

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

OP.No.62/2021

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

In the matter of: Petition seeking approval of relief extended to industrial and commercial consumers of M/s Rubber Park India (P) Limited as announced by the state government during lockdown to curb COVID-19 pandemic.

Petitioner : M/s Rubber Park India (P) Limited
Ernakulam
Represented by Shri. Anees T.M, Resident Engineer

Date of Hearing: 09.02.2022 through Video Conferencing

Order dated 14-02-2022

1. M/s. Rubber Park India (P) Ltd has filed the petition for approval of relief extended to various consumer categories of M/s. Rubber Park India (P) Ltd due to the lock down restrictions imposed by the State Govt and Central Govt. As per the details given in the petition, the main prayers of the petitioner are quoted below.
 - a. "To pass on 25% relief on fixed charges applicable to Industrial Consumers of Rubber Park for the period from 24/03/2020 to 31/05/2020."
 - b. "Allow pass on the financial impact due to the deferment of 25% of demand charges for industrial and commercial consumers during the Truing Up of 2020-21."
2. In the said petition the petitioner stated that, the Chief Minister of Kerala had announced various reliefs to the electricity consumers in the State for reducing the impact of the restrictions on account of the lockdown imposed to curb the spread of COVID -19 pandemic. A rebate of 25 % on the fixed charges applicable to Industrial and Commercial consumers and private hospitals for the month of March, April and May 2020 and defer the payment of balance fixed charges (75%) of these months to 15/12/2020.

3. The petitioner further states that KSEB Ltd had filed a petition before the Hon. Commission on 12.06.2020 for the approval of the various reliefs extended to the consumers for reducing the impact of the restrictions on account of the countrywide lockdown imposed by the Government to curb the spread of Covid-19 pandemic. The petitioner also submitted that Rubber Park had taken part in the hearings conducted by the Hon. Commission on 30/06/2020 and 19/08/2020 and requested to extend the reliefs applicable to the consumers of KSEB Ltd also to the consumers in the licensed area of M/s Rubber Park.
4. M/s Rubber Park submits that the Hon. Commission vide order dated 31.12.2020, stated that the Commission is of the view that the current Order shall specifically be for KSEB Ltd. consumers only and directed that the distribution licensees other than KSEB Ltd., if they desire, may file petition for extending relief to their Consumers also
5. The petitioner further submitted that the industrial units in Rubber Park had pointed out that all the industrial units in Kerala coming under the licensed area of KSEB Ltd had already received 25% rebate in fixed charges including those units working in the industrial parks operated by Kinfra where KSEB Ltd is providing the power supply. The industrial units also pointed out that it's not fair to withhold the rebates already passed over by the KSEB Ltd to its consumers due to lock-down restrictions imposed by the Government during the first wave of Covid-19 pandemic at a time when the industrial units were currently closed and facing losses due to the lockdowns and restrictions imposed by the Government in the second wave of Covid-19 pandemic. As such, the company had refunded the 25% of the demand charges remitted by the industrial consumers of the company from 24/03/2020 to 31/05/2020 in the monthly statement of June 2021.
6. The details of total financial commitment as per the petition are summarised below.

Table-1

Details of total financial commitment as per the petition.

Month	Total Demand Charges of HT-1 and LT IV industrial consumers (Rs.)	25% Rebate on Demand Charges (Rs.)
March-20 (24/03/20- 31/03/20)	2574638	643660
Apr-20	2413139	603285
May-20	2665829	666457
Total Rebates to be passed on to consumers		Rs.19,13,401

7. After receiving the petition, the Commission sought additional clarifications vide letter dated 17-12-2021 and the petitioner has furnished the clarification vide letter dated 28-12-2021.

Public Hearing on the Petition.

8. The matter was heard through video conference mode on 09.02.2022 at 3.00 PM. The petitioner, RPIL represented by Shri. Anees T.M, Resident Engineer submitted that the petition is for seeking approval for allowing the rebates announced by the Government of Kerala for the consumers of RPIL. He also submitted that the industrial units in Rubber Park had pointed out that all the industrial units in Kerala coming under the licensed area of KSEB Ltd had already received 25% rebate in fixed charges including those units working in the industrial parks operated by Kinfra where KSEB Ltd is providing the power supply. The industrial units also pointed out that it's not fair to withhold the rebates already passed over by the KSEB Ltd to its consumers due to lock-down restrictions imposed by the Government during the first wave of Covid-19 pandemic at a time when the industrial units were currently closed and facing losses due to the lockdowns and restrictions imposed by the Government in the second wave of Covid-19 pandemic. He further submitted that the company had refunded the 25% of the demand charges remitted by the industrial consumers of the company from 24/03/2020 to 31/05/2020 in the monthly statement of June 2021.
9. After hearing the petitioner, the Commission stated that the Commission totally disagree with the procedure followed by Rubber Park which disregards the rules, regulations and procedures to be adopted in such cases. The Commission strictly warned the licensee for their action of giving refund to the consumers without prior approval of the Commission. The Commission also said that in future, such violations will be viewed very seriously and if repeated, action under Section 19 of Electricity Act 2003 and KSERC (Conditions of License for existing Distribution Licensee) Regulations, 2006 will be initiated.
10. The Commission ordered that the financial commitment of Rs.14.37 lakh on account of allowing the above rebates/relaxations will not be considered during the Truing up of 2020-21, but has to be adjusted from their own accumulated surplus/own funds.

Analysis and Decision of the Commission.

