

KERALA STATE ELECTRICITY REGULATORY COMMISSION

THIRUVANANTHAPURAM

PRESENT: Shri. C. Balakrishnan, Chairman
Shri. C. Abdulla, Member
Shri. M.P.Aiyappan, Member

Date: April 27, 2009

In the matter of
Suo-motu withdrawal of power restrictions on HT/EHT and LT consumers

Background

1. The Kerala State Electricity Regulatory Commission *vide* its Orders dated 24-7-2008, 6-10-2008 and 7-11-2008 had imposed power restrictions to the HT-EHT and LT consumers of KSEB and other licensees in the State. These restrictions were introduced based on the petitions filed by Kerala State Electricity Board (*the Board for short*) for imposing of restrictions on account of the reasons such as failure of monsoon, reduction in availability of power from central generating stations and increase in cost of fuel for the liquid fuel stations. After the introduction of restrictions, the Commission has been reviewing the power position periodically. In the Order dated 25-11-2008, the Commission has specifically stated that *suo-motu* decision will be taken on the continuation of restrictions as and when the power position improves, after calling for the necessary details from KSEB.
2. The Board, *vide* letter dated 24-4-2009 requested the Commission to withdraw the power restrictions with effect from 1-5-2009 as the situation for imposing restrictions have changed. According to the Board, the availability from central generating stations has improved to a level of 21 to 22 MU per day now from 16 to 17 MU per day received in July-October 2008. The prices of liquid fuels have also been reduced considerably. Further, KSEB has stated that by limiting the use of hydro energy during December and January, the availability of energy during the summer months have improved to a level of 17MU per day till 31-5-2009. According to the estimates of KSEB, average

daily availability of energy in the State would be 47.65 MU as against the average restricted demand of 46.56MU per day for the month of April, 2009 (upto 23rd). The energy demand would increase by about 1 to 1.5 MU per day if the restrictions are withdrawn, which could be met through UI or power exchange. Further, the Board anticipates that as against the estimated unrestricted demand of 48.60MU per day for the month of May 2009, the demand will be 48MU per day due to economic recession and summer rains.

Analysis of the Commission

3. As noted, the Commission has mentioned in the Order dated 25-11-2009 that decision on the continuation of power restrictions would be taken *suo-motu* as and when the power position improves. Based on the information available from KSEB, the Commission has noted that the energy availability in the State has improved especially from CGS. In the order dated 17-4-2009 on ARR& ERC of the Board for 2009-10, the Commission had estimated an energy availability of 17MU per day from hydro sources for the month of April and May, 2009. However, based on the present storage level, the generation could be enhanced by about 1 to 2 MU per day. The Commission notes, that in the month of April, 2009 (upto 24-4-2009), KSEB has not resorted to import of power on short term basis, except through UI. The summer rains have helped in reducing the daily demand and also contributed to hydro inflow by about 2.5MU daily. More importantly, the cost of generation from liquid fuel generating stations have reduced substantially and stabilized to level of less than Rs.5 unit. Accordingly, the estimated demand of 48MU for the month of May, 2009 could be met through internal generation including IPPs and CGS. If KSEB continues its effort to discourage luxury/wasteful consumption, the present restriction to the tune of 20% could be removed without much operational difficulty. Hence, based on the available information the Commission is of the view that continuation of the present restriction is not necessary. In the event of requirement of additional power on short term basis due to increase in demand than the estimated level, the Board shall approach the Commission with necessary proposal for approval.

Order of the Commission

4. Based on the information submitted by the Board and on its own analysis, the Commission hereby decides that power restrictions imposed vide orders dated 24-7-2008, 6-10-2008 and 7-11-2008 to the HT-EHT/LT consumers of KSEB and other Licensees is lifted with effect from 1-5-2009 and orders accordingly.

Sd/-
M.P.Aiyappan
Member (F)

Sd/-
C. Abdulla
Member (E)

Sd/-
C. Balakrishnan
Chairman

Approved for issue

Secretary in charge