mills (P) Ltd (hereinafter referred to as M/s South Asian Plywood or the complainant), vide letter dated 19-01-2021, submitted before the Commission that, in compliance of the Order of Commission dated 17-07-2019 the complainant submitted an application as per Regulation 56 (2) of Supply Code 2014 for availing Single Point Supply. Upon submission of the application, KSEB Ltd (hereinafter referred to as the Respondent or KSEB Ltd) asked for further details, and the complainant submitted the details as demanded by KSEB Ltd. However as on date there is no progress from KSEB Ltd for finalizing the tariff of Single Point Supply as per the Regulation 56 (10) of Supply Code, 2014. Considering the above, the complainant requested before the Commission to issue appropriate Order for fixation of Tariff for Single Point Supply as per the Regulation 56 (10) of Supply Code, 2014.

## Background

2. The Commission vide Order dated 17-07-2019 in petition number OA No:13/19 in the matter of "Petition filed by M/s South Asian Plywood Mills (P) Ltd for determination of Tariff for Single Point Supply and sharing of electricity charges" ordered as follows.

"

  - (1) *The petitioner M/s South Asian Plywood Mills (P) Ltd shall, as per the Regulation 56(2) of the Supply Code, 2014, submit an application to the KSEB Ltd, along with detailed project report for availing single supply and to provide supply to all the beneficiaries of the project.*
  - (2) *KSEB Ltd shall file a petition before the Commission for determination of the tariff for single point supply as per Section 56(10) of the Supply Code, 2014, with all details as submitted by the developer.*
  - (3) *Till such time the Commission determine the tariff applicable to the single point supply based on the petition filed by KSEB Ltd, the licensee shall allow the petitioner to follow the methodology as proposed by the petitioner under paragraph 2(4) above for collection of electricity charges from the beneficiaries, and for remittance of the electricity charges to KSEB Ltd*
  - (4) *Till further orders, all the developers availing single point supply shall collect the 'Section - 4 Electricity duty as per Kerala Electricity Duty Act, 1963', from the beneficiaries at the retail tariff approved by the Commission for the respective tariff categories.*
  - (5) *KSEB Ltd shall also file separate petitions for determination of the tariff for single point supply as per Regulation 56(10) of the Supply Code, 2014, for other cases with all necessary details."*
3. However, KSEB Ltd yet to submit petition for determination of tariff of Single Point Supply as per regulation 56(10) of supply code for providing Single Point Supply to beneficiaries of M/s South Asian Plywood Mills (P) Ltd.
4. Based on the letter of M/s South Asian Plywoods Mills (P) Ltd dated 19-01-2021, intimating non-compliance to the Commission's Orders above, the Commission initiated suo motu proceedings on the issues of providing Single Point Supply as a Suo-Motu Petition OP No.08/2021. The Commission conducted the first hearing on the petition on 30.03.2021 through video conference. Sri Thankachan Thomas, General Manager, presented the matter on behalf of the complainant M/s South Asia Plywood, and Sri K G P Nampoothiri, EE and Rajesh R, AEE, presented the arguments on behalf of the respondent KSEB Ltd. The summary of the deliberations during the hearing is given below.
  - (i) M/s South Asian Plywood Mills (P) Ltd submitted that, in compliance of the Order of the Commission dated 17.07.2019, they submitted the DPR and all other details to the KSEB Ltd.
  - (ii) KSEB Ltd submitted that, M/s South Asian Plywood Mills (P) Ltd submitted the details much before the Commission issued the Order dated 17.07.2019 in petition OA 13/2019. KSEB Ltd anticipated that, M/s South Asian Plywood Mills (P) Ltd may file a fresh petition in compliance of the Order of the Commission dated 17.07.2019. As per the original proposal of M/s South Asian Plywood Mills (P) Ltd, there was 52 individual

beneficiaries, but during the inspection at the premises of the complainant, it is observed that, at present there are only 16 beneficiaries in the building developed by the complainant. Further, the developer was clubbing the readings in four submeters for issuing bills to some of the beneficiaries. According to KSEB Ltd, this is not correct.

