

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present: **Shri. Preman Dinaraj, Chairman**
Shri. S. Venugopal, Member
Shri. K. Vikraman Nair, Member

Petition No. OP 7/2017

In the matter of : The requirement of 150 kVA, contract demand at 415 voltage, by paying low voltage supply surcharge.

Petitioner : Sri. E.A. Usman, Managing Partner, M/s National Plywood Industries, Rubber Park India (P) Limited.

Petitioner represented by : Sri. E.A. Usman, M/s National Plywood Industries
Smt. Neenu Skaria, Chartered Engineer, IECC

Respondent : M/s Rubber Park India (P) Limited

Respondent represented by : Sri. Anees T.M, Resident Engineer, RPIPL

Order dated 13 .11.2017

1. Shi. Usman, M/s National Plywood Industries (herein after referred to as the petitioner), a consumer in the licensed area of M/s Rubber Park India (P) Ltd.(hereinafter referred to as RPIPL), has filed a petition before the Commission on 19.06.2017, with the prayer to permit the consumer to operate up to 150 kVA in LT by paying low voltage supply surcharge. The summary of the issue raised by the petitioner is given below.
 - (i) Regulation-8 of the Kerala Electricity Supply Code, 2014 mandate the approval of the Commission when the contract demand/ connected load exceed the limit specified for different supply voltage. The present connected load of M/s National Plywood Industries is 174.5 HP + 4kW, and maximum demand is 149 kVA.
 - (ii) The petitioner further submitted that, as per the suo-motu tariff Order dated 17.04.2017, the LT IV industrial consumers having connected load

above 100 kVA shall pay low voltage surcharge at the rate of Rs 150/kVA/month. Hence the petitioner may be allowed to continue to avail electricity at LT by paying low voltage surcharge though their connected load is more than 100kVA.

- (iii) If the existing LT consumers having connected load above 100kVA are not allowed to continue at LT, they have to incur huge additional investment of about Rs 18.00 lakh for installation of the transformers and allied equipments.
- (iv) As per Supply Code 2014, Reg.11(3) 'An applicant occupying multi-storeyed building may be given service connection at low tension on his application, even if his connected load or contract demand is more than 100 kVA, by providing bus ducts or cables of adequate current carrying capacity'. An Industrial estate is also having an identical situation with that of multi-storeyed building. Hence in line with the LT connection being given to multi storeyed building above 100kVA, the connection to M/s National Plywood Industries may be retained in LT.

2. The commission admitted the petition as OP No. 7/2017 and forwarded the copy of the petition to the respondent licensee M/s Rubber Park India (P) Ltd (M/s RPIPL) for comments. The respondent M/s RPIPL filed its reply on 09.08.2017, and its summary is given below.

- (i) The petitioner availed power connection in LT with a contract demand of 91 kVA in LT IV (A) industrial tariff on 16.06.2009. Subsequently, the petitioner applied for increasing the contract demand to 148kVA under LT. At that time connected load of a 500kVA unitized substation near to the consumer premises was only less than 100kVA and hence the petitioner was provisionally allowed to avail power with contract demand of 148kVA with a condition that once the prospective consumers approaches for additional power, M/s National Plywood Industries will be advised to avail HT Supply. This was done as a special case for reducing the losses from the unutilized transformer, which will ultimately reduce the overall distribution losses. Moreover, as an industrial developer, RPIPL allowed the consumer to continue in LT to reduce their financial burden at the start up stage of operation.
- (ii) At present the total connected load of the above unitized substation is 380kVA. Now, a prospective consumer is expected to take power connection with a contract demand of 100 kVA within 2 to 3 months.

Further, two of the existing consumers are also likely to enhance the contract demand. M/s Rubber Park India (P) Ltd had given notice to the petitioner to avail supply at HT supply by installing their own transformer of adequate capacity or limit their contract demand within 100kVA to continue the power supply in low voltage.

3. The Commission had conducted the hearing on the petition at Court Hall of the Commission on 16.8.2017. Ms. Neenu Skaria, presented the petition on behalf of the petitioner and Sri. Anees T.M, Resident Engineer, presented the arguments on behalf of the respondent M/s Rubber Park India (P) Ltd. During the hearing, the Commission has observed that, the distribution licensees are bound to comply with the Electricity Act, 2003 and the regulations notified by the Commission consistent with the provisions of the Electricity Act-2003. The Commission directed the petitioner and the respondent to submit additional comments if any, latest by 29.08.2017.

