

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

PRESENT: Shri M.K.G. Pillai, Chairman.
Shri C. Balakrishnan, Member

April 29, 2005

Petition DP No.15	Dy.No. 257 dated 30.6.04	Kerala State Electricity Board. Vudyuthi Bhavanam, Thiruvananthapuram. 1. Trissur Municipal Corporation 2. The Principal Secretary, Local Administration Department, Government of Kerala, Thiruvananthapuram	Petitioner Respondents
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ORDER

1. Background

The petitioner, viz., the Kerala State Electricity Board (herein after called the 'Board'), in its petition dated 30.6.2004 has stated that it has been supplying electricity to the respondent No1, viz., the Trissur Municipal Corporation (hereinafter called the 'Corporation'), who is a licensee. The Government of Kerala had allowed a rebate of 30% in the electricity charges to the Corporation, while revising the tariff in 1982. The Board had later revised the tariff in 1988, 1992, 1993, 1994, 1997, 1999, 2001 & 2002. Though the Corporation had requested the Government and the Board to allow similar rebates at the time of tariff revision in 1988 and 1992, the Board had replied to the Corporation that it was not in a position to accede to the request and the Corporation should remit the charges at the ruling grid tariff rate prevailing from time to time. However, the Corporation remitted only 70% of the bill demand until 1993 and continues to remit only 75% of the bill demand since 1993, resulting in considerable short remittance of electricity bill. The total short remittance made by the Corporation upto May 31, 2004 has reached a staggering amount of Rs.59.48 crores including interest (Principal Rs.31.13 crores and interest Rs.28.35 crores).

The Board had taken up the matter with the Municipality authorities and the Government at several levels, but the Corporation continued to remit electricity charges at 25% lower than the billed amount since April, 1993, without any valid reason.

Under the circumstances, the Board has requested the Commission to adjudicate in the matter in accordance with the provisions of Section 86 (1) (b) and (f) of the Electricity Act, 2003. The major prayers in the petition of the Board are:

- a) direct the Corporation to remit the electricity charges as per the prevailing tariff notification of the Board which has been allowed to be continued by the Commission.
- b) direct the Corporation to pay the outstanding dues along with interest and penalty in respect of electricity charges since 29.11.2002, the date of inception of the Commission.
- c) permit KSEB to take measures including disconnection of supply to the Corporation, in the event of default of payment of electricity charges.
- d) permit the KSEB to take revenue recovery action for recovery of dues.
- e) revoke the licence if the Corporation fails to pay the charges.

The Commission in its proceedings dated July 01, 2004 considered the petition and admitted it as DP. No. 15.

The petition was notified to Trissur Municipal Corporation on 2.7.2004, asking the Corporation to file the reply latest by 30th July, 2004. The Corporation filed their reply *vide* letter No. E1-1517/02 dated 24.07.2004. The Corporation stated that neither the Government nor the Board has any legal and moral right in denying the concessional rate at which the Corporation was permitted to avail electricity from the Board since the erstwhile Travancore-Cochin Government, in 1948, had taken over the power house which was supplying power to the Trissur Town at that time. They further argued that the arrears allegedly due to the Board as stated by the Board are baseless and inflated as it included penal interests and surcharges.

Copy of the response received from the Corporation was forwarded to the Board on 30.7.04

Copy of the petition and the response from the Trissur Municipal Corporation were forwarded to the Principal Secretary to Govt. of Kerala, Local Administration Department on 30.7.04 seeking the views of the Govt. in the matter. No response was received from Local Administration Department.

Copy of the letter to the Principal Secretary to Govt. of Kerala, Local Administration Department together with the Copy of the petition and the response from the Trissur Municipal Corporation was forwarded to the Principal Secretary to Govt. of Kerala, Power (A) Department on 5.8.04. In reply to this, the Power Department stated that a High Level committee had been constituted by the Government earlier to study the issues pertaining to the Trissur Corporation and the KSEB, and the Committee had entrusted the work of conducting a study on the subject, to the Chief Electrical Inspector, Govt. of Kerala and submit a report thereof by August 15, 2004.

