

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present : Shri. Preman Dinaraj, Chairman

OP 70/2021

In the matter of : Seeking approval for Petition for One Time Settlement Scheme for Arrears (OTS-2022)

Petitioner : M/s. Kerala State Electricity Board Limited

Daily Order dated 18.02.2022

1. KSEB Ltd filed a petition on 02.11.2021 before the Commission for approval of the One Time Settlement Scheme (OTS-2022) for collection of arrears to be implemented for the period from 01.01.2022 to 31.03.2022.
2. The summary of the petition filed by KSEB Ltd is given below.
 - (1) As per Section 136(5) of the Supply Code, 2014, the licensee may formulate a scheme for One Time Settlement of long pending arrears and implement the scheme with prior approval of the Commission.
 - (2) As per the order of the Commission dated 11.02.2021, KSEB Ltd had implemented OTS-2021 scheme for the period from 15.02.2021 to 31.03.2021.
 - (3) Under OTS -2021, 923 applications, having an arrear amount of Rs 20.34 Cr had been settled and the total amount realized is Rs 13.06 crore as detailed below.

Arrears collected under OTS-2021

Particulars	Application Settled under OTS 2021(Nos)	Actual arrear		Settlement made under OTS	
		Principal amount (Rs.Cr)	Interest amount (Rs.Cr)	Principal amount (Rs.Cr)	Interest amount (Rs.Cr)
LT Consumer	915	2.99	4.84	2.81	1.52
HT Consumer	8	5.88	6.63	5.86	2.88
Total	923	8.87	11.47	8.67	4.40
Grand Total		20.34		13.06	

- (4) KSEB Ltd further submitted that, in the wake of Covid -19 pandemic, several requests have been received from consumers that they could not avail the earlier OTS schemes within the time frame and had requested for considering their requests. The period of implementation of the OTS-2021 scheme was when the model code of conduct due to election was also in force. Hence, an effective implementation of above scheme could not be undertaken by KSEB Ltd.
 - (5) KSEB Ltd submitted that, in order to mitigate the hardship faced by the consumers due to Covid-19 pandemic and also considering the several requests made by the consumers and also to recover the arrears, a new proposal for One Time Settlement (OTS-2022) almost in line with the previous scheme (OTS 2021) is submitted.
 - (6) As per the OTS-2021, the arrears above 2 years are eligible to be considered under the scheme (ie; demand raised prior to 01.01.2019). However, on implementing the above scheme, several clarifications have been sought from the field offices, whether the bills issued to self financing institutions based on the Hon'ble Supreme Court Order dated 20.02.2020 may be considered under the above OTS scheme. The demand claimed with interest as per the order of the Apex Court was for the period from 2007 onwards. However, the bill was issued within 2 years based on Court Order. To consider the eligibility of such cases under OTS, in the new proposal for OTS-2022, the eligibility criteria has been modified such that the actual date from which the amount become originally due is to be taken for assessing eligibility.
 - (7) The OTS-2021 scheme had allowed one additional chance to those cases which were settled under previous OTS schemes but could not avail the benefit due to various reasons as a one-time relaxation. Since, the same was provided as a one-time relaxation, it is excluded from the new proposal.
3. The Commission admitted the petition as OP 70/2021 and hearing conducted through video conference on 18.02.2022. KSEB Ltd was represented by Sri Suresh, Executive Engineer, TRAC. He made a presentation on OTS -2022 before the Commission. Sri Suresh, EE and Sri Rajesh, AEE, responded to the quires of the Commission also. Summary of the deliberations during the hearing is given below.
- (1) KSEB Ltd submitted that KSEB Ltd has filed the petition for OTS -22 as per Reg. 136(5) of Kerala Electricity Supply Code, 2014, to recover long pending arrears. KSEB Ltd could not effectively conduct OTS-21, as model code of conduct was in force. Moreover, KSEB Ltd received requests from

several consumers that they could not avail OTS-2021 due to Covid-19 Pandemic situation.

