

**Before the Hon'ble  
KERALA STATE ELECTRICITY REGULATORY COMMISSION**

**PUBLIC NOTICE  
REQUEST FOR PUBLIC RESPONSE**

**PETITION No. OP No.3 of 2012**

In the matter of  
Approval of Aggregate Revenue Requirement (ARR) & Expected Revenue from Charges (ERC)  
of Kerala State Electricity Board for the Year 2012-13

**Kerala State Electricity Board**

**Vydyuthi Bhavanam, Pattom, Thiruvananthapuram-4**

**Petitioner**

1. Kerala State Electricity Board has filed a petition for its Aggregate Revenue Requirement and Expected Revenue from Charges (ARR&ERC) for the year 2012-13 before the Kerala State Electricity Regulatory Commission for approval. The Commission has accepted the petition as OP No.3 of 2012, and directed to publish the summary of the petition for inviting comments from consumers, stakeholders and general public.
2. Summary of the petition is given below:

(Rs. in Crore)

Sl. No	Items	2010-11	2011-12			2012-13
		(Actual)	KSEB (ARR)	KSERC (Order)	KSEB (Revised)	(ARR)
1	Generation Of Power (fuel cost of BDPP + KDPP) only	237.50	396.57	264.58	296.58	378.10
2	Purchase of power	3721.59	4031.80	3660.67	4392.54	5281.09
3	Interest & Finance Charges	280.91	385.05	265.26	366.72	521.21
4	Depreciation	473.43	548.39	548.37	557.28	607.42
5	Employee Cost	1712.8	1910.62	1541.30	1912.18	2231.46
6	Repair & Maintenance	231.85	243.75	185.00	274.93	326.07
7	Administration & General Expenses	174.56	197.06	85.74	198.58	215.24
8	Other Expenses	-28.39	12.00	12.00	12.00	18.50
9	<b>Gross Expenditure (A)</b>	<b>6804.25</b>	<b>7725.24</b>	<b>6562.92</b>	<b>8010.81</b>	<b>9579.09</b>
10	Less: Interest Capitalized	23.96	33.87	33.87	32.31	47.09
11	Less: Expenses Capitalized	95.84	116.32	116.32	116.23	134.60
12	<b>Net Expenditure (B)</b>	<b>6684.45</b>	<b>7575.05</b>	<b>6412.73</b>	<b>7862.27</b>	<b>9397.40</b>
13	Return on Equity (RoE) (C)	240.72	240.72	100.00	240.72	240.72
14	<b>ARR (D) = (B) + (C)</b>	<b>6925.16</b>	<b>7815.77</b>	<b>6512.73</b>	<b>8102.99</b>	<b>9638.12</b>
	<b>Revenue</b>					
15	Non-Tariff revenue	442.74	390.36	390.36	415.36	366.14
16	Revenue from Tariff					
	(a) With in the State	5198.52	5217.10	5217.10	5388.01	5255.79
	(b) Fuel surcharge				181.14	
	(c) Revenue from excess consumption			17.46*		775.94
17	<b>Total Income(E)</b>	<b>5641.27</b>	<b>5607.46</b>	<b>5624.92</b>	<b>5984.51</b>	<b>6397.87</b>
18	<b>Revenue Gap (F) = (E) - (D)</b>	<b>1283.90</b>	<b>2208.31</b>	<b>887.81</b>	<b>2118.48</b>	<b>3240.25</b>

*Additional revenue from Kerala Water Authority*

3. Summary of Energy sales, Energy input and T&D loss

	2009-10 (Actual)	2010-11 (Actual)	2011-12 (Revised estimate)	2012-13 (Estimate)
Energy Sales (MU)	13971.09	14547.90	15947.49	16386.30
Total energy input into KSEB System (excluding external loss) (MU)	16978.03	17337.78	18887.00	19350.84
Energy loss in the KSEB system(internal) (MU)	3006.94	2789.88	2939.51	2964.54
Energy loss (%)	17.71	16.09	15.56	15.32