The Board furnished the reply to the response dated 24.7.2004 submitted by the Corporation, on 19.11.04 and reiterated the prayers in the petition. The Board stated that the Trissur Municipal Corporation had neither disputed nor produced any evidence in challenging the main contention raised in the petition. The Corporation has not submitted any evidence to prove that the Government had undertaken to compensate the extra-expenses or losses that would be sustained by the Corporation on account of the stipulation made in 1948 by the Government to supply electricity to the Trissur Municipal areas at the same tariff at which Government Department was supplying electricity elsewhere in the State. The Board stated that the 30% discount on bulk supply bills which continued upto October 1988 was applicable not only to the Trissur Municipal Corporation but also to all other licensees and the period upto which the same was applicable was only till the tariff revision in 1988. The power to revise the tariff was vested in the Board as per the Electricity (Supply) Act, 1948 and the Board was bound by the direction of the Government alone till the formation of State Electricity Regulatory Commission. Therefore, the allegation of the Corporation that the tariff revision in 1988 by the Board was unilateral is not sustainable. The Board stated that the amount of energy charges collected by the Corporation from its consumers and the power purchase cost paid to the Board indicate that the Corporation had not incurred any loss on account of electricity supply business. The Board stated that the GO.(MS) 23/92/PD dated 16-12-1992 had no relevance to any concessions as the said order was only directing the Board to regularize the existing tariff of Trissur Municipality as per Section 58 of the Electricity (Supply) Act, 1948. As per this order, the Corporation would have made the payment as per the bills raised by the Board. The Board also mentioned that there was no written direction from the Government to give any sort of concessions to the Corporation on account of any financial difficulties faced by the Trissur Municipal Corporation. The Board argued that the Corporation should pay the interest charges as per the conditions of supply formulated under the power vested upon the Board by Law. The Board stated that the Trissur Municipal Corporation should have remitted the bill amount in compliance with the tariff orders issued from time to time by the Board and no other licensee had demanded or availed concessions beyond the period referred to in the tariff notification dated December 2, 1982. The Board stated that the consumer mix and consumption pattern of the Trissur Municipal Corporation indicated very favorable for revenue collection and realization in the electricity supply business and considering the density of consumers and limited area of supply, the Corporation should not incur much distribution loss. Taking these points into account, the Board stated that the Corporation's argument that they were sustaining heavy financial loss in their operations of distribution business is not acceptable.

The Board further pleaded to:

- a. order the respondent to pay the actual bill amount without any reduction with immediate effect.
- b. order the respondent to pay the arrears on account of short remittance since November 2002 (from the date of inception of the Commission) and interest thereof.

- c. allow the Board to provide supply to the consumers within the area of Municipality under the sixth Proviso of Section 14 of the Act.

The Principal Secretary to Government, Power (A) Department *vide* letter No. 8130/C2/2004/PD dated 14.12.2004 forwarded a copy of the Government's letter No. 8934/C2/2002/PD dated 14.12.2004 addressed to the Secretary, Trissur Corporation on the issues relating to the Trissur Municipal Corporation and the Board, to the Commission. This letter stated that the Chief Electrical Inspector had since submitted the Study Report covering the following arrears:

- i. Administrative set up of the Electricity Department of Trissur
- ii. Financial Matters including the financial status of Electricity Department of Trissur Corporation
- iii. Technical Matters involved in the distribution of supply

It was further stated by the Government that the following facts have come to notice:

"In the Grid tariff Revision order B.O. No. Plg.Com/Tariff 1/82/Gd dated 08.07.1982 of the KSE Board, separate rates were prescribed for Licensees and Sanction holders who avail supply from KSE Board at 11 kV and 66 kV. Vide order B.O. No. Plg.Com/Tariff/1/82/Gd dated 02.12.1982 of the KSE Board, the above order was amended and rebate of 20 % for 11 kV and 30 % for 66 kV were allowed to the Licensees and Sanction holders. The above rebates were continued to be allowed to in the grid tariff revision orders B.O.No. Plg.Com/800/84/Gd dated 03.12.1984 and B.O. Plg. Com/800/84/Gd dated 21.12.1985. But in the tariff revision orders of 1988 onwards, the above clause of allowing rebates was not included. Hence the Licensees/Sanction holders are not eligible for any tariff rebate from 01.11.1988 onwards, the date of effect of Tariff revision order 1988. In the subsequent tariff revision orders also no clause for allowing rebate for Licensees/Sanction holders was included. In this connection, it was also pointed out that the rebate included in the Tariff revision orders of 1982, 1984 and 1985 were applicable to all the Licensees/Sanction holders and not to Trissur Corporation alone".