- (iii) The complainant submitted that, some of the beneficiaries had opted out of their tenancy and also some of the new beneficiaries availed larger area, which earlier occupied by others.
- (iv) ***The Commission clarified during the hearing that, the tariff determination is a quasi judicial process to be done solely by the Commission. All the licensees shall bill the consumers at the tariff as determined by the Commission. The authority for tariff determination shall not be delegated to the licensees. Hence, for the determination of the tariff for the single point supply, the licensee has to file a proper petition before the Commission based on all relevant details as provided by the complainant.***
- (v) KSEB Ltd clarified that, if they are billing the consumers based on contract demand basis and if one consumer is availing supply through more than one meter, then there is possibility of excess demand charges being recovered since demand charge is based on metered contract demand. However, if the connected load based billing system is followed, the excess payment if any, due to the clubbing of meter readings for billing can be avoided.
- (vi) Commission observed that, a clarity is required on the billing procedure presently followed by the complainant for billing the individual beneficiaries. A comparison of the sample bills based on the connected load-based billing and contract demand-based billing is required in the case of billing the beneficiaries by clubbing the meter readings. For this, KSEB Ltd suggested that one common meter can be assigned to one of the consumers and a comparison of their previous bills vis – a – vis the bill for this meter can be done. This will safeguard against any excess charging of the consumer.

5. Based on the deliberations during the hearing, the Commission issued Daily Order dated 31.03.2021 with the following directions:

- (i) *The complainant in consultation with KSEB Ltd shall prepare a sample bill of the beneficiaries presently having multiple meters, based on the connected load-based billing and also with contract demand-based billing;*

*Sample bills of the said beneficiaries also prepared based on single meter reading instead of multiple meters in both connected load-based billing and also with contract demand-based billing, by installing necessary check meters for conducting sample study*

- (ii) *A report on the above may be submitted to the Commission by 15th of June, 2021.*

6. In compliance to the Daily Order dated 31.03.2021, M/s South Asian Plywood Mills (P) Ltd submitted certain details vide letter dated 25.08.2021. Since the

Commission observed that the details submitted are not sufficient, the Commission vide letter dated 27.10.2021 directed the complainant to submit additional details. The complainant vide letter dated 10.02.2022 submitted the additional details.

7. The complainant submitted the details of the energy consumption of the beneficiaries for the period from November 2021 to January 2022, and the estimate of the electricity charges available from the beneficiaries based on connected load-based billing and contract demand-based billing. Its summary is given below.

Month	Bill issued by KSEB Ltd to Prestige as an HT consumer availing Single Point Supply			Sample Bill calculated by South Asian to individual beneficiaries under Single point supply					
	FC (Rs)	EC (Rs)	Total (excluding duty)	Connected load-based billing (excluding duty)			Contract Demand based billing (excluding duty)		
				FC (Rs)	EC (Rs)	Total (Rs)	FC (Rs)	EC (Rs)	Total (Rs)
Nov-21	429000	1093768	1522768	440330	1173911	1614241	204406	1173911	1378317
<b>Excess LT and HT bills</b>				<b>91473</b>			<b>-144451</b>		
Dec-21	429000	1216983	1645983	440330	1307764	1748094	207812	1307764	1515576
<b>Difference in LT and HT bills</b>				<b>102111</b>			<b>-130407</b>		
Jan-22	429000	1111452	1540452	440330	1193514	1633844	208568	1193514	1402082
<b>Difference in LT and HT bills</b>				<b>93392</b>			<b>-138370</b>		

8. The second hearing of the petition was conducted on 16.02.2022 through video conference. Sri. Thankachan Thomas presented the matter on behalf of the complainant and Sri. Rajesh R, AEE (TRAC) presented the counter argument on behalf of the respondent, KSEB Ltd. The summary of the deliberations during the hearing is as follows:

- (1) The Complainant elaborated the infrastructure and metering arrangements made for providing supply to each beneficiary of the commercial building under their ownership. The Complainant also submitted that separate metering arrangements have been provided for recording the consumption of common area services such as lift, centralized air conditioning etc. It was further submitted that there are around 52 individual separate metering facilities for providing supply to individual beneficiaries. However, currently some of the spaces were lying vacant due to economic downturn due to Covid-19.

At present, the Complainant have an HT Supply agreement with KSEB Ltd for availing 1.3 MVA power. Further one 2 MVA transformer has also been installed exclusively for the use of the commercial buildings. The Complainant also stated that since individual metering facility has been provided for each beneficiary, the bills to them can be issued as per the prevailing tariff approved by the Commission. The Complainant has also consented to collect the electricity duty from individual beneficiary and remit the same to the licensee, KSEB Ltd for payment to Government. Hence, the complainant requested before the Commission to permit them to avail Single Point supply as per the Regulation 56 of the Supply Code 2014.

