



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956), CIN:U40100KL2011SGC027424

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ABSTRACT

Granting subsidy to domestic consumers for the electricity charges and allowing installment facility for the bills issued from 20th April 2020 to 19th June 2020– sanction accorded –orders issued

CORPORATE OFFICE (Planning)

B.O. (FTD) No .434 /2020 (KSEB/TRAC-D/Covid Pandemic – Tariff Concession/2020-21) dated, TvpM 25 .06.2020

- Read: 1. B.O. (FTD) No.363 /2020 (KSEB/TRAC-D/Covid Pandemic –Tariff Concession / 2020-21) dated 30.05.2020.
2. Press release dated 18.06.2020 of Government of Kerala.
3. Note No. KSEB/TRAC-D/Covid Pandemic – Tariff Concession/2020-21 dated 25.06.2020 of the Deputy Chief Engineer (Commercial & Planning) with full powers of Chief Engineer (Agenda item No.67/6/20)

ORDER

KSEB Ltd, in order to provide uninterrupted power supply during the lock down period and to mitigate the hardship being faced by consumers in the wake of Covid-19 pandemic , had put in place the following, observing all the safety measures imposed by Central/State Governments.

- i) Proper arrangements were made in Generation /Transmission SBUs to make available the employees of these wings for uninterrupted operation, observing all precautionary measures to contain the pandemic.
- ii) Cash collection in offices and outstation centers was discontinued up to 31.03.2020 in the initial phase of the lockdown and later up to 03.05.2020. Due date of bills issued were extended accordingly.
- iii) The field offices were instructed to operate in two shifts per day.
- iv) All the works other than of emergent and of essential nature were postponed.
- v) Regular meter reading procedure was suspended from 23.03.2020 initially up to 31.03.2020 and later up to 15.04.2020. Previous average consumption as mandated by the Supply Code was made use of for billing the electricity consumption. The bills so generated were sent to the consumer through SMS/ e-mail.

- vi) Non-domestic consumers were given a relief of remitting only 70% of the bill amount thus demanded during an extended due date, considering closure of their activities from 24.03.2020.
- vii) Directions were issued not to disconnect the service connection in cases other than cases involving theft and safety aspects.
- viii) HT and EHT consumers were allowed to remit their electricity bills for the month of March and April -2020 up to 16.05.2020 without interest.
- ix) LT consumers were allowed to remit their bills up to 16.05.2020, without paying surcharge for the bills issued during lockdown period or became due during the lockdown period as per circular dated 30.04.2020.

On relaxation in lockdown restrictions, KSEB Ltd. decided to resume the regular meter reading from 20.04.2020 (from walking order starting from 16.04.2020) and cash collection was resumed on 04.05.2020 (by maintaining social distancing). The consumers were allotted specific dates and time slots to remit their current charge in accordance with last digit of the consumer number. Even though cash counters were re-opened on 04.05.2020, the due date of bills were extended till 16.05.2020 to avoid rush in counters and to ensure social distancing.

To avoid possible spread of Covid -19 pandemic and to maintain social distancing in the field offices, KSEB Ltd. undertook the following measures:

- i) Transaction charges for online payment of electricity bills through payment gateways from 20.04.2020 to 31.07.2020 were waived.
- ii) In order to encourage on line transactions 5% cash back was allowed to those using online facility for the first time for remitting their electricity bills (subject to a maximum of Rs.100/bill) between 04.05.2020 and 31.05.2020.
- iii) For encouraging on line transactions, application fee for new service connection was waived for applications submitted through online for a period of one year.

As per Government vide order GO(Rt) No. 67/2020/PD dated 01.06.2020, the reliefs as below are being made available as per Board order read (1) above to the consumers by modifying the billing software.

- a) Rebate of 25% on fixed charge applicable to Industrial/Commercial consumers and Private Hospitals for the months of March, April and May-2020 and to defer the payment of balance fixed charge (75%) of these months, up to 15.12.2020, without levying interest during the deferred period.
- b) Adjust the above rebates to monthly billed consumers in the bills to be issued in July 2020 and for bi-monthly billed consumers, in the bills to be issued in the months of July and August- 2020. Interest paid/accrued against deferred fixed charges of these months shall be waived by providing credit in subsequent bills.
- c) Domestic consumers were granted a provision, based on their written request, to remit at least half of the bill amount in the bills issued in the months of April, May and June-2020 before 15.06.2020 or due date of the bill, whichever is later, and to allow two equal installments for the balance amount in subsequent monthly/bi-monthly bills, without collecting application fees for processing the written request.

The estimated amount of relief per month due to waiver of fixed charges to above categories is Rs.25.54 Cr.