After examining the Report of the Chief Electrical Inspector in detail, the Govt. accepted the findings and requested the Corporation to remit the defaulted current charges to the Board till November, 2002 forthwith and report compliance to the Govt. For the electricity charges after November 2002, the Govt. left the matter to the Commission.

The Commission separately received a copy of the Report of the Chief Electrical Inspector on 3.1.2005

The Report of the Chief Electrical Inspector has stated that the functions of the Corporation are the same as that of the KSE Board. At present, the Corporation supplies energy to an area covering 3 kM radius, *ie*, the area of the former Trissur Municipality. In the year 2000, the Municipality was upgraded as a Municipal Corporation adding 8 more panchayats to it. But even now, the Corporation supply energy to an area of former Municipality only. The newly added panchayats continue to be supplied by the KSE Board. The Corporation purchase power from the KSE Board at 66kV and distribute the energy to various consumers at the required level of voltage after realizing the electricity charges and after maintaining the accounts for the sale of energy.

The Report stated that the financial status of the Corporation is very healthy as its cash balance as on 31.3.2004 was Rs.20.70 crores apart from outstanding dues to the tune of Rs.14.30 crores from the consumers. The Report also states that the funds from electricity business are utilized by the Corporation for other purposes and the cash balance reported is excluding such diversions. The Report also states that the sound financial position of the Corporation is in spite of a high level of T&D loss @34.17% which is on account of the following factors:

- a. Short assessment of consumption due to faulty meters.
- b. Unmetered supply to Corporation Buildings and Street lighting.
- c. Lack of periodic maintenance of electrical system.
- d. Obsolete distribution system.
- e. Theft of power.

It is evident that the financial condition of the Corporation could further improve if adequate measures are taken for overcoming the above problems and effective steps taken for collecting the outstanding dues.

In view of the above, the Report of the Chief Electrical Inspector has recommended recovery of electricity dues from the Corporation as per the bills raised by the KSE Board.

2. Hearing of the matter

The parties to the petition were heard in the proceedings of the Commission held on 15.12.2004.

Representatives of the KSEB argued that the Corporation should be directed to pay the outstanding dues as indicated in the petition and the regular bills in accordance with the ruling tariff prevailing from time to time. They reiterated the plea made in the petition and argued that the respondent has not made any valid ground for not making payment as per the bills raised by the Board.

The Corporation pleaded that the issue should be considered against the background of a local authority enjoying a privilege dating back to 1937 and the

privilege should not be withdrawn abruptly for no reason. They sought grant of time to submit a detailed rejoinder covering all the points and requested the Commission to postpone the hearing till that time.

The Commission did not agree to the postponement of the hearing and stated that the matter had to be decided in accordance with the provisions of Subsections (1) (b) and (1) (f) of Section 86 of the Electricity Act, 2003 and both the parties could make their submissions under these provisions.

The Commission stated that in order to arrive at a decision in accordance with these provisions, the Commission required data on revenue collection from the ultimate consumers by the Corporation and the data on the cost of supply made to the Corporation by the KSEB. The Commission called for information on the categorywise number of consumers, their electricity consumption, billed amount, actual revenue realized, etc., from the Corporation. The KSEB on its part was asked to furnish information on the maximum demand met, average monthly energy supply, cost of supply, average revenue realization, etc., in respect of electricity supplied to the Corporation. As the information was not readily available with both the parties, the Commission directed them to file the details latest by 7.1.2005. The Commission devised formats for receiving the requisite information from the Corporation for the period from 1.4.2002 to 31.12.2004, which were mailed to them on 16.12.2004. The Board furnished the information on maximum demand, average energy supplied per month, average rate for energy billed and average rate of realization, on 16.12.2004.