- (2) KSEB Ltd submitted that OTS - 2021 was implemented from 15.02.2021 to 31.03.2021. 923 applications were settled, with total arrear amount of 20.34 Cr. The amount collected is Rs 13.06 Cr. KSEB Ltd clarified that no principal amount is waived in OTS - 2021. The difference in principal amount was due to the following, which was earlier approved by the Commission:

- (i) limiting the fixed charges to 6 months after disconnection, in cases where billing continued even after 6 months of disconnection.
- (ii) Limiting minimum guarantee and Unconnected Minimum, when electric lines become self-remunerative

KSEB Ltd submitted that the details and reasons for difference in principal amount realized than proposed will be submitted to the Commission.

- (3) KSEB Ltd clarified that the OTS - 2021 was settled as per the rates approved by the Commission. The Commission directed KSEB Ltd to submit details of amount settled in OTS 2021 in the following format:

Sl No	Name of party	Arrear pending from	Pending amount as per original interest rate		Amount settled as per revised interest rate		Remarks, if any
			Principal	Interest	Principal	Interest	

- (4) KSEB Ltd submitted that the total arrear amounts to Rs 2771 Crore out of which around ₹1000 Crore is bill up to six months and may not be considered as arrear. As such, around Rs 1700 Cr is the present arrear. The data submitted by KSEB Ltd is as follows;

ABSTRACT OF ARREARS AS ON 31-12-2021 (Without Surcharge) (Rs.in Crore.)								
Sl. No.	Consumer	Arrear excluding litigation			Arrear under litigation			GRAND TOTAL
		LT	HT	Total	LT	HT	Total	
A	B	C	D	E = (C + D)	F	G	H = (F + G)	I = (E + H)
1	GoK Dpts	17.72	55.34	73.06	44.61	0.68	45.29	118.35
2	State.PSUs	270.87	716.51	987.38	0.12	33.24	33.36	1020.74
3	Public Inttns	3.69	22.49	26.18	0.64	21.15	21.79	47.98
4	Local Bodies	5.71	0	5.71	1.87	0	1.87	7.58
5	Gol Dpts	2.19	0.26	2.45	0.53	0	0.53	2.98

6	Central PSUs	6.40	60.10	66.49	1.33	5.61	6.94	73.43
7	Domestic	387.80	0	387.8	6.68	0	6.68	394.48
8	Private Insttns	298.12	488.87	786.99	35.03	201.74	236.77	1023.76
9	CPP	0	11.06	11.06	0	52.99	52.99	64.05
10	Inter State	0	0.10	0.10	0	2.22	2.22	2.32
11	LICENSEE	0	3.41	3.41	0	10.88	10.88	14.30
12	OTHERS	0.77	0	0.77	0.40	0	0.40	1.16
GRAND TOTAL		993.26	1358.15	2351.42	91.21	328.52	419.73	2771.14

(5) The details of age wise arrear submitted by KSEB Ltd is as follows:

STATEMENT OF AGE WISE RECEIVABLES as on 31.12.2021 -(LT & HT –Without Interest) in Crore									
Sl. No	Consumer	UPTO 6 MONTHS	6 TO 12 MONTHS	1 TO 2 YEARS	2 TO 5 YEARS	5 TO 10 YEARS	10 TO 15 YEARS	ABOVE 15 YEARS	GRAND TOTAL (Rs. In Crore)
1	GoK Dpts	30.29	12.03	13.99	13.70	5.72	25.34	17.28	118.35
2	State.PSUs	229.96	159.63	332.17	242.42	11.35	8.44	36.78	1020.74
3	Public Insttns	17.00	4.79	3.91	16.94	2.65	2.47	0.21	47.98
4	Local Bodies	3.43	1.11	1.17	0.79	0.55	0.35	0.18	7.58
5	Gol Dpts	2.33	0.07	0.03	0.06	0.12	0.34	0.04	2.98
6	Central PSUs	18.93	6.94	11.29	31.63	1.06	0.76	2.83	73.43
7	Domestic	336.29	26.30	11.89	6.77	4.73	4.80	3.70	394.48
8	Private Insttns	290.21	105.60	76.05	130.65	107.09	214.50	99.65	1023.76
9	CPP	4.14	0.64	3.27	0.63	4.44	7.97	42.96	64.05
10	Inter State	0.10	0.00	0.00	0.00	0.00	0.00	2.22	2.32
11	LICENSEE	2.57	0.04	0.00	0.00	0.81	10.88	0.00	14.30
12	OTHERS	0.62	0.03	0.04	0.12	0.17	0.16	0.02	1.16
TOTAL		935.87	317.19	453.83	443.71	138.69	276.00	205.84	2771.14

(6) The Commission observed that the present arrear as submitted by KSEB Ltd in the table above is less than that as on 30.09.2021 by Rs 300 Cr. KSEB Ltd clarified that due to Covid 19, some arrears had accumulated and disconnections

were also kept pending at that time. Now, KSEB Ltd is taking efforts to realise the amount and consumers are remitting the arrear.

