



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

CIN:U40100KL2011SGC027424

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ABSTRACT

The Electricity (Rights of Consumers) Rules 2020 – Preparation of application form so as to include agreement as part of it (Clause 4 (10)) – Proposal - Sanctioned– Orders issued.

CORPORATE OFFICE (SBU-D)

B.O(FTD)No.619/2021 (D(D,IT&HRM)/DCC 19/2021-22/4) dated, Thiruvananthapuram, 13.08.2021

Read: 1 Electricity (Rights of Consumers) Rules, 2020

2. B.O.(FTD)No.347/2021 (KSEB/ TRAC/ R2/ Ele.Rules 2020/ 20 – 21) dated, 10.05.2021
3. Note No. D (D(D,IT&HRM)/DCC19/2021-22/4 dated 23.07.2021 of the Director (Distribution, IT & HRM) to the Full Time Directors (Agenda Item No.62/8/21).

ORDER

The Electricity (Rights of Consumers) Rules 2020 of the Government of India came into force on 31.12.2020. As per the order read as 2nd above, KSEB Ltd has entrusted various Offices/ Committees with tasks for enabling hassle free implementation of various provisions of the Rules. The Distribution Core Committee was entrusted with some such tasks. The 19th Distribution Core Committee meeting on 03.06.2021 discussed these tasks in detail and arrived at proposals pertaining to the tasks assigned.

Clause 4 (10) of the Rules provides that *in case an agreement is required to be executed between distribution licensee and the consumer, the same shall become the part of the application form and there shall not be any requirement of a separate agreement form.*

The impact of the clause was discussed by the Committee exhaustively. Clause 4 (10) of the Rules forbids separate agreements and provides that in cases where agreement is required, it shall form part of the application. Presently, separate agreements are insisted for demand based consumers only. There is relevance for insisting agreements for demand based consumers, as fixed charge billing for such consumers is based on the 'contract demand' declared in the agreement. Once the agreement is dispensed with, the concept of contract demand which is defined in the Supply Code 2014, a critical billing parameter in the tariff order require modification, to make the billing process legally flawless.

Regulation 2 (28) of the Kerala Electricity Supply Code 2014 defines contract demand as *the maximum demand in kW or kVA, agreed to be supplied by the distribution licensee and*

indicated in the agreement executed between the licensee and the consumer; or the contracted load or contract demand duly revised thereafter.

Section 2 (h) of the Indian Contract Act 1872 defines Contract as *an agreement enforceable by law.*

As the Rules stipulate that there shall be no separate agreement, the possible alternative is inclusion of an undertaking to disclose the required demand, as a part of the application. Such an undertaking shall not be an agreement or a contract and the demand specified therein shall not be the 'contract demand'. As such, dispensing agreements for demand based consumers warrant facilitating changes in the concepts of contract demand and billing envisaged in the relevant regulations. For making the process of billing free of legal hassles, an alternative term for 'contract demand' is to be coined and legalized. The Committee proposes the name 'specified demand' for this.

Specified Demand shall be defined as the *maximum demand in kW or kVA, specified by the applicant in his application for an electricity connection, accepted and properly intimated in return by the licensee; or such demand duly revised thereafter.* The term has to be legalized formally by inclusion in the appropriate regulations including the tariff order. Once the concept is lawfully in place, an application form including the undertaking as above shall be prepared and submitted.

The matter was placed before the Full Time Directors as per note read as 3rd above.

Having considered the matter in detail, the Full Time Directors in its meeting held on 4/8/2021, resolved to authorize the Chief Engineer (Commercial & Tariff) to intimate the Kerala State Electricity Regulatory Commission regarding the rule position that forbids separate agreements along with applications and the necessary facilitating changes suggested to be made in the Kerala Electricity Supply Code 2014 and the Tariff Order.

Orders are issued accordingly.

By Order of the Full Time Directors

Sd/-

Lekha.G

Company Secretary-in charge.

To: The Chief Engineer (Commercial & Tariff)

Copy to: The Financial Advisor /Chief Internal Auditor/LA&DEO/CVO/CPRO
The TA to Chairman & Managing Director
The TA to Director (Distribution, IT&HRM / Transmission & System Operation,
Generation-Electrical & Supply Chain Management / Generation-Civil/Planning,
Safety & REES)
The RCAO/ The RAO/The LLO
The PA to Director (Finance)/CA to [Secretary(Administration)/Company Secretary]
The Fair Copy Superintendent/ Library/Stock File.

Forwarded / By Order

Resmi R

Assistant Engineer