



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

CIN:U40100KL2011SGC027424

Reg. Office: Vydyuthibhavanam, Pattom, Thiruvananthapuram – 695 004 Website:
www.kseb.in

Phone: +91 471 2514685, 2514331, Fax: 0471 2447228 E-mail: ddkseb@kseb.in

Abstract

Sub: - Release of connections for agriculture purposes without insisting on certificate from Agriculture Department – detailed methodology – approved – orders issued

CORPORATE OFFICE (SBU-D)

B. O (FTD) No. 178 /2020 [No. D (D&IT)/ D6-AE3/ Ease of doing business/ 2019 - 2020/] Dated, Tvpm 13.03.2020

- Read: - 1. B.O (FTD) No. 1902/2018(D (D&IT)/D-6-AE3/Ease of doing business/2018-19) dated, 02.11.2018 Thiruvananthapuram
2. Recommendation of the 14th Distribution Core Committee meeting on 09.04.2019
 3. KSERC order on 08.07.2019 in the petition filed by KSEB Ltd for the approval of ARR and tariff proposal for the control period from 2018 – 2019 to 2021 - 22
 4. Note No. KSEBL/ TRAC/ AEE (G)/ Tariff Revision/ 2019 – 20/ 454/ 01.11.2019 of the Deputy Chief Engineer, Tariff and Regulatory Affairs Cell
 5. Note D (D&IT)/ D6-AE3/ Ease of doing business/ 2019 - 2020/ 12.02.2020 of the Director (Distribution, IT & HRM) (Agenda 18/3/20)

ORDER

The Kerala State Electricity Board Limited, vide the order referred first above had decided to release electricity service connections on production of two documents, one regarding proof of ownership and one regarding proof of identity, in line with Ease of Doing Business considerations. But, in the case of applicants requiring agriculture connections, additional conditions are insisted. Such applicants are required to produce a certificate from concerned officials of the Agriculture department and are to adhere to area related stipulations in the case of agriculture land holdings. In the prevailing scenario, insistence on these additional qualifying conditions is contrary to the Ease of Doing Business principles and is to be avoided.

The Distribution Core Committee meeting held on 09.04.2019 discussed the matter in detail and reiterated the necessity of elimination of these unwarranted stipulations regarding agriculture service connections. As decided in the Core Committee meeting, the Deputy Chief Engineer with full powers of Chief Engineer (Commercial & Planning) was requested to evolve a decision on elimination of these additional stipulations. Consequently, the matter was taken up with the honourable Kerala State Electricity Regulatory Commission. The Honourable Commission in the

order of ARR, ERC and tariff proposal for the control period 2018 – 19 to 2021 – 22 considered the matter and opined that if the licensee is convinced that connection is sought for agriculture purpose, agriculture tariff can be assigned, without insisting conformance to land holding stipulations prescribed by the Government.

Based on the above opinion of the honourable Commission, the Deputy Chief Engineer with full powers of Chief Engineer (Commercial & Planning) recommended release of agriculture service connection under LT V (A) on two documents as in the case of other categories, without insisting on minimum land holdings prescribed by the State Government or certificate from the Agriculture Officer.

As per the Order dated 10.07.2019, KSEB Ltd has decided to continue subsidy allowed for agriculture consumers at the rate of 85 paise/ unit for entire consumption in compliance to the Government order dated 06.08.2012. The rates applicable to agriculture consumers as per the prevailing tariff order are as below.

Particulars	Revised Tariff w.e.f 08.07.2019
Fixed Charge (₹/ kW or part thereof per month)	10
Energy Charge (₹ / unit)	2.30

As an amount of 85 paise/ unit is allowed as subsidy, effective energy charge payable by agriculture consumers is ₹ 1.45/ unit. Being a highly subsidized tariff, it would be appropriate to limit Government subsidy to farmers having land holdings within the extent prescribed by the Government. As such, agriculture consumers having land holdings outside the limit prescribed by the Government are to be billed at the unsubsidized rates, i.e., the rates given in the table above.

As such, it is essential to segregate agriculture connections having land holdings conforming to the limit specified by the Government and those that do not conform to the limits, so that government subsidy can be limited to those having land holdings conforming to the limit specified by the Government only. As details required for effecting such segregation is not currently available in the consumer database, segregation may be established and recorded for agriculture connections provided hence forth, considering the fact that prevailing agriculture connections that do not conform to the land holding limits prescribed by the Government are very few.

The proposal for providing agriculture connections in line with Ease of Doing Business considerations was placed before the Full Time Directors, as per the note read 5th above.

Having considered the matter, the Full Time Directors in its meeting held on 03.03.2020 resolved to accord sanction for the following.

1. To release agriculture connections under LT V (A) tariff category to applicants on production of two documents along with the application, one regarding proof of ownership and the other regarding proof of identity, after ensuring that the purpose for which the connection is sought is included in the list of activities under the category LT V (A) in the prevailing tariff order, irrespective of whether the applicant has produced letter of authorization or certificate from the concerned authority in Agriculture department or the land holdings of the applicant is not in conformance with the relevant stipulations of the State Government.
2. To grant subsidy of ₹ 0.85 / Unit being provided by the State Government for agriculture consumers under LT V (A) category only to those consumers who produce letter of authorization or certificate from the concerned authority in Agriculture department and have land holdings conforming to the stipulations of the State Government.
3. To insist that the applicant requiring agriculture service connection, who do not produce letter of authorization or certificate from the concerned authority in Agriculture department and have land holdings not in conformance with the relevant stipulations of the State Government to furnish an undertaking in plain paper that he/ she would raise no claim on the State Government subsidy given to agriculture consumers for the energy consumed.
4. To instruct the Chief Engineer (IT, CR & CAPs) to effect suitable changes in the OrumaNet software to enable capture of data as to whether the applicant has produced letter of authorization or certificate from the concerned authority in Agriculture department that the land holdings of the applicant conforms to relevant State Government stipulations, in the case of agriculture connections provided under the tariff category LT V (A).

Orders are issued accordingly.

By order of the Full Time Directors

- Sd -

Lekha G

Company Secretary I/C

To

Chief Engineers (Distribution South, Central, North, North Malabar)

Chief Engineer (IT, CR & CAPS)

The Deputy Chief Engineer with full powers of Chief Engineer (Commercial & Panning)

Deputy Chief Engineers of Electrical Circles

Copy to:

The Chief Engineer (HRM) / Financial Adviser

The TA to Chairman & Managing Director

The TA to Director (D, IT & HRM, G – C, GE & SCM, T&SO, Safety, CP & REES)

The Legal Liaison Officer

The PA to Director (Finance) / Senior C.A. to Secretary (Administration)

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Forwarded/By Order



Assistant Executive Engineer