4. The petition states that the energy demand and peak demand in the State has been showing an excessive increase of about 8% annually and the demand of the state cannot be met with the energy availability from hydel and allocation from Central Generating Stations alone. A substantial part of the electricity requirement of the State has been met through procuring power from short-term market. However, due to the transmission constraints in the 'Southern grid' the maximum import capability including CGS has been limited to 1500 MW only (taking into consideration the commissioning of the 400 kV s/s at Mannukkad, Palghat by March-2012). Therefore for providing unregulated power to the consumers, KSEB has to necessarily depend upon internal generation from the liquid fuel based plants such as Rajiv Gandhi Combined Cycle Power Project (RGCCPP) - Kayamkulam, BKPL, Kochi, KPCL, Kasargode, Brahmapuram Diesel Power Plant (BDPP), Ernakulam and Kozhikode Diesel Power Plant (KDPP), Kozhikode. Since the energy from liquid fuel based generation stations is prohibitively costly in the range of Rs 10.29 per unit to Rs 10.77 per unit, proposal has been submitted that this energy can be permitted to be availed by consumers on marginal cost basis i.e., at the proposed average rate of Rs.10.31 per unit, at the choice of the consumers for the consumption above regulated portion for different consumer categories as proposed below.

- (i) HT, EHT, Bulk consumers and Railways will be permitted to consume 85% of the average energy consumption during previous one year at the normal tariff determined by the Hon'ble Commission.
- (ii) LT-II, LT-IV, LT- VI (A), VI (B), VI (C), VII (A), VII (B) and VII(C) categories of consumers will be permitted to consume 85% of the average energy consumption during previous one year at the normal tariff determined by the Hon'ble Commission.
- (iii) Domestic consumers will be permitted to consume up to 300 units per month at the normal tariff determined by the Hon'ble Commission.
- (iv) The consumers will be allowed to consume energy over and above the aforesaid ceiling on payment of actual cost of additional power purchase / generation from liquid fuel stations based on the marginal cost principles.
- (v) LT-V Agriculture, LT-VI (D) Orphanages and public lighting are proposed to be exempted from such regulation.

5. The Kerala State Electricity Regulatory Commission seeks comments/suggestions from the consumers and stakeholders on the above petition which may be sent so as to reach the Secretary, Kerala State Electricity Regulatory Commission, KPFC Bhavanam, C.V.Raman Pillai Road, Vellayambalam, Thiruvananthapuram - 695010 with a copy to the petitioner latest by 01-03.2012. The response may be submitted by hand, by courier, by post or by e-mail.

6. The comments/ suggestions on the petition may be filed in English or in Malayalam, and should carry the full name, postal address and e-mail address of the sender. It should be indicated whether the objection is being filed on behalf of any organization or category of consumers. It should also be mentioned whether the sender wants to be heard in person, in which case an opportunity would be given by the Commission at the Public Hearing to be held as scheduled below for which no separate notice will be given.

Date	Venue	Time
08.03.2012	Court Hall, Kerala State Electricity Regulatory Commission, KPFC Bhavan, C.V Raman Pillai Road, Vellayambalam, Thiruvananthapuram	11:00 AM
06.03.2012	Kerala Institute for Entrepreneurship Development Hall, Rockwell Road, HMT Colony PO, Kalamassery, Cochin - 683 503	11:00 AM

7. The petition is available at the website of the Commission ([www.erckerala.org](http://www.erckerala.org).) and KSEB([www.kseb.in](http://www.kseb.in)). The copies of the petition are available for reference at the Commission's Office between 14:00 hrs and 16:00 hrs, on working days. The consumers/ stakeholders and public may approach KSEB head quarters at Vydhyuthi Bhavanam, Thiruvananthapuram during normal working hours for obtaining copy of the petition on payment of Rs 250/- and any supporting data relating to the petition. Limited number of copies of the petition are also available at the Commission's Office on payment of Rs.250/-.

Place: Thiruvananthapuram  
Date : 18.01.2012

Sd/-  
Special Officer, Managing Committee, KSEB  
(Petitioner)