As per section 73 of the Supply Code, 2014, KSEB Ltd is to review the Security deposit of various category consumers during the 1st quarter of the financial year 2020-21. Excess security deposit at the credit of the consumer than required will be refunded during the first quarter itself and the interest accrued during the financial year will be adjusted, in the 1st quarter of FY itself. However in view of financial difficulties being faced by various sectors in the State, additional security deposit required, if any, based on the review of the Security Deposit is not being demanded during the FY 2020-21.

Though KSEB Ltd. had allowed several relief/ relaxation to the consumers on suo motu and as per the orders of State Government, numerous complaints were received on the electricity bills issued based on the meter reading taken from 20.04.2020. Widespread criticism has heaved mainly regarding the methodology of billing adopted by KSEB Ltd. The issue was taken up by print media, television channels and Social media and has also come up for debates in all most all media channels during the second week of June 2020. Though most of consumers were convinced about their consumption and bill, the activists stuck on their plea to quash the bill. Some Hon'ble MP's and MLA's have also lodged complaints against the bill. Instances of

manhandling of employees of KSEB Ltd. were also reported in some of the distribution offices.

The bills were issued based on the reading and in accordance with provisions of the Code and the rate notified in the tariff order issued by KSERC. In some cases, the reading taken between 20.04.2020 to 27.04.2020, the consumption for more than 60 days was reckoned and bills were issued without apportioning the consumption for 60 days. This caused high bill due to slab change and non-receipt of subsidy provided by the State Government. This anomaly was noticed and revised amount after apportioning alone was collected at the counters. But in some cases, those who had remitted the amount through on line before modification in the software, excess amount if any, shall be adjusted in the next bill itself. KSEB Ltd on suo motu examined the grievance of consumers and remedial actions were taken in genuine cases. The State Government also noticed the widespread complaints from the general public and instructed KSEB Ltd. to settle all complaints in time. Board has also taken into account of the instruction from the Government.

Honorable Chief Minister, during the customary Covid-19 briefing on 18.06.2020 has announced the following series of relief measures for all domestic consumers in the State in order to alleviate the burden on domestic consumers during lockdown period.

- i. Non paying group of consumers (having bimonthly consumption of and below 40 units and connected load of and below 500 watts) are exempted from the payment of electricity charges by providing subsidy from the Government of Kerala. This exemption shall be continued irrespective of their consumption for the bills issued from 20th April 2020 to 19th June 2020
- ii. BPL consumers having bimonthly consumption of and below 80 units and connected load of and below 1000 watts are now being billed at a rate of Rs 1.5 per unit. These consumers shall be billed at the prevailing rate of Rs.1.50/unit irrespective of their consumption for the bills issued from 20th April 2020 to 19th June 2020.
- iii. Domestic consumers having their average monthly consumption upto 50 units will be provided with a subsidy of 50 % of their additional amount in the bills due to excess consumption for the bills issued from 20th April 2020 to 19th June 2020.

- iv. Domestic consumers having their average monthly consumption upto 100 units will be provided with a subsidy of 30 % of their additional amount in the bills due to excess consumption for the bills issued from 20th April 2020 to 19th June 2020.
- v. Domestic consumers having their average monthly consumption upto 150 units will be provided with a subsidy of 25 % of their additional amount in the bills due to excess consumption for the bills issued from 20th April 2020 to 19th June 2020.
- vi. Domestic consumers having their average monthly consumption above 150 units will be provided with a subsidy of 20 % of their additional amount in the bills due to excess consumption for the bills issued from 20th April 2020 to 19th June 2020.
- vii. KSEBL has already allowed three installments for remitting the electricity bills of domestic consumers issued during lockdown period. This shall be extended to 5 installments for remitting the bills issued from 20th April 2020 to 19th June 2020.

The Deputy Chief Engineer (Commercial & Planning) as per note read 3rd above pointed out that, in light of the direction of the Govt. as above, suitable modification are to be made in the LT and HT billing software to enable the passing on of the above exemptions to the eligible consumers, in anticipation of a favorable order from KSERC. It is thus recommended to authorize Chief Engineer (IT&CR) to make necessary modification in the billing software for LT consumers and for HT consumers to provide the above reliefs. Following factors shall be considered, on modification of the software to pass on the subsidy to eligible consumers.

- i. State Government subsidy shall be allowed on the additional bill amount raised in the invoices issued from 20th April 2020 to 19th June 2020.
- ii. The additional bill amount in respect of paragraph 8 (iii) to (vi) above shall be the difference in bill amount indicated in the invoices (door lock adjustment prior to lockdown period, excluding previous arrears, assessment amount etc. if any.) issued from 20th April 2020 to 19th June 2020 and the bill amount corresponding to their average consumption of previous three billing cycles.
- iii. The subsidy shall be provided in the bills issued after the modification of billing software.
- iv. Subsidy announced by the Government shall be recorded clearly in the invoices.