4. M/s RPIPL, on 28.08.2017 has submitted additional comments, and its summary is given below.

(i) As per the Regulation 8 of the Kerala State Electricity Supply Code 2014, the limit of connected load or contract demand specified for different supply voltage levels may be exceeded up to a maximum of twenty percent if supply at the appropriate higher voltage level is not feasible due to non-availability of distribution line at such higher voltage level in that area of supply:

Provided further that the limits of connected load or contract demand specified for different supply voltage levels as specified above may be exceeded in exceptional cases with the approval of the Commission, subject to the conditions stipulated in such approval.

Accordingly, M/s RPIPL requested that the Commission may kindly make the above regulation applicable for the low tension consumers inside Rubber Park on a case to case basis, even if the supply at the appropriate higher voltage is feasible from the distribution line of higher voltage of the licensee, provided that the distribution transformer from which the consumer availed low tension power connection has sufficient capacity.

(ii) M/s RPIPL apologized for providing power connection at LT to the petitioner up to 148 kVA though the intention was to reduce the distribution loss, and prayed for not to take any coercive action against

them. M/s RPIPL assured that, they will not repeat such violations in the future and will strictly comply with the provisions of the Electricity Act 2003 and the regulations notified by the Commission.”

Analysis and Decisions

5. The Commission has examined the submissions of the petitioner M/s National Plywood Industries and the comments of the respondent licensee M/s Rubber Park India (P) Ltd.
6. Rubber Park India (P) Ltd is a Joint Venture Company of Govt. of India and Govt. of Kerala, set up with the objective of powering the progress of Rubber based industries in India. Rubber Park is located at Irapuram near Perumbavoor in Ernakulam and its area of operation is limited to 107 acres of land. Rubber Park is basically an infrastructure provider, and it is also having license for distributing electricity within their area of operation. Presently M/s RPIPL, has been procuring power from KSEB Ltd at BST rate as approved by the Commission and distributing electricity within their area of operation after creating necessary infrastructure.
7. M/s National Plywood industries is an LT consumer of the licensee M/s Rubber Park India (P) Ltd. The consumer had entered into an agreement with the licensee on 1^{5th} June 2010. As per the original agreement dated 16.06.2009, the contract demand of the consumer was 91kVA, and subsequently during the year 2010 itself, the contract demand was enhanced from 91 kVA to 148kVA. As per the details submitted by the licensee M/s RPIPL, it is having 5 numbers of unitized substation with 250 kVA capacity and 4 numbers of unitized substation with 500 kVA capacity. One of substation with 500 kVA capacity is located towards the front of the petitioner and its utilization was less than 100 kVA at the time of enhancing the load of the petitioner from 91 kVA to 148 kVA. Hence the licensee M/s RPIPL had provisionally allowed the petitioner to avail power upto 148 kVA at LT, for the effective utilization of the 500 kVA transformer capacity, with the condition that once the prospective consumers approaches the licensee for availing power at LT, the petitioner will be advised to avail HT supply by installing their own transformer with adequate capacity.
8. Further, according to the licensee M/s RPIPL, by allowing the petitioner to avail power upto 150 kVA at LT, reduced the losses from the unutilized transformer, which in turn reduced the overall distribution losses in Kerala system. Further as an industrial developer, the M/s RPIPL had allowed the consumer to reduce the financial burden from investing huge amount in transformer and allied equipments at their start up stage of operation. However, at present, the total

connected load of the transformer is 380 kVA and one more consumer with a connected load of 100 kVA is expected to avail electricity connection within two or three months.

