



## KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

CIN: U40100KL2011SGC027424

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### ABSTRACT

Implementation of monthly fuel surcharge on automatic recovery mechanism—Sanction accorded - Orders issued.

### **Corporate Office (Commercial & Tariff)**

Office Order (DF) No. 1079/2023(KSEB/TRAC-R1/FSP/1/FY 2023-24) dated 29.07.2023

Read: 1. KSERC (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) (FIRST AMENDMENT) REGULATIONS, 2023 .

2. Note No. KSEB/TRAC-R1/FSP/1/FY 2023-24/282 dated 25.07.2023 of the Chief Engineer ( Commercial & Tariff)

### ORDER

- I. Kerala State Electricity Regulatory Commission (KSERC) issued KERALA STATE ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) (FIRST AMENDMENT) REGULATIONS, 2023 wherein Honorable Commission has amended the regulation 87 of tariff Regulations, 2021 and allowed the distribution business/ licensee to adjust by recovery or refund the fuel surcharge on monthly basis, at the rate determined by the Licensee in accordance with the formula specified in Annexure 3 to the regulations; subjected to the ceiling rate of ten (10) paise per unit (kWh). The Commission also ordered that the balance fuel surcharge amount, if any, in a month can be carried forward to the next month, subject to the condition that the total rate of fuel surcharge recovery during that month under consideration shall not exceed ten (10) paise per unit and such carry forward shall not exceed a maximum duration of six months.
- II. The Regulations stipulates that the licensee may approach the Commission to adjust the amount pending to be adjusted under the fuel surcharge through the regulatory process if the amount is significant after three (3) months.
- III. The Regulation also stipulates that the licensee shall, within twenty-five days after the close of each month (n), calculate the amount of fuel surcharge to be adjusted from the consumers for the previous month (n) and publish it in the website of the licensee; the detailed calculation with supporting data and the proposed rate of surcharge to be adjusted from/ to the consumers through the electricity bill to be issued during the next month (n+2), on account of the adjustment of fuel surcharge for the previous month (n). KSEB Ltd shall publish the monthly surcharge rate based on the provisional bills and the provisional energy accounts provided by SRPC/ SLDC, if the final bills and energy account for the month (n) are not received before 15th of the next month (n+1).
- IV. The Regulation also stipulates that the data and the computed rate for fuel surcharge shall get certified by the Chief Internal Auditor of the licensee, and publish the same. The rate of adjustment of fuel surcharge shall be expressed in paise per unit (kWh), and the surcharge.

amount shall be accounted separately along with the existing tariff for the energy billed to each consumer, on monthly or bi-monthly basis, provided that for consumers under bimonthly billing, the rate of adjustment of fuel surcharge for the bills issued in the month of (n+2) shall be the average of the rates fixed for the months of (n-1) and (n)..

- V. As per the Regulations, the fuel surcharge adjustment shall be uniformly applicable to all the consumers in the State, except for the domestic consumers with connected load of and below 1000 Watts and having monthly consumption of and below 40 units and to consumers who are availing power at green energy tariff, for the quantum of renewable energy procured from the licensee.

- VI. Regulation also stipulates the following

Distribution licensees who purchase electricity from KSEB Ltd. in bulk for retail sale, -

- (i) shall within fifteen days of the close of each financial year, provide to KSEB Ltd. the estimated month-wise details of the retail sale of energy for the current financial year to facilitate estimation of the fuel surcharge;
- (ii) shall promptly include the fuel surcharge in the bills issued to the consumers in the month of (n+2), at the rates published by KSEB Ltd. and adjust the same from their consumers;
- (iii) shall promptly remit to KSEB Ltd on a monthly basis, the amount of fuel surcharge collected from their consumers. If such distribution licensee fails to remit the amount of fuel surcharge collected from their consumers before 25th of the next month, KSEB Ltd is entitled to recover interest on the amount to be remitted, at the rates specified in the Supply Code/ PPA, as applicable.
- (iv) The licensee shall indicate separately in the electricity bill, the rate and the amount included in the bill for the month on account of the fuel surcharge adjustment.

