

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

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

Petition No. OA 13/19

In the matter of : Petition filed by M/s South Asian Plywood Limited for determination of tariff for single point supply and sharing of electricity charges.

Petitioner : M/s. South Asian Plywood Mills Private Limited, NH Bypass, Edappally, Ernakulum

Petitioner represented by : Sri. Thankachan Thomas
Sri. Shaji Sebastian
Smt. Neenu Skaria
Sri. Abhilash Nair
Sri. Sunil Kumar K
Sri. Sunil Kumar K K

Respondent : Kerala State Electricity Board Limited

Respondent represented by : Sri. KGP Namboothiri, EE (TRAC)
Sri. Rajesh R, AEE (TRAC)

Electrical Inspector represented by : Smt. Sheeba Abraham, Additional Chief Electrical, Inspector
Sri. Syam Murari S, Deputy Electrical Inspector

Order dated 17.07.2019

1. M/s. South Asian Plywood Mills Private Limited, NH Bypass, Edappally, Ernakulum (herein after referred to as the petitioner) has filed a petition before the Commission on 25.03.2019 for the determination of tariff for the single point supply and sharing of electricity charges. The petitioner sought for the following relief,
 - (a) Allow the petitioner to avail single point supply and to share electricity charges among the beneficiaries.
 - (b) Fix the tariff for Single Point Supply as HT IV Commercial Tariff

- (c) Permit the petitioner to collect the proportional energy charge from individual beneficiaries.
- (d) direct KSEBL that connection to individual beneficiaries at the premises of the petitioner with multiple consumers and sharing of the expense of consumption of electricity as per regulation 56(8) of the Supply Code, 2014, shall not be construed as unauthorized use of electricity.

2. The summary of the issues raised in the petition is given below.

- (1) Prestige TMS square is a joint venture project of Prestige Estates Projects Limited and M/s. South Asian Plywood Mills Private Limited. The project is having one basement, a lower ground floor, ground floor and 9 additional floors. The project is developed as a commercial complex business space at Edappally, Ernakulum, for mixed use with mercantile/commercial and for office/business space.
- (2) There are 52 beneficiaries in the building developed by the petitioner. As per the prevailing norms, if the licensee KSEBL is directly providing supply to each beneficiaries, the developer has to provide facilities and space for the installation of meter for each beneficiary at location having free access for KSEB Ltd. The petitioner opts to avail single point supply as per the regulation 56 of the Kerala Electricity Supply Code, 2014 (Hereinafter referred to as Supply Code, 2014) for supplying electricity to the beneficiaries within the project, due to the following reasons.
 - a. Reduction in distribution loss.
 - b. Reduction in carpet area required for electrical gadgets.
 - c. Reduction in overall cost.
 - d. Better stability of supply.
 - e. Efficient use of diesel generator.
 - f. Reduction in man power of licensee (meter readers) without affecting their revenue.
 - g. Introduction of upgraded, advanced and latest metering technology.
- (3) The developer has executed an HT agreement with KSEBL, for a contract demand of 1300kVA and connected load of 1329.9kW. The petitioner has 1 No of 2000kVA transformer and 1 No of 1010kVA diesel generator set for catering load of the system. The petitioner has provided one rising main system (Bus Trunking) for individual beneficiaries of each floor. They are also provided with subpanels and one feeder with DLDM (a smart meter with electronic device that records consumption of electricity and communicate the same for monitoring and billing). In each floor the petitioner is having 2 to 5 commercial spaces. The electricity consumption of all the spaces can be individually measured, recorded & monitored.

- (4) From the HT meter reading, the developer calculates the electricity charges payable to KSEB Ltd as per the prevailing HT tariff. The developer has provided individual meter for common facilities as well as for each beneficiaries. The developer may collect the electricity charges from the beneficiaries at the prevailing LT commercial tariff. The developer will compare the electricity charges payable to KSEB Ltd at prevailing HT Commercial tariff and with the sum of the electricity tariff collected from the beneficiaries at the prevailing LT Commercial tariff. The developer shall remit the highest amount among the following to the licensee KSEB Ltd.
 - (i) The HT tariff computed for the HT meter reading at the premises of the developer at prevailing HT commercial tariff and;
 - (ii) The sum total of the energy charge calculated for each of the beneficiaries and common service at the prevailing LT tariff.
 - (5) The developer has agree to collect the cost of the energy consumed by the individual beneficiaries on a no profit no loss basis as per regulation 56(6) of the Supply Code 2014. The petitioner has also agreed that at no circumstances the tariff charged from individual beneficiaries shall exceed the tariff specified by the Commission for respective tariff category.
 - (6) The petitioner has also submitted that they will provide all the LT meter reading details and billing procedures to KSEBL as and when demanded. The petitioner also submitted that they are using this type of system in other states also.
3. The Commission admitted the petition as OP No. 13/2019 and conducted hearing on 09.07.2019. Copy of the petition was forwarded to KSEB Ltd and to the Chief Electrical Inspector for their comments. During the hearing, Sri. Thankachan Thomas presented the matter on behalf of the petitioner, Sri. K.G.P Namboothiri, Executive Engineer on behalf of KSEB Ltd and Smt Sheeba Abraham on behalf of the Chief Electrical Inspector.
4. During the hearing, the petitioner explained in detail the infrastructure created and metering arrangements made by the petitioner for providing electricity supply to the individual consumers in each floors. The petitioner also submitted that, separate metering arrangements are made for recording the electricity consumption of the common service including lifts, centralised air-conditioning etc. The petitioner also submitted that, they can collect the electricity duty from the individual consumers and remit the same to the KSEB Ltd for remitting the same to the Government.

