

**THE KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

Present 1. Shri. C.Balakrishnan - Chairman
 2. Shri. C. Abdulla - Member
 3. Shri. M.P.Aiyappan - Member

September 8, 2008

Petition No OP 3/2008 dated 17-7-2008	Kerala State Electricity Board, Vydhuthi Bhavanam, Thiruvananthapuram 695004	Petitioner
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INTERIM ORDER

1. Kerala State Electricity Board filed a petition on 17-7-2008 for restricting supply of power to 75% on all HT and EHT Consumers and licensees. The Commission accepted the petition as OP No. 3/2008 on 18-7-2008. The Commission has issued an Interim Order imposing power restriction to the tune of 25% to all HT & EHT consumers. It was mentioned in the Order that the Commission shall review the power position on or before 1-9-2008 to decide extension or relaxation of power restrictions. Accordingly a public hearing was held on 1-9-2008 at the Institution of Engineers Hall, Thiruvananthapuram.
2. The Public hearing was attended by representatives of different category of consumers and representatives of licensees. Member (Finance) representing KSEB stated that, overall hydro position had not improved so far and availability from Central Stations was reduced further due to shortage of coal as well as scheduled maintenance. Based on the information from Meteorological Department, Member (Finance) stated that Kerala falls in the category of rain deficient State (-20 to -59%) for the period from 1-6-2008 to 27-8-2008. The average daily availability from Central Generating Stations as reported by KSEB is as follows:

Month	2006 (MU/day)	2007 (MU/day)	2008 (MU/day)
May	22.74	22.06	19.47
June	20.45	22.10	17.60
July	20.45	19.42	17.87
August	21.25	18.87	15.94

3. Member (Finance), further pointed out that the energy demand has not fallen considerably even after load restrictions and hence the frequency profile in the Southern Region remains critical. KSEB expects an average availability from hydel stations and CGS would be 16 MU and 16.2 MU respectively from August 2008 to March 2009. Considering the directives issued by the Commission, KSEB has proposed two options :
 - a. To limit the additional requirement of power over and above available from hydel and CGS to the approved level by imposing additional restrictions to the tune of 4.56MU per day to the consumers.
 - b. Allow to procure additional power to the tune of 1884 MU from liquid fuel stations or traders and pass on to the consumers the additional cost in the present financial year itself.

Based on the above, KSEB prayed that either, additional liability on account of hydro-thermal mix and fuel price change may be allowed to be recovered in this year or Commission may impose restriction on all categories of consumers and specify the extent of restrictions to each category of consumers.

4. Several consumers and stakeholders participated in the Public hearing. A list of persons attended the Public hearing is annexed to this order. Confederation of Indian Industry stated that due to the power cut, many companies in the State have already incurred losses. The HT-EHT Industrial Electricity Consumers' Association stated that estimates of KSEB on hydel and CGS did not reflect the true picture. Consequent on the power cut, operations of many industrial consumers are seriously affected due to production loss and increase in cost of additional power. They also requested for modification in the Base Load calculation for deciding the quota. They submitted that power cut to be extended to all categories of consumers. M/s Binani Zinc limited requested to withdraw the power cut completely. Representatives of Trade Unions have also expressed similar views.
5. The Commission considered the arguments of the Board and the respondents and the material produced before the Commission. In comparison with the situation in July, hydel potential has improved. But the reduction in availability of energy from Central Generating Stations, as stated by KSEB was alarming. Hence the Commission feels that the overall power position in Kerala still needs

to be improved to take a positive decision on removing power restrictions already imposed.

6. Though KSEB has requested the Commission to extent the restrictions to all category of consumers, no specific proposal in this regard was placed before the Commission. The Commission is of the view that such proposal needs to be considered seriously and hereby directs that a petition for implementation of power restrictions to LT consumers if any required shall be filed before the Commission.
7. Considering the materials placed before the Commission, the Commission hereby decides to continue the power restrictions already imposed vide Order dated 24-7-2008, till further orders. The Commission shall review the power position on or before 1st of November 2008 to take a decision on the extension or relaxation of the existing power restrictions. KSEB shall furnish all necessary data for the review.

Sd/-
M.P. Aiyappan
Member

Sd/-
C. Abdulla
Member

Sd/-
C. Balakrishnan
Chairman

Approved for issue

Sd/-
Secretary in charge