



KERALA STATE ELECTRICITY REGULATORY COMMISSION

**ORDERS IN THE
PETITION FILED BY KSEB LTD FOR THE APPROVAL OF
ARR, ERC AND TARIFF PROPOSALS FOR THE CONTROL
PERIOD 2022-23 TO 2026-27**

OP NO. 11/2022

25TH JUNE 2022

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KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

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

OP.No.11/2022

In the matter of	Petition for Approval of ARR&ERC and Tariff for the Control Period 2022-23 to 2026-27 filed by M/s Kerala State Electricity Board Ltd.
Petitioner	The Chairman and Managing Director, Kerala State Electricity Board Ltd Vydhyuthi Bhavanam, Pattom, Thiruvananthapuram

ORDER DATED 25/06/2022

The Kerala State Electricity Regulatory Commission considered the petition for approval of the Aggregate Revenue Requirements (ARR) & Expected Revenue from Charges (ERC) filed by the Kerala State Electricity Board Limited vide letter No. KSEB/TRAC/Tariff Revision/2021-22/674 dated 31-01-2022 and the Tariff Revision Proposals filed by the Kerala State Electricity Board Limited vide letter No. KSEBL/TRAC/G/Tariff Revision/2022-27/710 dated 10-02-2022. In compliance to Regulation 27(6) of KSERC (Conduct of Business) Regulations 2003, KSEB Ltd published a summary of the petition in Mathrubhoomi, Deshabhimani & The Hindu dailies on 13.03.2022. The petition was also placed in the web site of the Commission and KSEB Ltd for the information of the public. Thereafter, as per Regulation 32 of KSERC (Conduct of Business) Regulations, 2003 public hearings on the petition were held at the Corporation Town Hall, Ernakulam on 01.04.2022, Jimmy George Indoor Stadium, Thiruvananthapuram on 06.04.2022, the Nalanda auditorium, Kozhikode on 11.04.2022 and EMS Smaraka Hall, Palakkad Jilla Panchayath on 13.04.2022 wherein stakeholders presented their views and objections.

After having carefully considered the submissions, suggestions, objections and written submissions filed by KSEB Ltd, electricity consumers/general public and other stakeholders and in exercise of the powers vested in the Commission under Section 62 and 64 of the Electricity Act, 2003 (Central Act 36 of 2003) and Regulation 20 of

KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, the Commission hereby passes the following Order.

Dated this the 25th Day of June, 2022

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

Sd/-
Preman Dinaraj
Chairman

Approved for Issue

Sd/-
Secretary

Chapter -1

INTRODUCTION

1. Kerala State Electricity Board Limited (*hereinafter referred to as KSEB Ltd or the licensee*), vide letter dated 31.01.2022, filed a petition for approval of Aggregate Revenue Requirements (ARR) / Expected Revenue from Charges (ERC) for the Control Period from 2022-23 to 2026-27, before Kerala State Electricity Regulatory Commission (*hereinafter referred to as KSERC or as the Commission*). Thereafter, KSEB Ltd, vide letter dated KSEBL/TRAC/G/Tariff Revision/2022-27/710 dated 10.02.2022 filed the Tariff Revision Proposal for the Control Period from 2022-23 to 2026-27. The petition for ARR in Tariff proposal had filed in accordance with the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021 (*hereinafter referred to as Regulations or Tariff Regulations*).
2. KSEB Ltd had earlier filed petition for approval of Capital Investment Plan of KSEB Ltd for the Control Period from FY 2022-23 to 2026-27, vide its letter No. KSEB/TRAC/CG/KSERC/CAPEX/2021-22/644 dated 10.01.2022, along with DPR of SBU G and SBU T.
3. KSEB Ltd, vide letter No KSEBL/TRAC/G/Tariff Revision/2021-22/719 dated 18.02.2022 made additional submission to the Tariff Proposal to include the cross-subsidy surcharge applicable to Railways and KMRL, which they have excluded in the original submission due to oversight. Further, KSEB Ltd, vide letter No. TRAC/CIP/21-22/724 dated 21.02.2022 submitted the DPRs of Capital Investment Plan of SBU-D for the Control Period from 2022-23 to 2026-27 before the Commission.
4. KSEB Ltd, vide letter No. KSEBL/TRAC/G/Tariff Revision/2021-22/740 dated 25.02.2022 has made additional submission before the Commission for incorporating corrections in view of some clerical errors crept in the Tariff Revision proposal. On 24.02.2022, KSEB Ltd, vide letter No KSEBL/TRAC/G/Tariff Revision/2021-22/736 submitted another additional submission for categorisation/ recategorization and rationalisation of tariff.
5. The petition contained the following:
 - Capital expenditure plan for SBU-G, SBU-T and SBU-D for the Control Period from 2022-23 to 2026-27
 - ARR & ERC for SBU-G and SBU-T and their transfer cost to SBU-D
 - ARR & ERC for SBU-D and the revenue gap thereon
 - Proposal for Revision of Retail Supply Tariff applicable to all licensees in the State