

KERALA STATE ELECTRICITY BOARD

Abstract

Tariff applicable to Ready Mix Concrete units - sanctioned – orders issued.

Corporate Office (Tariff and Regulatory Affairs Cell)

B.O (FM) No. 3210/2009 (KSEB/TRAC/Comp(R)/20/07) Thiruvananthapuram dated 18-12-2009

Read : 1 B.O.(FM).No. 968 / 2008 (KSEB / TRAC / COMP(R)/20/07) dated 19-04-2008.

2. Judgment in W.P.(C) 27323 of 2008 dated 26-03-2009.
3. Order dated 06-10-2009 of the Hon. Kerala State Electricity Regulatory Commission in the matter of tariff applicable to M/s. Neptune Ready Mix Concrete.
4. This office letter of even No. dated 26-10-2009 addressed to the Secretary, Kerala State Electricity Regulatory Commission.
5. Note No. KSEB/TRAC/Comp(R)/20/07 dated 12-11-2009 addressed to the Special Officer (Revenue).
6. Letter no. KSERC/IV/WP27323/2009/1035 dated 01-12-2009 from the Secretary, Kerala State Electricity Regulatory Commission.
7. Note No. KSEB/TRAC/Comp(R)/20/07 dated 10-12-2009 submitted to the Board.

ORDER

M/s. Neptune Ready Mix Concrete (P) Ltd., Muppathadom.P.O., Edayar, Kochi. is having three service connections – one at Maradu under HT-IV (Commercial) tariff, one at Edayar under LT-IV (Industrial) and another one at Munndur under temporary connection tariff.

The consumership at Maradu under HT-IV has been requested to change from HT-IV to HT-I (Industrial). Board analysed the matter in detail ordered vide B.O. dated 19-04-2008 read as paper – 1, that ready mix concrete unit is basically commercial in nature and hence the request of the consumer to place it under HT-I Industrial tariff was not agreed upon and HT-IV tariff assigned. Following the above direction of the Board, the tariff of the LT consumership of M/s. Neptune Ready mix was also changed to Commercial category i.e., LT-VII(A) Commercial.

The consumer filed a petition before the Hon. High Court of Kerala requesting for HT-I (Industrial) tariff from August 2008. Vide judgment dated 26-03-2009 in W.P.(C) 27323 of 2008 read as paper (2) above, Hon. High Court of Kerala directed the Board to make 'appropriate reference' to the Kerala State Electricity Regulatory Commission (KSERC) within three weeks.

As directed by KSERC, the Board filed a petition before the Hon. KSERC and after detailed hearing Hon. KSERC vide paper read as (3) above has ordered that:

- “1. Decided to accept the argument of M/s. Neptune Ready Mix Concrete (P) Ltd. that the preparation of ready-mix concrete using machinery is an industrial process and electricity consumed has to be charged under HT-I industrial tariff and LT-IV Industrial tariff.
2. KSEB shall issue necessary orders accordingly.”

Since the above order of the Hon. Commission was silent about the date of implementation of the order, the Special Officer (Revenue) (SOR) was informed vide paper read as (5) above that *“the matter has been referred to the Commission seeking clarification upon the date of effect of the order, and yet to receive required clarification from the Commission. So the tariff change may be implemented prospectively on approval from the Board.”*

Now Hon. KSERC vide letter read as paper (6) above, has ordered that *“in the gazette notification dated 01-12-2007 published for schedule of tariff, the item Ready – Mix Concrete unit has not been mentioned in any category. Hence the orders of the Commission on tariff is effective from the date of order. However the decision on the previous period has to be taken by the Licensee.”*

Having considered the Note of the Chief Engineer (Commercial & Tariff) read as paper (7) above, the Board hereby orders that M/s. Neptune Ready Mix Concrete (P) Ltd., Muppathadom.P.O., Edayar, Kochi be billed under HT-I industrial tariff for their high tension units and LT-IV Industrial tariff for their low tension units from 06-10-2009. It is further ordered that M/s. Neptune Ready Mix Concrete (P) Ltd. be billed under Commercial category from the date of service connection upto 05-10-2009.

Board further orders that all Ready Mix Concrete units be categorized under HT-I industrial tariff for their HT connection and LT-IV Industrial tariff for their LT connection with effect from 06-10-2009 to bring in uniformity and to avoid discrepancies and further litigations.

The Board Order read as paper (1) and the communication to the SOR read as paper (5) is modified to the above extent.

By order of the Board
Sd/-
G.Sreekumaran
Secretary

To:

The Chief Engineer (Distribution – South / Central / North)
The Special Officer (Revenue)

Copy to:

The Secretary, KSERC, Thiruvananthapuram
The Financial Advisor
The Chief Internal Auditor
The Director (IT)
TA to Chairman/M(T)/M(D)/CoG
PA to M (F)/Secretary
CA to Chief Vigilance Officer
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Asst. Executive Engineer