The Corporation did not submit the data called for by the Commission. Instead, the Corporation filed an additional statement of objections on 6.1.2005, which mentioned that the issues involved in the case were beyond the ambit of jurisdiction vested in Electricity Act, 2003 and the Commission had no *locus standi* to decide the issues raised and sought to be adjudicated in the petition. The Corporation stated that none of the prayers contained in the petition had any basis whatsoever and as a matter of fact, the petition itself was liable to be rejected by the Commission. The Corporation stated that the so-called bills raised by the Board on Trissur Corporation were all patently wrong and/or excessive and none of the prayers contained in the petition could be entertained by the Authority in law. The Corporation also submitted that the order passed by the Commission on Petition TP No.2/2003 of KSE Board was without hearing the Corporation and therefore the Corporation was not a party to the said order.

The Commission directed the Board *vide* its letter dated 19.1.2005 to submit the details regarding the cost of service to Trissur Municipal Corporation and the Board in its letter dated 4.2.05 stated that the details were not readily available and only after a detailed study, the cost of service could be submitted. However, the Board submitted the average daily load curve of the supply made to Corporation on 22.3.2005 along with the details of monthly energy consumption, bill data and realization for the period from April 2003 to Feb. 2005.

3. Commission's Findings

The Commission has, first examined the Corporation's objection that the Commission has no *locus standi* to decide on the issues raised in the Petition. The contention put forward by the Corporation is that the issues sought to be adjudicated by the Petitioner are matters pertaining to the constitutional and legal obligations of the State towards a local body which as well is another constitutional authority and for this reason the Corporation pleaded to reject the petition of the Board. However, the Corporation, in their objections dated 24-7-2004 has recognized themselves as a 'Licensee'. Further, *vide* para 3 of the additional statement of reply filed, the Corporation have stated that they have no dispute regarding the various powers of the Commission enumerated in the paragraphs 6 to 10 of the Petition. Paras 6&7 of the Petition point to the powers of the Commission under Section 86(1)(f) of the Electricity Act, 2003 which empowers the Commission to adjudicate the disputes between licensees and Sections 94, 95 & 96 of the Act empowering the Commission to exercise powers vested with a civil court under the Code of Civil Procedure.

The Commission came into existence after the Government of Kerala constituted it under the Regulatory Commission's Act, 1998. The enactment of Electricity Act, 2003 repealed the Indian Electricity Act, 1910, Electricity (Supply) Act, 1948 and the Regulatory Commission's Act 1998. Further, the Regulatory Commissions constituted under the Regulatory Commission's Act, 1998 became deemed Commissions under the Electricity Act, 2003. As per first proviso to Section 14 of the Electricity Act, 2003, any person engaged in the business of transmission or supply of electricity under the provisions of repealed laws on or before appointed date shall become deemed licensee under the Electricity Act, 2003. As per Proviso 3 of Section 14, in case Appropriate Government transmits or distributes electricity on or before the appointed date shall also be a deemed licensee under the Act. These provisions clearly establish that the Corporation and the Board are deemed licensees under the provisions of the Electricity Act, 2003.

Section 86 of the Electricity Act, 2003 along with other Sections *inter alia* cast responsibility on the Commission to discharge various functions. As per the Electricity Act, 2003 the Commission has the authority to issue Licence and regulate the licensees. Specifically, as per Section 86(1)(f), the Commission has the responsibility to adjudicate on the disputes between the licensees. The Board in its petition has sought to invoke Commission's power to adjudicate on the issues raised in the petition. It is worth mentioning that the Corporation have also not disputed the powers of the Commission mentioned in the Petition. In view of the clear authority vested upon the Commission under the Electricity Act, 2003, the contention of the Corporation that 'there is no *locus standi* to decide on the petition' is not sustainable under the law.