- (7) KSEB Ltd submitted that one of the major arrear is that of Kerala Water Authority amounting to Rs 817 Cr. Further, Autokast Ltd has an arrear of ₹52 Cr, Kerala Ceramics Rs 21 Cr and Malabar Cements Rs 9 Cr etc. The Commission directed KSEB Ltd to take up the matter with concerned top management, especially if arrear amount is more than Rs 5 Cr. The Commission clarified that payment of electricity bill is considered as inevitable payment by the Government of India institutions, as per the circulars. KSEB Ltd clarified that the amount of long pending arrear of Gol institutions is small. To realise the balance, KSEB Ltd will be take up with the concerned officers.
 - (8) The arrear amount of Captive Power Plants was Rs 64 Cr. Sri Nandakumar from Carborundum Universal Limited submitted that an amount of Rs 52 Cr with a principal amount of Rs 22 Cr was pending due to litigation. They are willing to settle the amount through OTS. KSEB Ltd submitted that Indsil, the other CPP, is also having arrears.
 - (9) The Commission stated that the data presented before the Commission is not correctly explained due to lack of spilt up details. The Commission directed KSEB Ltd to have complete data with details at the time of the next hearing. KSEB Ltd submitted that all supporting data on the arrears will be submitted to the Commission by 28th of February 2021.
 - (10) KSEB Ltd submitted that the terms and conditions of the present OTS is similar to that of the terms and conditions approved by the Commission in the OTS - 2021. The modifications as directed by the Commission to the OTS 2021 proposed by KSEB Ltd, has been incorporated in OTS 2022.
 - (11) The only change requested by KSEB Ltd in OTS 2022 from OTS 2021 is for clarity regarding whether the due date in which the amount was originally due has to be taken into account while settling the arrears.
4. Sri Nandakumar, CUMI submitted that they support the OTS -2022 and requested to approve the scheme.
 5. Sri. Sunil George, Finance Manager, The Kerala Ceramics Limited (TKCL) submitted that the reconciled amount of arrear against them is Rs 7 Cr and not Rs 21 Cr as stated by KSEB Ltd. Board Order has been issued to this effect and TKCL remitted Rs 3 Cr. TKCL is working out different solutions to remit the balance amount. On the request of TKCL, the Commission clarified that preferential treatment cannot be given to any organization.
 6. KSEB Ltd submitted that 3 month's period is proposed for OTS considering the time required for creating attention of public. The Commission clarified that the OTS can be made available for short duration only as per Regulation 136 of the Kerala Electricity Supply Code, 2014.

7. Based on the discussions in the hearing, the Commission directed KSEB Ltd to submit the following additional information to the Commission on or before 28th February 2022.
- (i) The details as directed by the Commission vide para 3(3) to be furnished in the given format
 - (ii) KSEB Ltd shall take up with the top management of institution including Govt institutions/department who had high arrear to realise arrears to the maximum
 - (iii) Age wise details of the arrear amount including spilt up data showing the principal and interest amounts for arriving at the present amount of arrear shall be submitted by 28.02.2022.
 - (iv) The details and reasons in difference in principal amount due and collected in OTS 2021.

The date of next hearing will be intimated in due course.

Sd/-
Preman Dinaraj
Chairman

Approved for issue

C R Satheeshchandran
Secretary

Annexure 1

List of participants attended the hearing held on 18.02.2022

1. Mr Rajesh J. Kuruvila, Carborandum Universal Limited
2. Mr Nair Nandakumar P, Carborandum Universal Limited
3. Mrs Prini Peter, Carborandum Universal Limited
4. Mr Radhakrishnan K.R, Carborandum Universal Limited
5. Sri. Sunil George, Finance Manager, The Kerala Ceramics Limited
6. Sri Suresh, Executive Engineer, K S E B Ltd.
7. Sri Rajesh R Assistant Executive Engineer, K S E B Ltd