

KERALA STATE ELECTRICITY REGULATORY COMMISSION

NOTIFICATION

No.1853/DD(T)/Tariff Policy 2016/KSERC Dated, Thiruvananthapuram, 20th March 2017.

In exercise of the powers conferred by Section 61 read with Section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) and all other powers enabling it in this behalf and after previous publication, 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, 2014, namely.-

Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Amendment Regulations, 2017

1. Short title and commencement.- (1) This regulation may be called the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Amendment Regulations, 2017.

(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, 2014, for “ Annexure XI” the following shall be substituted, namely:-

“ Annexure-XI

Formula for calculating cross subsidy surcharge

Cross subsidy surcharge shall be calculated as per the following formula:

$$S = T - [C / (1 - L/100) + D + R]$$

Where,-

S is the surcharge;

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation;

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation;

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level;

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level; and

R is the per unit cost of carrying regulatory assets:

Provided that the surcharge shall not exceed 20% of the tariff applicable to the category of consumers seeking open access:

Provided further that the Commission may after recording the reason thereof, order the levy of the surcharge determined for consumers of a distribution licensee, from consumers of one or more other distribution licensees.

Provided also that the Commission in consultation with the Government may exempt levy of cross subsidy surcharge on railways, as defined in the Railways Act 1989 (Central Act No 24 of 1989) on electricity purchase for its own consumption.”

By order of the Commission,

Santhosh Kumar.K.B
SECRETARY

Explanatory Note

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

In exercise of the powers conferred by Section 61 read with Section 181 of the Electricity Act, 2003 (Central Act 36 of 2003) the Kerala State Electricity Regulatory Commission has notified the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2014. Regulation 98 of the said Regulations authorises the State Electricity Regulatory Commission to amend, alter or modify any provision of the Regulations, at any time and on such terms as it may think fit. The surcharge formula specified by the Commission as per Regulation 90 was based on the Tariff Policy, 2006. The Ministry of Power, Government of India, vide resolution No. 23/2/2005-R&R (Vol-IX) dated 28th January, 2016 issued the revised Tariff policy, 2016. As per the Tariff Policy, 2016, the surcharge formula has been changed. Consequently, the Commission has decided to substitute annexure XI, in the Regulations. Accordingly, the Commission has published the draft Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Amendment Regulations, 2016, for eliciting public opinion on 9.11.2016. A public hearing was conducted thereon on 30.11.2016 at the Commission's office at Thiruvananthapuram. Taking into consideration, the written responses and the suggestions received in the public hearing from the stakeholders and the licensees, and after analyzing all the circumstances of the matter, the Commission has finalized the Kerala State Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Amendment Regulations, 2017.

This notification is intended to achieve the above object.