

KERALA STATE ELECTRICITY REGULATORY COMMISSION

Notification

No. 659/D(T)/2019/KSERC

Dated, Thiruvananthapuram, 13.02.2020.

In exercise of powers conferred by Regulation 95 of the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2018 read with Section 181 of the Electricity Act, 2003, and all other powers enabling it in this behalf and after previous publications, the Kerala State Electricity Regulatory Commission hereby makes the following regulations to amend the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2018.

The Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2020

1. Short title and commencement.- (1) These Regulations may be called the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations , 2020.

(2) This shall come into force from the date of publication of the same in the Official Gazette.

2. Amendment of the Regulations, - In the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2018:-

(i) In Clause C in Annexure IV 'Guidelines for in principle clearance of investment scheme', in place of;

*“ C. Submission of Detailed Project Reports: For the capital investment schemes exceeding the amount of Rs. 10 crore in the case of KSEB Ltd and **Rs.5 lakh in the case of distribution licensees other than KSEB Ltd**, detailed project report shall be submitted for the Commission's in-principle approval with a broad cost-benefit analysis. The capital investment plans shall constitute a least cost plan.*

The detailed project reports shall necessarily include the scope and objective of the proposed scheme and elaborate how the scheme meets the evaluation criteria mentioned herein.”

The following shall be substituted;

“ C. Submission of Detailed Project Reports:

The distribution licensees shall submit separate capital investment schemes with Detailed Project Reports for the approval of the Commission, if the capital investment of each of the schemes exceeds the limits specified below against the licensees concerned.

<i>(i)</i>	<i>KSEB Ltd.</i>	<i>Rs. 10 crore</i>
<i>(ii)</i>	<i>KDHPCL, TCED and CPT</i>	<i>Rs 25 Lakh</i>
<i>(iii)</i>	<i>Other distribution licenses</i>	<i>Rs 15 lakh</i>

The detailed project report shall include the cost-benefit analysis, details of funding and the capital investments plan shall contain a least cost proposal.

The Detailed Project Reports shall necessarily include the scope and objective of the proposed scheme and elaborate how the scheme meets the evaluation criteria mentioned herein.

Provided that the capital expenditure if required for emergency work, which has not been approved earlier; the licensee shall submit an application, containing all relevant information along with reasons justifying the emergent nature of the proposed work, and seek approval of the Commission either during its execution or immediately after completion of such emergency work.

Provided further that the works undertaken by the licensee within the financial limits as mentioned above and without getting prior approval of the Commission shall be approved in the truing up of accounts after conducting their prudence check by the Commission.”

By order of the Commission,

Administrative Officer in charge of Secretary

Explanatory Note

(This does not form part of the Notification, but is intended to achieve its general purport)

Section 61 of the Electricity Act, 2003 authorizes the State Electricity Regulatory Commissions to specify the terms and conditions for determination of Tariff. Accordingly, the Commission vide the notification dated 26th October 2018, notified the KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2018 (herein after referred as Tariff Regulations, 2018). The clause C of Annexure IV of the Tariff Regulations, 2018, specify the limits on the cost of capital of the investments schemes required to get prior approval of the Commission along with Detailed Project Reports (DPRs). M/s Cochin Special Economic Zone Authority (CSEZA), one of the licensees, filed a petition before the Commission for revising the limits specified in ‘Clause C in Annexure IV ‘Guidelines for in principle clearance of investment scheme’ for submission of Detailed Project Reports. Based on the petition filed by CSEZA, the Commission published the Draft KSERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2019 for inviting comments of the stakeholders, conducted public hearing at CSEZA, Kakkanad on 15.11.2019. The Commission, after incorporating the comments and suggestions of the stakeholders approved the KSERC (Terms and Conditions for Determination of Tariff) (First Amendment) Regulations, 2020 and decided to publish the same in the official gazette.

This Notification is intended to achieve the above purpose.