

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

PRESENT: Shri. T.M. Manoharan, Chairman
 Shri. P. Parameswaran, Member
 Shri. Mathew George, Member

4th June, 2013

Petition No. OP 16/2013

In the matter of: Approval of estimate rates for providing metered supply to street light installations of Local Self Governments

Kerala State Electricity Board, Pattom, TVM

.....

:Petitioner

:Respondent

ORDER

1. BACKGROUND

KSEB vide letter dt. 30-1-13 of the Chief Engineer (C&T) submitted application for approval of estimate rates for providing metered supply for street light installations and requested for approval of the Commission. As directed by the Commission KSEB subsequently submitted the application as a petition, as per the provisions of the KSERC (Conduct of Business) Regulations 2003 and requested for approval.

2. HEARING OF THE MATTER

2.1 The petition was admitted as OP No.16/13 and hearing held on 25-4-2013. Shri. Pradeep B. Executive Engineer (TRAC) on behalf of KSEB, stated their arguments. Though schedule of hearing was published in the web site of the Commission and a press release was also given, there were no representatives from the side of the Local Self Govt. Institutions. (LSGIs). KSEB provided the clarifications sought for by the Commission. The arguments of the petitioner are summarised as given below.

2.2. KERALA STATE ELECTRICITY BOARD.

The petitioner submitted the following arguments for approval of the estimates prepared for providing metered supply to street light installations.

1. The repair and maintenance of street lights installed on request of the Local Self Government (LSG) Institutions were being carried out by KSEB as part of the composite tariff applicable to un-metered street light installations. Government, on examining various aspects involved, like need for metering, timely execution of repair and maintenance etc., vide circulars No. 43742/DC3/2010/LSG dated 07-07-2010, No. 3055/DA3/2011/LSG dated 15-09-2011 and No. 67208/DA3/ 11/LSG dated 27-03-2012, had entrusted the Local Self Government Institutions for awarding the maintenance

work through tendering process as per the Stores Purchase Rules. Metered supply has to be availed for such street light installations.

2. While adopting the Government circulars dated 07-07-2010 and 15-09-2011, Board , vide B.O.(FM) (Gen) No. 1007/2012 (Plg.Com. 3515/98/11-12) dated 17-05-2012, undertook that KSEB would bear 50% of the expenses for the installation of meters & metering equipments to those LSG Institutions which are willing to install the same, within a period of 6 months from the date of B.O. to promote various LSGIs to initiate the process of street light metering. The cost is proposed to be incurred by KSEB as part of DSM measures in the street lighting sector and thus automatic street light controller is also made part of the proposed metering systems. The cost of meter is not included in the estimates and it is proposed to charge meter rent from each metered connection.
3. Subsequently, vide B.O. (FM) (Gen) No. 1947/2012 (Comml.II/Streetlight/12-13) dated 19-10-2012, Board accorded sanction to extend the time for availing the benefit of 50% concession on estimate cost for availing metered supply of electricity for street lights up to 31-03-2013.
4. In the above circumstances, Board has submitted a request before the Hon. Commission for approving estimate rates for providing metered supply of street light installations vide Letter No. KSEB/TRAC/Street light/R2/2012/78 dated 30-01-2013 of the Chief Engineer (Commercial & Tariff).
5. Recently, on 12-03-2013, vide circular No. 65529/DC3/12/LSG dated 12-03-2013, Government have directed all the LSG Institutions to install metered street lights with automatic facility by utilizing the technical support from KSEB and remitting necessary amount.

3. ANALYSIS AND DECISION OF THE COMMISSION.

- 3.1 The prayer of the petitioner KSEB is to issue approval for the estimates for providing metered supply for street light installations. The petition by KSEB is within the ambit of the Commission and hence, maintainable.
- 3.2 The estimated work is necessary for providing metered supply to the street light installations of the Local Self Govt. Institutions. Govt. has made metered supply for street light installations a precondition for awarding the maintenance work of street light installations of LSG Institutions. KSEB had offered to bear 50 % of the estimated cost, in the case of local bodies who avail the facility up to 31-3-2013. The 50% cost is proposed to be incurred by KSEB as part of the DSM measures in the street lighting Sector.

3.3 The estimate consisted of the following:

Part A –Material and Part B- Labour charge.

1. Part A	Cost of Materials	: Rs. 7661.50	
	Storage, Overhead & Contingency Charges @ 16%	: <u>Rs. 1225.84</u>	
	Total	: <u>Rs. 8887 .34</u>	
2. Part B	Labour charge	: Rs. 1000	
Total	Part A + Part B	: Rs. 9887.34 (a)
	Supervision charges @10%	: Rs. 988.73	... (b)
	Unforeseen	: Rs.380.43(c)
	Grand Total (a+b+c)	: Rs.11256.50	
	Less cost of energy meter	: Rs.656.50	
	Net Total	: <u>Rs. 10600.00</u>	

- 3.4 The work includes supply, installation, testing and commissioning of the street light metering system with installation of timer and control facilities for automatic on/off. The estimated amount including the cost of meter is **Rs.11256.50**. The cost of meter is excluded in the estimate provided by KSEB, as it is proposed to charge meter rent from each metered installation. The estimate cost excluding cost of energy meter is **Rs.10600**.
- 3.5 The Condition No.5 in the Schedule of Tariff for “Metered Street lights”,(as published in the Gazette notification)reads as follows: “5. Separate charges shall not be collected from the consumers towards service charges or meter hire”. According to this notification, KSEB cannot charge meter hire charge.
- 3.5 The first proviso of Section 55(1) of Electricity Act, 2003, provides that the licensee may require the consumer to give security for the price of a meter and enter into agreement for the hire thereof, unless the consumer elects to purchase a meter. In case of connections, where cost of meter has been borne by the consumer, no meter rental or any security for the price of the meter shall be charged from the consumer.
- 3.6 In the light of the contentions presented by the petitioner, the relevant question arising for consideration is whether the estimate is to be approved excluding the cost of meter or not. The approval of the estimate shall be in accordance with the tariff order in force.
- 3.7 In the oral submission, KSEB has requested that necessary changes in the tariff order may be made so as to enable KSEB to collect meter hire charge from the street light consumer/LSGIs. Terms and conditions of Tariff w.e.f 01.05.2013 shall contain appropriate provisions.

4. ORDERS OF THE COMMISSION.

On detailed examination of the submissions of the petitioner and after hearing the party, the Commission issues the following orders on the petition under consideration.

Approval is accorded for the estimate for installing the metering and control facility of street lights, as per the **Annexure**, with the following options.

- i. KSEB shall supply the energy meter and realise rental charges, or
- ii. The Local bodies shall procure the meter and in such case, no meter rental shall be realised from them.

Petition is disposed of and ordered accordingly.

Sd/-

**P.Parameswaran
Member**

Sd/-

**Mathew George
Member**

Sd/-

**T.M.Manoharan
Chairman**

Approved for Issue

Secretary