(2) KSEB Ltd submitted that they are satisfied with the metering arrangements and other infrastructure facilities created by the complainant for providing supply to individual beneficiaries in their building and expressed their willingness in providing Single Point Supply to the complainant with the facilities provided in their building. However, the KSEB Ltd raised few concerns regarding the implementation of Single Point Supply as per the Regulation 56 of the Supply Code.

- (i) As per the Regulation 56(10) of the Supply Code 2014, every beneficiary of the building under the ownership of the complainant has the right to avail electricity supply directly from KSEB Ltd. In such cases, KSEB Ltd shall be permitted to use the internal distribution system developed by the complainant within the building. An undertaking in this regard shall be provided by the complainant to KSEB Ltd.
- (ii) At present, the complainant is being billed by KSEB Ltd at HT IV A commercial tariff. The complainant has proposed raising the bills to the individual beneficiaries at LT VIIA tariff. Moreover, the Regulation 56(6) of Supply Code 2014 provides that the developer of the building shall collect the electricity charges from individual beneficiaries on no profit, no loss basis.
- (iii) Regulation 56(7) of the Supply Code further provides that the tariff charged from the individual beneficiary shall under no circumstance exceed the tariff specified by the commission.

Considering these legal provisions, KSEB Ltd requested that, a mechanism may be approved by the Commission to reconcile the tariff collected by the developer from individual beneficiaries and the bill raised by KSEB Ltd to the developer. Any amount collected from the individual beneficiaries by the developer in excess of the HT bill shall be passed on to KSEB Ltd.

- (iv) KSEB Ltd also raised the issue that the present Regulation 56 and its amendments doesn't contain any provision for adjudicating the dispute between the individual beneficiaries and the developer.

### **Analysis and Decision.**

- 9. The Commission has examined in detail the complaint filed by M/s South Asian Plywood Mills (P) Ltd, the counter affidavit filed by the respondent KSEB Ltd, the deliberations of the subject matter during the hearings held on 30.03.2021 and 16.02.2022, the relevant provisions of the Electricity Act, 2003, the Supply Code 2014 and the Regulations notified by the Commission in consistent with the Electricity Act, 2003 and arrived at the following conclusions and decided as follows.

10. Regulation 56 of the Supply Code, 2014 provides for single point supply and sharing of energy charges. The relevant Regulation is extracted below for ready reference.

**“56. Single point supply and sharing of electricity charges.** - (1) *The licensee may give single point supply to the following premises with multiple beneficiaries subject to the conditions specified in the sub regulations hereunder: -*

*(i) multi-storeyed buildings;*

*(ii) colony developed by any development authority or private builder or promoter or developer;*

*(iii) domestic, commercial or industrial complex;*

*(iv) residential complex constructed by any employer for his employees or by a panchayat or a cooperative society or a registered association of beneficiaries.*

*(2) The development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries shall submit an application to the licensee for availing single point supply with a detailed project report (DPR) on the scheme for giving supply to all beneficiaries and such other necessary particulars.*

*(3) The development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries shall bear the expenditure for the augmentation or upgradation or uprating of the distribution system, exclusively required for the supply of electricity to the entire premises included in the detailed project report (DPR) and shall also construct at his cost the internal distribution network within the project area as per the standards and specifications stipulated in this Code.*

*Provided that the expenditure to be borne by the development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries shall be governed by the relevant provisions in regulation 36.*

*(4) Supply may be provided by the development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries to the individual beneficiaries and for common service by installing sub-meters.*

*(5) The development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries shall remit the charges for the entire electricity availed at such single point of supply as per the bill preferred by the licensee within such time as indicated in the bill.*

*(6) The development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries shall collect, on a no profit no loss basis, the cost of energy consumed by individual beneficiaries.*

*(7) The tariff charged from the individual beneficiaries shall under no circumstances exceed the tariff specified by the Commission for the respective category of consumers.*

*(8) Providing of connection to individual beneficiaries in such premises with multiple consumers and sharing of expenses of consumption of electricity as per the above provisions shall not be construed as unauthorized extension of supply or resale of energy.*

*(9) The maintenance of internal distribution network and providing services to individual beneficiaries shall be the responsibility of the development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries.*

*(10) The tariff applicable to the single point supply shall be as determined by the Commission: Provided that the provisions of this regulation shall not in any way affect the right of a person residing in the housing unit sold or leased by such development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries, to demand supply of electricity directly from the distribution licensee of the area.*