9. In addition to the above, two of the existing consumers having connected load much below 100 kVA are likely to increase their load up to allowable maximum contract demand of 100 kVA. Hence, the capacity of the 500kVA transformer from which the electricity is being provided to the petitioner cannot be spared for him for providing 148 kVA contract demand. Hence the licensee M/s RPIPL has given notice to the petitioner to install their own transformer and avail supply at HT or limit their contract demand within 100kVA to avail power supply at LT.
10. As detailed above, the licensee M/s RPIPL had permitted the consumer to avail supply at LT with a contract demand of 148 kVA since the year 2010. As a distribution licensee, M/s RPIPL was also bound to provide electricity to the consumers within their area of operation, as per the provisions of the Electricity Act 2003 and the Regulations notified by the Commission. The Section-50 of the Electricity Act-2003 empowers the Commission to notify the Electricity Supply Code, which inter-alia provides for various supply conditions and voltage level at which the electricity is supplied to the consumers based on the load.
11. The Commission had notified the Kerala Electricity Supply Code, 2005 (herein after referred as Supply Code 2005) on 2nd March 2005. As per the sub clause (5) of clause-4 of the Supply Code, 2005, the maximum connected load permitted at 415 V (LT level) is only 100 kVA. i.e., a consumer having connected load above 100 kVA has to avail supply at HT level. Subsequently, the Commission vide the Kerala Electricity Supply Code (Fourth amendment) Regulations, 2008, dated 24th October 2008, amended the sub clause (5) of clause-4 of the Supply Code, 2005, by inserting a sub clause as follows.

“(b) For new consumers connected load permitted under LT may be limited to 100 kVA. But consumers existing as on the date of implementation of Kerala Electricity Supply Code, 2005 may be permitted to operate in LT up to a load of 150 kVA ”

Accordingly, as per the above provisions, the consumers existing as on the date of implementation of the Kerala Electricity Supply Code, 2005, i.e., as on 02nd March 2005, are allowed to operate at LT for the load upto 150 kVA.

12. The Commission on 31st January 2014, had notified the Kerala Electricity Supply Code 2014 (herein after referred as Supply Code, 2014) and repealed the

Supply Code 2005 notified on 2nd March 20-5. As per the Regulation-8 of the Supply Code 2014, the maximum contract demand permitted at 415 V (LT level) is only 100 kVA. Further, as per the Regulation-9 of the Supply Code 2014, the consumers availing supply at voltage level lower than the one specified in the Regulation-8 for the respective limits of connected load or contract demand shall pay the low voltage surcharge to the licensee at the rates approved by the Commission from time to time in the tariff order.

13. Further, as per the Regulation 11 and its subsequent amendments vide the Kerala Electricity Supply Code (Removal of difficulties) Third Order 2014 dated 23rd September 2014, provide as follows.

2. Insertion of proviso to sub regulation (2) of regulation 11 of the Code.- To sub regulation (2) of regulation 11 of the Code, the following proviso shall be inserted, namely:-

*“Provided that the consumers existed on the date of implementation of the Kerala Electricity Supply Code, 2005, and who were permitted to operate at low tension up to a connected load or contract demand of 150 kVA in accordance with clause (b) of sub regulation (5) of regulation 4 of the Kerala Electricity Supply Code, 2005 (substituted by regulation 3 of the Kerala Electricity Supply Code (Fourth Amendment) Regulations, 2008) shall be **allowed to operate at the same voltage level and connected load or contract demand subject to realization of low voltage surcharge** until an upward revision of connected load or contract demand is granted on application submitted by the consumer or becomes otherwise necessary.”.*

As per the Regulation-11 of the Supply Code 2014, the consumers existing as on the date of implementation of the Supply Code 2005 and who were permitted to operate at LT upto a load of 150 kVA has to pay low voltage surcharge at the rate approved by the Commission.

14. As per the details available before the Commission, the petitioner M/s National Plywood Industries, had enhanced its contract demand from 91 kVA to 148 kVA during the year 2010. Accordingly, during the period when the consumer enhanced their contract demand up to 148 kVA, the provisions of the Supply Code 2005 and its subsequent amendments is applicable to the petitioner for providing the supply. Hence, the decision of the licensee M/s RPIPL to permit the petitioner with a contract demand of 148.7 kVA to avail supply at LT is against the provisions of the Supply Code 2005. Further, as per the Supply Code 2014

and its subsequent amendment as per the Kerala Electricity Supply Code (Removal of Difficulties) third order 2014 dated 23.09.2014, the consumer is not eligible to continue to avail supply at LT level.