5. Smt. Sheeba Abraham, Additional Chief Electrical Inspector submitted that, there is no safety issues in providing single point supply to the developer for extending power supply to the individual beneficiaries through the infrastructure created by the petitioner, However, electricity duty shall be collected from the individual beneficiaries at the LT commercial tariff, otherwise there will be revenue loss to the State Government, if the developer remit the electricity duty at the HT commercial tariff.
6. The representative of KSEB Ltd submitted that, the metering arrangements and other proposals are generally agreeable to KSEB Ltd. As per the Regulation 56(2) of the Kerala Electricity Supply Code, 2015, the developer has to submit an application for availing single point supply with a detailed project report (DPR) on the scheme for giving supply to all other beneficiaries. However, the developer is yet to submit an application to the KSEB Ltd. The developer has submitted an application for availing supply at HT and which was given by KSEB Ltd. Instead of submitting application to KSEB Ltd for availing single point supply, the petitioner had directly approached the Commission for availing single point supply. This is against the procedure mandated for by the Regulations for availing single point supply.

KSEB Ltd further submitted that, as per the Regulation 56(10) of the Supply Code, 2014, the tariff applicable to single point supply shall be as determined by the Commission. KSEB Ltd vide the letter dated 30.05.2018 has submitted a detailed proposal for single point supply before the Commission, including the billing procedure, the same is still under the consideration of the Commission.

KSEB Ltd further submitted that, at present the licensee has been extending single point supply to about 11 developers across the State. However, the billing procedures and other conditions shall be placed before the Commission, as soon as the Commission decides on the billing procedures to be followed for single point supply.

Analysis and Decision of the Commission

7. The Commission has examined in detail petition filed by M/s South Asian Plywood Mills (P) Ltd as per the provisions of the Electricity Act, 2003 and the Regulations notified by the Commission in consistent with the Electricity Act, 2003.
8. Regulation 56 of the Supply Code, 2014 provides for single point supply and sharing of energy charges. The relevant Regulation is extracted below for ready reference.

“56. Single point supply and sharing of electricity charges.- (1) *The licensee may give single point supply to the following premises with multiple beneficiaries subject to the conditions specified in the subregulations hereunder:-*

(i) multi-storeyed buildings;

(ii) colony developed by any development authority or private builder or promoter or developer;

(iii) domestic, commercial or industrial complex;

(iv) residential complex constructed by any employer for his employees or by a panchayat or a cooperative society or a registered association of beneficiaries.

(2) The development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries shall submit an application to the licensee for availing single point supply with a detailed project report (DPR) on the scheme for giving supply to all beneficiaries and such other necessary particulars.

(3) The development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries shall bear the expenditure for the augmentation or upgradation or uprating of the distribution system, exclusively required for the supply of electricity to the entire premises included in the detailed project report (DPR) and shall also construct at his cost the internal distribution network within the project area as per the standards and specifications stipulated in this Code.

Provided that the expenditure to be borne by the development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries shall be governed by the relevant provisions in regulation 36.

(4) Supply may be provided by the development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries to the individual beneficiaries and for common service by installing sub-meters.

(5) The development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries shall remit the charges for the entire electricity availed at such single point of supply as per the bill preferred by the licensee within such time as indicated in the bill.

(6) The development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries shall collect, on a no profit no loss basis, the cost of energy consumed by individual beneficiaries.

(7) The tariff charged from the individual beneficiaries shall under no circumstances exceed the tariff specified by the Commission for the respective category of consumers.

(8) Providing of connection to individual beneficiaries in such premises with multiple consumers and sharing of expenses of consumption of electricity as per the above provisions shall not be construed as unauthorised extension of supply or resale of energy.

(9) The maintenance of internal distribution network and providing services to individual beneficiaries shall be the responsibility of the development authority or promoter or

builder or developer or panchayat or cooperative society or registered association of beneficiaries.

(10)The tariff applicable to the single point supply shall be as determined by the Commission: Provided that the provisions of this regulation shall not in any way affect the right of a person residing in the housing unit sold or leased by such development authority or promoter or builder or developer or panchayat or cooperative society or registered association of beneficiaries, to demand supply of electricity directly from the distribution licensee of the area.