11. As per the records, the complainant M/s South Asian Plywood Mills (P) Ltd, had filed a petition before the Commission on 25.03.2019 for the determination of tariff for the single point supply and sharing of electricity charges. After detailed deliberations, the Commission vide Order dated 17.7.2019 disposed the petition as follows:
- (1) *The petitioner M/s South Asian Plywood Mills (P) Ltd shall, as per the Regulation 56(2) of the Supply Code, 2014, submit an application to the KSEB Ltd, along with detailed project report for availing single supply and to provide supply to all the beneficiaries of the project.*
  - (2) *KSEB Ltd shall file a petition before the Commission for determination of the tariff for single point supply as per Section 56(10) of the Supply Code, 2014, with all details as submitted by the developer.*
  - (3) *Till such time the Commission determine the tariff applicable to the single point supply based on the petition filed by KSEB Ltd, the licensee shall allow the petitioner to follow the methodology as proposed by the petitioner under paragraph 2(4) above for collection of electricity charges from the beneficiaries, and for remittance of the electricity charges to KSEB Ltd.*
  - (4) *Till further orders, all the developers availing single point supply shall collect the 'Section - 4 Electricity duty as per Kerala Electricity Duty Act, 1963', from the beneficiaries at the retail tariff approved by the Commission for the respective tariff categories.*
  - (5) *KSEB Ltd shall also file separate petitions for determination of the tariff for single point supply as per Regulation 56(10) of the Supply Code, 2014, for other cases with all necessary details.*
12. The Complainant vide letter dated 19.01.2021 submitted that even though they had submitted the Detailed Project Report and other relevant details to KSEB Ltd for availing Single Point Supply at their commercial building at Edapally, KSEB Ltd has not filed any petition for determining the tariff as per Regulation 56(10) of the Supply Code 2014.
13. KSEB Ltd vide letter dated 29.03.2021 has submitted that DPR and other relevant details were submitted by the complainant before KSEB Ltd. It was informed that the developer has created necessary internal distribution system for providing electricity supply to the beneficiaries in the building as well as for the common service area. However, few spaces in the commercial building are still lying vacant. KSEB Ltd expressed their willingness to provide single point supply with the facilities created by the complainant.

14. The Complainant during the deliberations of the hearing further clarified that individual metering facilities have also been provided to each beneficiary which is capable of recording the energy consumed by the beneficiaries and also 'the backup supply, if any, provided by the developer during the failure of supply from the licensee. The developer has also submitted that they had already had an HT Commercial supply agreement with KSEB Ltd for a contract demand of 1.3MVA, and also installed one number of 2MVA transformer for the exclusive use of the project.

The Complainant also clarified that, they proposed to raise the invoice to each beneficiary based on their metered consumption at the prevailing LT VIIA Commercial Tariff, whereas KSEB Ltd raised the invoice to the developer at HT IV Commercial Tariff. The Complainant also consented to implement the scheme on no profit no loss basis as well as agreed to remit the excess amount collected from the beneficiaries to KSEB Ltd on annual basis as ordered by the Commission.

15. The Commission has examined the submission and other details of the complainant M/s South Asian Plywood Mills (P) Ltd, the counter argument of KSEB Ltd and observed the following:

- (1) The project of the complainant is a 9 storied building developed as a commercial complex at Edapally, Ernakulam for commercial/ business purpose.
- (2) The complainant already had an HT Commercial Supply Agreement with KSEB Ltd for a contract demand of 1.3MVA.
- (3) The Complainant had created necessary internal distribution system for providing electricity supply to the beneficiaries as well as the common service area. Individual metering facilities have also been provided to each beneficiary and common services. The Commission also noted that, few of the commercial spaces were lying vacant as on date.
- (4) At present the complainant has availed supply at HT IV A commercial tariff and KSEB Ltd has been raising invoices to the developer at this tariff on monthly basis. For the convenience of the beneficiaries at the commercial building, the developer desires to provide Single Point supply after creating necessary internal distribution system within the building.
- (5) Regulation 56 of the Supply Code 2014 provides for availing Single Point Supply for Commercial Multi Storeyed Building and the developer is permitted to provide electricity to individual beneficiaries in the building by creating necessary internal distribution system within the building.
- (6) In the present case the developer has already created necessary internal distribution system within the building. They also clarified during the hearing that they raised invoices to individual beneficiaries at the prevailing LT VIIA tariff and also agreed to remit the excess amount to KSEB Ltd on a periodic basis. KSEB Ltd also after conducting site inspection and verifying the internal distribution created by the developer communicated their willingness to provide Single Point Supply to the complainant.