- v. Until software modifications are rolled out, the consumers shall be provided with an option to remit 70 % of their bill amount and adjust the difference due to grant of subsidy in the subsequent bill without liability of surcharge on either side.

It was also pointed out that as per section 65 of the Act, State Government can grant any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62 of the Act, by providing the amount to compensate the revenue loss on account of subsidy as directed by the State Commission. The total financial commitment in providing the subsidy is initially estimated as Rs.200 Cr. Accordingly, KSEBL may approach the Government to provide subsidy by netting off against electricity duty, payable to Government. Draft letter to Government in this regard is also submitted for approval.

Having considered the matter in detail, the Full Time Directors in it's meeting held on 25.06.2020, resolved to accord sanction to authorize the Chief Engineer (IT&CR) necessary modification in the billing software for LT consumers and for HT consumers to allow following subsidies to domestic consumers as instructed by the State Government:

- a) to exempt Non paying group of consumers (having their previous bimonthly consumption of and below 40 units and connected load of and below 500 watts) from paying their electricity bills issued from 20th April 2020 to 19th June 2020, irrespective of their consumption by allowing subsidy against billed quantum.
- b) to bill the BPL consumers, having connected load of and below 1000 watts and their previous bimonthly consumption of and below 80 units, at the prevailing rate of Rs.1.50/unit for the bills issued from 20th April 2020 to 19th June 2020, irrespective of their consumption by allowing subsidy for the differential amount.
- c) to allow a subsidy of 50 % on additional amount in the bills issued from 20th April 2020 to 19th June 2020 over the bill amount corresponding to their average consumption for domestic consumers having their average monthly consumption upto 50 units .
- d) to allow a subsidy of 30 % on additional amount in the bills issued from 20th April 2020 to 19th June 2020 over the bill amount corresponding to their average consumption for domestic consumers having their average monthly consumption upto 100 units .

- e) to allow a subsidy of 25 % on additional amount in the bills issued from 20th April 2020 to 19th June 2020 over the bill amount corresponding to their average consumption for domestic consumers having their average monthly consumption upto 150 units.
- f) to allow a subsidy of 20 % on additional amount in the bills issued from 20th April 2020 to 19th June 2020 over the bill amount corresponding to their average consumption for domestic consumers having their average monthly consumption above 150 units.
- g) to consider the bill amount for the period from 20th April 2020 to 19th June 2020, exclusive of any door lock adjustment prior to lockdown period, previous arrears, assessments etc. for the purpose of arriving at the differential amount and subsidy amount.
- h) to mention clearly and separately the subsidy granted, in the bills and receipts to be issued to eligible consumers.
- i) to allow upto 5 monthly installments to domestic consumers for remitting the bills issued from 20th April 2020 to 19th June 2020. There shall be no interest for payment of these revised bill amounts, if the same is remitted in full or by availing installments before 31.12.2020.
- j) to provide an option to remit 70 % of their bill amount in respect of bills issued between 20th April 2020 and 19th June 2020 and adjust the difference due to grant of subsidy in the subsequent bill without liability of surcharge on either side, until software modification for releasing subsidy is rolled out.
- k) to provide periodical reports on the subsidy released to domestic consumers.

Further resolved to approve the letter requesting Government of Kerala for providing subsidy to eligible domestic consumers as per section 65 of the Act.

Orders are issued accordingly.

By Order of Full Time Directors
Sd/-
Lekha.G
Company Secretary -in -charge

To

Chief Engineer (IT & CR),
Deputy Chief Engineer (Commercial & Planning) with full Powers of Chief Engineer

Special Officer (Revenue)

Copy to

All Chief Engineers (Electrical) & (Civil)
Legal Advisor & Disciplinary Enquiry Officer
The Financial Advisor
Chief Internal Auditor
Deputy Chief Engineer (TRAC)
All Deputy Chief Engineers (Ele) Circles
TA to (Chairman & Managing Director), TA to Director (Distribution, IT&HRM)/
Director (Trans., System Operation)/ Director {Generation (Electrical) & SCM}/
Director (Gen- Civil)/ Director (Planning & Safety)/ PA to Director (Finance),
All Executive Engineers (Ele.) Divisions
Sr. CA to Secretary (Admn.)/Company Secretary
CA to IGP (CVO, KSEB), Chief Public Relations Officer, All RAO's
Fair Copy Superintendent / Library

Forwarded by order

Assistant Executive Engineer