The Corporation also contented that the Order passed by the Commission on Petition TP No.2/2003 of KSE Board was without hearing the Corporation and

therefore the Corporation was not a party to the said order. In the land mark judgment in the matter of WBERC Vs CESC (October, 2002), the Honorable Supreme Court has categorically held the powers of the Electricity Regulatory Commissions in the matter of Tariff. Further, the Commission had passed the order after following the due process contemplated in the Electricity Act, 2003 and the Regulations of the Commission. Adequate opportunity was provided at every stage to all individuals and organizations concerned, to express their views. In this connection, it is worth mentioning that the summary of the petition was published in four leading dailies inviting written response from the stakeholders and in the end, a public hearing was held on 17.3.2003 as a final step in eliciting the views of the stakeholders. As a responsible public entity and licensee distributing electricity, the Corporation should have knowledge of the proceedings, which should have an implication, if any, on the Corporation.

The Commission has noted the arguments of the Corporation that special concessions enjoyed by the Corporation are their right and the Government or the Board has any legal or moral right in denying such concessions. As per Section 46 of the Electricity (Supply) Act, 1948, the Board has powers to fix tariff for supply of electricity to Licensees to be known as 'Grid Tariff'. The Commission understands that the Grid Tariff notifications were issued by the Board by exercising such power. Besides, it is evident from the Tariff notifications (and subsequent amendments) No. B.O.Plg.Com/Tariff/1/82 dated 2-12-1982, B.O.Plg.Com/800/84/GD dated 3-12-1984, B.O.Plg.Com/800/84/GD dated 21-12-1985, placed before the Commission that the concessions allowed on the Grid Tariff was applicable to all the licensees and not limited to the Corporation. In the subsequent Tariff Notifications, however, these concessions were not allowed and there has been no record to show that the Government of Kerala have made any recommendation to continue the concessions. The intention of the Government has been further elucidated by the letter dated 14-12-2004 requesting the Corporation to remit the defaulted current charges to the Board. The Corporation have also failed to substantiate with documentary evidence that the Corporation have enjoyed exclusive right for the concessions. Under these situations, the Commission does not find any merit in the arguments of the Corporation that neither the Board nor the Government has any right to deny the concessions granted to the Corporation.

In order to enable the Commission to arrive at a decision in the dispute between the KSEB and the Trissur Corporation in accordance with the provisions of Subsections (1) (a) and (1) (f) of Section 86 of the Electricity Act, 2003, the Commission required information on certain vital issues both from the KSEB and the corporation. This is specifically to examine the veracity of the objection of the Corporation that the withdrawal of the concessions has seriously affected the finances of the Corporation. As regards KSEB, the information was required on the actual cost of supply of electricity made by the Board to the Corporation and the average rate of billing and also the rate of actual realization from the Corporation. The KSEB has readily furnished the information on the average rate of billing and also the average rate of realization. As regards the cost of electricity made to the Corporation, the Commission made its own calculation based on the

information furnished by the KSEB and also the information available with the Commission. Accordingly the following position emerges as regards the electricity supply made by the KSEB to the Corporation:

Average cost of supply	-	Rs.2.72 p.u
Average rate of billing	-	Rs.2.63 p.u
Average rate of realization from Corporation	-	Rs.1.96 p.u

The Commission also wanted to verify the position from the Corporation's side with reference to the tariff for the electricity supplied to the ultimate consumers and also the average revenue realization. As already stated, the Commission had devised detailed formats for obtaining this information. However, the Corporation has not provided any of this information. Under the circumstances, the Commission had no other option but to rely on the report of the Chief Electrical Inspector which *interalia* provided information on the performance of the Corporation. It had been unequivocally stated in the report of the Chief Electrical Inspector of the Government that the financial status of the Electricity Department of the Corporation is very healthy. The Commission has also pursued the ARR filing submitted by the Corporation for the Financial Year 2005-06. In the filing, the Corporation has indicated Rs. 57.29 lakhs as excess income over expenditure for the Year 2003-04, even after considering the power purchase cost as demanded by the Board. The Commission also notes that whenever the Board has revised the retail tariff, the Corporation has adopted the same in their supply area to their benefit. In this situation, the argument of the Corporation that the decision on the withdrawal of concessions taken by the Board has put them into great financial crisis is not sustainable. Considering these, the Commission comes to the conclusion that the revenue generation by the Corporation is adequate enough to pay the electricity charges as per the bills raised by the KSEB on the Corporation. On the other hand, as may be seen from the actual cost of supply of electricity to the Corporation and the rate of billing by the KSEB on the Corporation, the KSEB is incurring a loss of Ps.9 per unit even on the basis of the bills raised by the Board on the Corporation. Therefore, the Commission is of the view that there is no justification on the part of the Corporation to make short remittance on the bills raised by the Commission which averages to a realization of only Rs.1.96 p.u and will put the KSEB to a loss of Ps.76 p.u on each unit supplied by it to the Corporation.