- (7) **Considering all the above, the Commission is of the view that complainant is eligible to avail Single Point Supply as per Regulation 56(6) of the Supply Code 2014.**

16. The Commission also noted the concerns raised by KSEB Ltd regarding the implementation of the Regulation 56 of the Supply Code 2014 on implementation of the Single Point Supply. The decision of the Commission on these issues are given below.

- (1) One of the main concerns was regarding the right of the licensee, KSEB Ltd to provide supply to individual beneficiaries of the building, if they desire so, through the infrastructure created by the developer.

***The Commission is of the view that, if any of the beneficiaries in the building desires to avail direct supply from KSEB Ltd instead of supply through the developer, the developer shall facilitate the licensee, KSEB Ltd, to provide supply using the infrastructure created by the developer on a chargeable basis as per the provisions of the Electricity Act 2003 and various Regulations in force.***

- (2) The second concern raised by KSEB Ltd is regarding the provision 56(6) of Supply Code 2014, to implement the scheme on no profit no loss basis.

***The commission examined the issue in detail and hereby orders the following.***

- (i) ***The complainant is permitted to raise the bills to individual beneficiaries at the prevalent tariff category specified in the tariff schedule notified by the commission from time to time. The tariff shall be assigned strictly as per the purpose of usage and the developer can seek the assistance of KSEB Ltd for assigning the tariff to the beneficiaries, if required.***
- (ii) ***The developer shall maintain records of the monthly demand, energy consumption, tariff collected from the beneficiaries and other relevant details. A consolidated report of the same shall be submitted to KSEB Ltd within one month, after the end of each financial year. The developer shall also remit any excess amount collected from the individual beneficiaries in excess of the HT bill raised by KSEB Ltd during the financial year. The excess amount shall also be remitted within one month from the end of the financial year.***
- (iii) ***The developer shall strictly follow the above directions otherwise, the commission may disallow the developer from implementing Single Point Supply Scheme.***
- (3) The third issue raised by the KSEB Ltd is regarding adjudication of dispute between individual beneficiary and developer.

**The Commission hereby clarifies that the beneficiaries of the developer are also the electricity consumers of the State. Hence, they have all the right as a consumer as provided in Electricity Act 2003 and hence can approach CGRF and Ombudsman for adjudicating the dispute with the developer / KSEB Ltd.**

**Orders of the Commission**

17. The Commission, after examining the complaint filed by M/s South Asian Plywood Mills (P) Ltd counter argument of the KSEB Ltd and the deliberations of the subject matter, as per the provisions of the Electricity Act, 2003 and Supply Code, 2014, hereby orders the following:
- (1) Permit the complainant M/s South Asian Plywood Mills (P) Ltd to avail Single Point Supply from KSEB Ltd to their commercial project “Prestige TMS Square” at Edapally, Ernakulam and to provide electricity to the individual beneficiaries within the building.
  - (2) KSEB Ltd shall raise the monthly invoices for availing Single Point Supply to the developer at HT IV A commercial tariff as per the Tariff schedule notified by the commission from time to time.
  - (3) The developer shall raise the monthly invoices to individual beneficiaries at the building, at the applicable LT tariff as per the Tariff schedule notified by the Commission from time to time.
  - (4) The developer shall also collect Electricity Duty from the beneficiaries as per the provisions of Kerala Electricity Duty Act, 1963 and remit the same to KSEB Ltd on monthly basis for onward transmission to State Government along with duty collected by them.
  - (5) The developer shall submit a consolidated report of the details of the electricity charges collected from the beneficiaries and the HT bill raised by the KSEB Ltd, to KSEB Ltd within one month after the end of each financial year.
  - (6) The developer shall remit any excess amount collected from the individual beneficiaries in excess of the HT bill raised by KSEB Ltd during the financial year. The excess amount shall also be remitted within one month from the end of the financial year.
  - (7) Tariff determination is a quasi judicial process to be done solely by the Commission. All the licensees shall bill the consumers at the tariff as determined by the Commission. The authority for tariff determination shall not be delegated to the licensees. Hence, for the determination of the tariff for the single point supply, the licensee has to file a proper petition before the Commission based on all relevant details as provided by the complainant.

- (8) The beneficiaries shall have all the right of a consumer as provided in Electricity Act 2003 and hence can approach CGRF and Ombudsman for adjudicating the dispute, if any with the developer/ KSEB Ltd.

Petition disposed off. Ordered accordingly.

**Sd/-  
Adv A J Wilson  
Member (Law)**

**Sd/-  
Preman Dinaraj  
Chairman**

Approved for issue

C R Satheeshchandran  
Secretary