15. However, the licensee M/s RPIPL has submitted that, during the period when the petitioner enhanced its contract demand from 91 kVA to 148 kVA, the transformer capacity from which the M/s RPIPL has been providing supply to the petitioner was highly under-utilized, i.e., out of the transformer capacity of 500 kVA, the utilization was less than 100 kVA. Hence, by permitting the consumer to avail supply from the under-utilized transformer, helped to reduce the transformer loss and ultimately the distribution loss of the Kerala power system. Further, as an infrastructure developer rather than distribution licensee, M/s RPIPL enabled the consumer to reduce its investment in transformer and allied equipments at their start up stage of operation.
16. The Commission has noted the above facts. The licensee has violated the supply code provisions by allowing a consumer with a connected load of 148 kVA to continue to avail supply at LT level. This is a serious lapse. However, as the licensee has admitted the lapse and assured that they will not repeat such violation in future, the Commission hereby issue strict warning to the licensee not to repeat such violations and if any violations of the provisions of the Electricity Act, 2003 or the regulations made under are found in future, strict action will be taken, as per the relevant provisions of the Electricity Act, 2003.
17. The Commission has examined the submission of the licensee RPIPL that, the provisions under Regulation-8 of the Supply Code, 2014 may be made applicable for the low tension consumers inside the Rubber Park, even if the supply at the appropriate higher voltage is feasible from the distribution line of higher voltage of the licensee. The Regulation- 8 of the Supply Code, 2014 is extracted below.

8. Supply voltages for different connected loads or contract demands.- *The supply voltage levels for different connected loads or contract demands for new connections or for gross connected load or contract demand consequent to revision of connected load or contract demand, shall be as follows:-*

Supply voltage	Maximum connected load (for those without demand)	Maximum contract demand (for those with demand based metering)
240 V(single phase)	5 kW	
415V(three phase)	100 kVA	100kVA

11 kV		3000 kVA
22kV		6000 kVA
33 kV		12000kVA
66 kV		20000kVA
110 kV		40000kVA
220 kV		>40000 kVA

Provided that the limit of connected load or contract demand specified for different supply voltage levels may be exceeded up to a maximum of twenty percent if supply at the appropriate higher voltage level is not feasible due to non-availability of distribution line at such higher voltage level in that area of supply:

Provided further that the limits of connected load or contract demand specified for different supply voltage levels as specified above may be exceeded in exceptional cases with the approval of the Commission, subject to the conditions stipulated in such approval.

18. The first proviso to the Regulation 8 of the Supply Code 2014, provides that, the connected load or contract demand may be exceeded upto 20% of the load limit specified in Regulation-8 in case the licensee could not provide supply at higher voltage due to non availability of distribution line at higher voltage. In this case, the licensee M/s RPIL has not reported any difficulty in providing supply at higher voltages to the petitioner, but the licensee has been insisting the petitioner to avail the supply at higher voltage. Hence, the relaxation specified under first proviso to Regulation 8 of the Supply Code, 2014 cannot be granted to the petitioner.
19. The second proviso to Regulation-8 of the Supply Code 2014 specify that, the limit of connected load/ contract demand can be exceeded in exceptional cases with the approval of the Commission, subject to the conditions given in such approval. However, in the present case, the petitioner or the licensee has not submitted necessary and sufficient reasons for granting approval for permitting the petitioner to have connected load/ contract demand, above the limits specified in Regulation-8. Hence, the Commission cannot grant approval for exceeding the connected load/contract demand of the petitioner above the limit specified in Regulation 8 of the Supply Code 2014.
20. As discussed in the preceding paragraphs, as per provisions of the Supply Code, 2005 and Supply Code 2014, if the petitioner wants continue to avail supply at LT, he has to reduce the contract demand from the present level of

148 kVA to 100 kVA or below for availing supply at LT , other wise the petitioner has to avail supply at HT as per the provisions of the Supply Code 2014.

Order of the Commission

21. Considering the facts and circumstances of the case as discussed in the preceding paragraphs, the Commission here by orders that,

- (i) The petitioner has to reduce the contract demand from the present level of 148 kVA to 100kVA or below for availing supply at LT, otherwise, the petitioner (want to continue the contract demand at 148 kVA) has to avail supply at HT as per the provisions of the Supply Code, 2014.
- (ii) The petition disposed off.

Sd/-

K. Vikraman Nair
Member

Sd/-

S. Venugopal
Member

Sd/-

Preman Dinaraj
Chairman

Approved for issue

Sd/-

K B Santhosh Kumar
Secretary