The Board has demanded the total dues including arrears as well as the interest. The Corporation has objected to this and stated that some bills raised by the Board for the electricity supplied to the Corporation contained unjust demand towards surcharge @2.50 paise per unit and this surcharge is unauthorized and illegal as it should be charged on the consumers than to a licensee. The Corporation has also contented that no agreement exists between the Corporation and the Board to charge penalty for arrears. The Board in reply stated that though the Corporation is a licensee, it is a consumer of the Board and the Conditions of Supply is applicable to them. However, the Board has not made any submissions to counter the arguments of the Corporation regarding surcharge.

As per Section 79 of the repealed Electricity (Supply) Act, 1948, the Board has powers to issue regulations. Section 79(h) empowers the Board to make regulations on the principles governing Grid Tariff and Section 79(j) empowers the Board to make regulations on principles governing the supply of electricity by the Board to persons other than licensees under Sec. 49. The Conditions of Supply formulated by the Board is under Section 79(j) of the Electricity (Supply) Act, 1948, and hence applicable to the consumers other than licensees. Hence, it is apparent that the Conditions of Supply issued by the Board is not applicable to the Corporation and there is no material before the Commission to support that Board has issued 'Conditions of Supply' specifically applicable to licensees under Section 79(h) of Electricity (Supply) Act 1948. However, this does not free the liability of the Corporation to compensate the Board for the financial shortfall due to nonpayment of dues by the Corporation. There is also substance in the argument of the Board that Corporation is a consumer of the Board. Though, under the Electricity Act, 2003, the term 'consumer' specifically means a person using electricity for his own use, under the repealed Electricity Act, 1910, the term 'Consumer' was defined as *"any person who is supplied with energy by a licensee or the Government or by any other person engaged in the business of supplying energy to the public"*. Hence the Corporation comes under the definition of consumer under the repealed laws and the dispute pertains to the period when the repealed laws were in force. The Corporation could therefore be treated as a consumer liable to pay interest on belated payments.

Penal interest is charged on the consumers on the justification of ensuring discipline in payment as well as to compensate revenue loss of the supplier due to non-payment by the consumers. Since, the same principle could be applicable to the Corporation, the Commission rules that the Corporation shall pay penal interest at the rate applicable to other consumers of the Board. As per Section 3 of Kerala Electricity Surcharge (Levy and Collection) Act, 1989, every consumer availing HT or EHT supplies of energy supplied by the Board either directly or through other licensees shall pay surcharge along with the electricity charge due for the month. Hence, the surcharge is applicable to consumers only. Since the Corporation has raised the dispute on the Bill on this issue, the Commission directs Board to verify the claim of the Corporation and adjust the bill accordingly.

The Board has pleaded to revoke the licence of the Corporation under subsection (a) and (c) of Section 19 (1), if the Corporation fails to pay the charges. The Corporation has not made any objection to the plea of the Board. The Commission has examined the matter. As per Section 19 of the Electricity Act, appropriate Commission has the power to revoke the licence of any licensee after following the due procedure envisaged under Section 19 of the Act. At this juncture, the Commission is not inclined to consider the plea of the Board, as the non-payment of dues alone would not cause sufficient reason for initiating the procedure for revocation of the licensee and the Commission would take appropriate action, if the situation warrants such action. The Commission notes that the Corporation is a deemed licensee as per the first and third proviso of Section 14 of the Electricity Act, 2003 and the Govt. of Kerala have not expressed

any views regarding revocation of licence to the Corporation. However, the Board is free to approach the Commission, if the circumstances warrant revocation of licence..