- VII. Thus as per the Regulations , the fuel surcharge for the month of April 2023 and May 2023 was prepared based on the provisional REA statement issued by SRPC and bills issued by generators and submitted for approval of FTD vide note dated 31.05.2023 and note dated 21.06.2023. Considering the time constraint Chairman & Managing Director has approved the note dated 29.05.2023 for the fuel surcharge applicable for April 2023 subjected to ratification from FTD. Ratification note was submitted on 24.06.2023 to FTD for approval and Chairman & Managing returned the note stating that ratification is not required as the approval has done based on the guidelines of Ministry of Power.

- VIII. In the note dated 21.06.2023 for approval of fuel surcharge for May 2023, the Chairman and Managing Director directed that recovery of fuel surcharge through automatic recovery mechanism should be processed on file as it is a statutory aspect strictly as per the guidelines of Ministry of Power .

- IX. The Chief Engineer (Commercial & Tariff) as per the note read as 2<sup>nd</sup> above has placed the matter before Director(Finance) and recommended the following for the smooth implementation of fuel surcharge through automatic recovery mechanism.

- i. Chief Engineer(Commercial & Tariff) is entrusted to implement the monthly fuel surcharge through automatic recovery mechanism as per KERALA STATE ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) (FIRST AMENDMENT) REGULATIONS, 2023.
- ii. Regulation stipulates that the data and computed rate for fuel surcharge will be certified by the Chief Internal Auditor of the KSEB Ltd, and publish the same before 25<sup>th</sup> of the close of each month. Hence Chief Internal Auditor may be directed to provide certification after verifying the data and computed rate for monthly fuel surcharge provided by O/o Chief Engineer (Commercial & Tariff).
- iii. The Regulation also stipulates that the licensee shall, within twenty-five days after the close of each month (n), calculate the amount of fuel surcharge to be adjusted from the consumers for the previous month (n) and publish it in the website of the licensee; the detailed calculation with supporting data and the proposed rate of surcharge to be adjusted from/ to the consumers through the electricity bill to be issued during the next month (n+2), on account of the adjustment of fuel surcharge for the previous month (n). KSEB Ltd shall publish the monthly surcharge rate based on the provisional bills and the provisional energy accounts provided by SRPC/ SLDC, if the final bills and energy account for the month (n) are not received before 15<sup>th</sup> of the next month (n+1). Chief Engineer(IT ,CR & CAPs) may be directed to take necessary action to publish the amount of fuel surcharge to be adjusted from the consumers every month ; the detailed calculation with supporting data and the proposed rate of surcharge to be adjusted from/ to the consumers through the electricity bill , provided from the office of Chief Engineer(Commercial & Tariff).
- iv. Chief Engineer (IT , CR & CAPs) may be directed to make necessary modifications in the ORUMA and HT- EHT billing software to implement the monthly fuel surcharge through automatic recovery mechanism and recover monthly fuel surcharge from all the consumers in the State, except for the domestic consumers with connected load of and below 1000 Watts and having monthly consumption of and below 40 units and to consumers who are availing power at green energy tariff, for the quantum of renewable energy procured from the licensee
- v. Chief Engineer (IT , CR & CAPs) may be directed to publish at its website the amount of fuel surcharge collected for nth month before 7<sup>th</sup> of n+1<sup>th</sup> month , if any, for the information of the stakeholders.
- vi. Chief Engineer (IT , CR & CAPs) may be directed to provide a report on the details of the fuel surcharge collected in each month to Tariff & Regulatory Affairs Cell, within 7 days from the end of the month concerned. The details

should contain the category wise consumption details and amount of fuel surcharge collected.