11. The Commission has carefully examined the prayers of the petitioner and the details furnished thereof. According to the petition, the total financial commitment for the period from 24/03/2020 to 31/05/2020 was Rs.19,13,401. The Commission vide letter No.1996/Con(F)/OP NO 62/2021/KSERC dated 17.12.2021 sought details of the total estimated rebate at the rate of 25% on Fixed Charge / Demand charge for eligible Industrial/Commercial consumers from 24/03/2020 to 31/05/2020 along with category wise number of consumers. The licensee vide letter No.RP/E/02/A/15320 dated 28.12.2021 furnished the rebate released to the consumers from 24.03.2020 to 31.05.2020 as given below.

Table-2

Rebate given to the consumers from 24.03.2020 to 31.05.2020

Sl. No.	Consumer category	No. of Consumers	March 2021 (24/03/2020 to 31/03/2020)	Apr-20	May-20	Total
1	HT-1	17	151126.72	548907.14	609256.04	1309289.90
2	LT IV A	24	14250.82	54175.19	54373.88	122799.89
3	LT VII A	11	599.29	2322.25	2322.25	5243.79
	Total	52	165976.84	605404.57	665952.17	14,37,333.58

12. The Commission also sought Month-wise details of total demand raised, actual collection received, interest collected if any from consumers for delayed payment and balance if any due from consumers (those who are eligible for relief) with consumer wise categories. The licensee replied that they are following prepaid billing system for the consumers and furnished the month wise details as in the table below.

Table-3

Month-wise details of total demand raised, actual collection received, interest collected

Month	Total demand raised (Total monthly charge)	Opening balance	Recharge/c redit during the month	closing balance	Interest collected from consumers
Mar-20	12199349.99	2978736.42	9700500.00	479886.43	0
Apr-20	4165204.58	479886.43	4330000.00	644681.85	0
May-20	10925394.30	644681.85	8907500.00	-13,73,212.45	0

13. The Commission further sought details of the Bulk Bill demand received from KSEB Ltd during the months of March, April and May 2020 and the licensee submitted the details as given below.

Table - 4
Details of the Bulk Bill demand received from KSEB

MONTH	Demand Charge	Energy Charge	Total Bill Amount
March 2020	1855380	8437653	10293033
April 2020	1708500	1735908.59	3444408.59
May 2020	1855720	6848404.41	87,04,124.41

14. The licensee in the clarification further stated that they haven't received any rebate from KSEB Ltd on account of rebate extension till date.

15. The Commission notes that the petition of RPIL pertains to the relief announced by Government of Kerala vide G.O dated 01-06-2020, gist of the same is given below:

G.O details	Concessions offered
G.O. No.67/2020/PD dated 01-06-2020	<ul style="list-style-type: none"> • 25% rebate in fixed charges to be allowed to Industrial, Commercial and private hospitals during the lockdown period (2020 march, April and May) • Time till December 2020 may be allowed for remitting the balance amount, without interest.

16. As per the said G.O, the Government has given sanction for allowing rebates/concessions to the consumers of KSEB Ltd only. So far Government has not issued any Orders enlarging the scope of the said Orders to allow concessions to consumers of licensees other than KSEB Ltd.

17. In the mean time Government has conveyed to the Commission vide letter **No. A1/179/2020/PD dated 27-04-2021**, that steps to be taken for implementing all orders pertains to various concessions allowed as per the respective Orders issued by the Government in full and the resulting liabilities to licensees including KSEB Ltd to be settled as and when the final accounts are available. In the said letter also the Government has not expanded the scope to include the consumers of other licensees in allowing the concessions.

18. In this background and based on the request of the licensee, the Commission is of the view that giving due consideration to the spirit of the Hon'ble Chief Minister's announcement allowing relief to consumers of KSEB Ltd can be extended to the consumers of Rubber Park also especially considering the letter No. A1/179/2020/PD dated 27-04-2021 of the Government addressed to the Commission.
19. The Commission also noted that the licensee in their petition has submitted that based on the request of licensees consumers, they were "refunded the 25% of the demand charges remitted by the industrial consumers of the company from 24.03.2020 to 31.05.2020 in the monthly statement of June 2021."
20. In this context, the Commission noted that the licensee had on their own and without even petitioning this Commission had unilaterally extended the rebate to their consumers. Hence the issue before the Commission is to accord post facto approval of the relief already extended. In this context, the Commission took due cognizance of the Government of Kerala GO dated 01.06 2020 and Government letter dated 27. 04.2021.
21. The Commission is of the strong view that such Suo motto/unilateral action of the licensee without seeking prior approval of the Commission should not be encouraged. Further, the Commission does not intend to set unhealthy precedents of providing post facto approval for such rebates. However, taking into consideration the fact that the relief has already been passed on as refund to their eligible consumers, the Commission has duly noted this refund. The financial impact of this refund shall be from the licensee's accumulated surplus/own source of funds and cannot be accounted for in their truing up petition for the relevant year as an expense. It is also worthwhile to note that any rebate extended cannot be recouped from the licensee's consumers, since such an action will tantamount only to a deferral of the relief extended by the State Government and will be contrary to the spirit of such 'relief'.

Orders of the Commission

22. Based on the above deliberations, the Commission hereby Orders as follows:
- a. The Commission has noted that RPIL has already extended the relief of Rs.14.37 lakh to their applicable consumers.
 - b. The financial commitment of Rs.14.37 lakh on account of allowing the above rebates/relaxations will not be considered during the

Truing up of 2020-21, but has to be adjusted from their own accumulated surplus/own funds.

- c. The commission strongly advises the licensee to not adopt such unilateral action and thereafter approach the commission for its post facto approval. Any such repetition shall invite action under Section 19 of the Electricity Act, 2003 and the relevant provisions of KSERC (Conditions of License for existing Distribution Licensee) Regulations, 2006.

23. Petition disposed of. Ordered accordingly.

Sd/-

Adv. A.J. Wilson
Member (Law)

Sd/-

Preman Dinaraj
Chairman

Approved for issue.

Sd/-
Secretary