Board further pleaded to allow it to supply the consumers within the supply area of the Corporation under the 6th Proviso to section 14 of the Electricity Act, 2003. The said provision reads as follows:

"Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements (including the capital adequacy, credit-worthiness, or code of conduct) as may be prescribed by the Central Government, and no such applicant who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose".

Following the provision, any person may apply for grant of licence before the Commission to distribute electricity through their own system within the same area of another distribution licensee, subject to the eligibility conditions prescribed by the Government of India. Hence, Board is free to apply for a distribution licence in the area of supply of the Corporation, to the Commission. The Commission shall consider such application on merit duly complying with the various provisions of the Act.

4. Commission's Order

4.1 In view of the foregoing, the Commission orders that Trissur Municipal Corporation shall pay electricity charges to the KSE Board as per the bills raised on the Corporation by the Board which are in line with the tariff Orders in force from time to time, from 29.11.2002 onwards. The dues including the interest (at a rate applicable to other consumers) on arrears, if any, accrue to the Board as on the date of this order shall be paid by the Corporation within 60 days of this order. The Board shall examine the disputes raised by the Corporation regarding the bills such as surcharge and duty and reconcile the same within 15 days of this Order under intimation to the Commission.

- 4.2** *In the event of default of payment by the Corporation, the Board may take measures for disconnection of supply as envisaged under Section 56 of the Act. The Board may also take necessary action for recovery of dues including revenue recovery, as it may deem fit.*
- 4.5** *By exercising the powers under Section 86(1), the Commission directs that the Corporation shall within one month of this Order submit to the Commission a draft agreement with the Board for power purchase, for approval.*
- 4.5** *As regards the prayer of the KSE Board regarding revocation of the Licence of the Corporation, the Commission is of the view that under the present circumstances, the issues raised by the Board alone would not warrant revocation of the Licence. However, the Board is free to bring to the notice of the Commission, if the Corporation acts in a manner warranting action under Section 19 of the Act. In such a situation, the Commission may, if considered necessary, initiate action as envisaged under Section 19 of the electricity Act, 2003.*
- 4.5** *The Commission also rules that the Board, if so desires, may approach the Commission duly satisfying the conditions under sixth proviso to Section 14 of the Electricity Act, 2003 for a second distribution licence in the supply area of the Corporation.*

The petition No: DP15 from the Kerala State Electricity Board is disposed of accordingly.

Sd/-

**C.BALAKRISHNAN
(MEMBER)**

Sd/-

**M.K.G.PILLAI
(CHAIRMAN)**

Authenticated copy for issue

Secretary

LIST OF PARTICIPANTS

Present

KSERC

- 1 Smt.S.Ajitha, Secretary
- 2 Dr.Jayasankar B Nair, Sr.Economic Analyst
- 3 Shri.A.M.Narayanan, Dy.Director

KSEB

- 4 Shri.Sudley Cardoza, Executive Engineer, TRAC
- 5 Shri. Bipin Sankar, Asst.Executive Engineer.
- 6 Shri.N.K.Shaji, A.O, O/o.SOR

Govt. of Kerala

- 7 Shri.S.Muraleedharan Nair, Deputy Secretary, Power Dept.
- 8 Shri.P.S.Jyothi Kumar, Deputy Secretary, LSG Dept.

Thrissur Corporation

- 9 Shri.T.V.Chandran, Chairman, PWSC,
- 10 Smt.C.Sumangala Devi., Asst.Secretary,
- 11 Shri.V.M.Syam Kumar, Advocate for Trichur Corporation
- 12 Shri.K.M.Michael, Electrical Engineer,
- 13 Shri.Jomon C.J, Senior Superintendent, Electrical Department,
- 14 Shri.C.Sreekumar, Sr.Assistant