9. In the present case, the commercial complex developed by the petitioner is having a basement floor, lower ground floor, ground floor and 9 additional floors, for mixed use with mercantile / commercial and office/business space. There are about 52 beneficiaries in the project. The developer has created necessary internal distribution system for providing electricity supply to the 52 beneficiaries as well as the common service area. Individual metering facilities are provided to each beneficiaries and common services. The meter installed at the premises of the beneficiaries are capable of recording the energy consumed by the beneficiaries from the KSEB Ltd and 'the backup supply, if any, provided by the developer during the failure of supply from the licensee.

The developer has also submitted that they had already had an HT Commercial supply agreement with KSEBL for a contract demand of 1300kVA, and also installed one number of 2000kVA transformer for the exclusive use of the project.

The petitioner also submitted that, they will raise the invoice to each beneficiaries based on the readings on the meter installed for the beneficiaries at the prevailing LT commercial tariff. The petitioner further submitted that they shall remit the higher amount among the (a) HT Commercial tariff as per the HT Meter installed at the premises and (b) the sum total of the individual bills raised from the beneficiaries and common service at the meter reading of the individual beneficiaries at LT Commercial Tariff.

10. The Commission noted the submission of the petitioner regarding the facilities created for availing single point supply including the metering arrangements, proposals to collect the electricity charges from the consumers etc. However, as per the Regulation 56(2) of the Supply Code, 2014, the petitioner has to submit an application to the KSEB Ltd with a detailed project report on the scheme to provide supply to all beneficiaries with all particulars, instead of filing petition before the Commission.

Hence the petitioner shall submit a proper application with detailed project report on the scheme developed by the petitioner for availing single point supply and to provide supply to all beneficiaries. The application shall include proposals of the billing procedures to be adopted for collecting electricity charges from the beneficiaries on no profit no loss basis.

11. As per the Regulation 56(10) of the Supply Code, 2014, the tariff applicable to the single point supply shall be as determined by the Commission. In order to determine the tariff for single point supply, the distribution licensee KSEB Ltd shall file a petition before the Commission with all details as per the application submitted by the developer. This include the connected load and contract demand of each beneficiaries and common services separately, the purpose of usage, anticipated average monthly consumption and all other particulars for estimating the revenue from tariff of each of the beneficiaries.

The KSEB Ltd during the hearing clarified that, they had so far extended single point supply to about 11 other developers in the State so far. Hence KSEB Ltd shall, as per the Regulation 56(10) of the Supply Code, file separate petitions with necessary details of each of these developers and their beneficiaries, for determining the tariff of the single point supply tariff for each of the developer separately.

12. The Commission has also noted the submission of the Chief Electrical Inspector regarding the collection of electricity duty from the beneficiaries of the developer availing single point supply. As per the Regulation 56 (7) of the Supply Code, 2014, the tariff of the individual beneficiaries shall under no circumstances exceed the tariff specified by the Commission for respective tariff category of consumers. Duly considering the said provisions, the developer availing single point supply shall, collect the electricity duty from the beneficiaries at the retail tariff approved by the Commission from time to time for the respective category of consumers.
13. Till the Commission determine the single point supply tariff for the petitioner based on the petition filed by the KSEB Ltd, the licensee may permit the petitioner to follow the methodology as proposed by the petitioner under paragraph 2(4) above for collection of electricity charges from the beneficiaries, and for remittance of the electricity charges to KSEB Ltd. The petitioner shall collect/ levy the electricity duty from each of the beneficiaries and common services as per the retail tariff approved by the Commission.

Orders of the Commission

14. The Commission, after examining the petition filed by the petitioner M/s South Asian Plywood Mills (P) Ltd as per the provisions of the Electricity Act, 2003 and Supply Code, 2014, hereby orders the following.
- (1) The petitioner M/s South Asian Plywood Mills (P) Ltd shall, as per the Regulation 56(2) of the Supply Code, 2014, submit an application to the KSEB Ltd, along with detailed project report for availing single supply and to provide supply to all the beneficiaries of the project.
 - (2) KSEB Ltd shall file a petition before the Commission for determination of the tariff for single point supply as per Section 56(10) of the Supply Code, 2014, with all details as submitted by the developer.
 - (3) Till such time the Commission determine the tariff applicable to the single point supply based on the petition filed by KSEB Ltd, the licensee shall allow the petitioner to follow the methodology as proposed by the petitioner under paragraph 2(4) above for collection of electricity charges from the beneficiaries, and for remittance of the electricity charges to KSEB Ltd.
 - (4) Till further orders, all the developers availing single point supply shall collect the 'Section - 4 Electricity duty as per Kerala Electricity Duty Act, 1963', from the beneficiaries at the retail tariff approved by the Commission for the respective tariff categories.
 - (5) KSEB Ltd shall also file separate petitions for determination of the tariff for single point supply as per Regulation 56(10) of the Supply Code, 2014, for other cases with all necessary details.

Petition disposed off. Ordered accordingly.

Sd/-

**K. Vikraman Nair
Member**

Sd/-

**S. Venugopal
Member**

Sd/-

**Preman Dinaraj
Chairman**

Approved for Issue

**G. Jyothichudan
Secretary**