- vii. All the Distribution field units to collect the approved monthly fuel surcharge through automatic recovery mechanism in addition to the existing charges and existing fuel surcharge in the case of LT monthly and bi monthly billed consumers.
- viii. All the Distribution Chief Engineers / Deputy Chief Engineers may ensure the implementation of the monthly fuel surcharge through automatic recovery mechanism and billing as per the subsequent guidelines and procedures issued from the Board.
- ix. Special Officer Revenue (SOR) may be directed to collect the approved monthly fuel surcharge through automatic recovery mechanism in addition to the existing charges and existing fuel surcharge in the case of HT & EHT consumers.
- x. Special Officer (Revenue) may be directed to take necessary arrangements to inform other Distribution licensees to collect monthly approved fuel surcharge from their consumers every month (n) and promptly remit the fuel surcharge to KSEB Ltd on a monthly basis, before 25th of the n+1th month. Special Officer (Revenue) may be authorized to recover interest on the amount to be remitted, at the rates specified in the Supply Code/ PPA, as applicable, if such distribution licensee fails to remit the amount of fuel surcharge collected from their consumers before 25th of the n+1 th month to KSEB Ltd as per KSERC (TERMS AND CONDITIONS FOR DETERMINATION OF TARIFF) (FIRST AMENDMENT) REGULATIONS, 2023 dated 29.05.2023
- xi. Special Officer (Revenue) may be directed to monitor the implementation of the Fuel surcharge by other Licensees and prompt payment of surcharge collected to KSEBL as ordered by the Commission. Special Officer (Revenue) may ensure that the amount of fuel surcharge collected by the Licensees as per the rates published by KSEBLtd.
- xii. Special Officer (Revenue) may be directed to provide a report on the details of the monthly fuel surcharge through automatic recovery mechanism collected and paid by the Licensees to KSEBL, in each month to Chief Engineer(Commercial & Tariff), within 7 days from the end of the month concerned. The details should contain the category wise and consumer wise consumption details of consumers of licensees and amount of fuel surcharge collected.

X. Having considered the recommendations of Chief Engineer(REES ,Soura, Commercial & Tariff), the Director Finance accorded sanction for the following.

- i. Entrusted Chief Engineer(Commercial & Tariff) to implement the fuel surcharge through automatic recovery mechanism on monthly basis with the approval of Director(Finance).
- ii. Entrusted Chief Internal Auditor to provide certification after verifying the data and computed rate for monthly fuel surcharge through automatic recovery mechanism , prepared by O/o Chief Engineer (Commercial & Tariff).
- iii. Entrusted Chief Engineer (IT,CR& CAPs) to make necessary arrangements as mentioned in para IX(iii) to IX(vi) to recover the monthly approved fuel surcharge from all consumers including the consumers of all other distribution licensees except the 'domestic consumers with connected load of and below 1000 watt and monthly consumption of and below 40 units' and green tariff consumers , in addition to the existing charges and fuel surcharge approved by KSERC if any .
- iv. Entrusted Special Officer(Revenue) to make necessary arrangements to implement the instructions as mentioned in para IX (ix) to IX(xii).
- v. Authorized various offices mentioned in IX(vii) & IX(viii) to make necessary actions to implement the instructions as detailed in the paragraph IX above.

Orders are issued accordingly.

**By Order of the Director**

Sd/-

**SABITHA. S**

**Secretary(Administration)**

To

The Chief Engineer (Commercial & Tariff)  
The Chief Internal Auditor  
The Chief Engineer(IT, CR & CAPs)  
The Deputy Chief Engineer(TRAC)  
The Special Officer Revenue

Copy to

Financial Advisor,  
T.A to (Chairman & Managing Director),  
PA to Director (Finance & HRM)/ Sr. CA to Secretary/Company Secretary  
CA to IGP (CVO, KSEB),Chief Public Relations Officer  
Fair Copy Superintendent / Library

Forwarded by order

  
Asst Executive Engineer