

- (2) The Commission vide the order dated 20.05.2016 in petition O.A No. 12 of 2015 had approved the rates for distribution works for the financial year 2016-17. Further, vide order dated 1.7.2015 in O.A. No. 5/2015, the Commission had approved the rates of drawing different types of Aerial Bunched Conductors.
- (3) The State Government vide the order dated 17.4.2013 ordered to adopt CPWD data and Schedule of Rates (SOR) in Government departments w.e.f 1st October 2013. The estimate rates is revised in accordance with the latest CPWD schedule of rates.
- (4) KSEB Ltd has followed the methodology approved by the Commission in the order dated 20.05.2016 in petition OA No, 12 of 2015, while estimating the rate of distribution works.
- (5) CPWD schedule of rates 2016 with cost index of March 2017 was adopted for arriving cost of labour. The CPWD schedule of rates are based on the prevailing market rates of materials in Delhi as on 01.04.2016. In order to arrive the cost index of Kerala as on March 2017, the average cost of 14 districts of the state published by PWD, Kerala being adopted and this index works out to 1.4699
- (6) KSEB Ltd has adopted the rate of materials, centrally purchased by them internally, for the year 2015-16 for the distribution materials, with due verification by Chief Internal Auditor. In the case of the items not purchased internally, the rate approved by Commission in the order dated 20.05.2016 is taken as basis for estimation.
- (7) The labour data estimated for each work is also provided in the petition.
- (8) The basic data used for arriving at the transportation cost is also submitted along with petition. In cases where basic data is not available, the transportation cost is arrived by applying inflation rate in the approved transportation cost for the year 2016-17.

- (9) As a specialized work and not widely used, no change is proposed in the cost data for aerial bunched conductors as approved by Commission on 1.7.2015.
- (10) GST has been introduced in the state with effect from 1.7.2017. The VAT applicable during the purchase (2015-16) is included in the cost of materials. Hence GST is not claimed for cost of materials. However, for labour charges and transportation, GST @ 18% is claimed, while estimating the cost of distribution works.
3. The Commission admitted the application as OA No 17/2017. The copy of the application is made available at the website of the Commission and the same also published at the website of the licensee KSEB Ltd. Further, the abstract of the application is also published in the dailies by KSEB Ltd. The Commission has also issued press release regarding the public hearing. The public hearings were conducted at at Ernakulam on 15.01.2018, at Kozhikode on 16.01.2018 and at Thiruvananthapuram on 18.01.2018.
4. Sri. Bipin Sankar, Deputy Chief Engineer (TRAC) presented the petition on behalf of K S E B Ltd. at the Court Hall of the commission on 18.1.2018. Sri. Bipin Sankar clarified to the Commission that the cost index published by PWD was applied on the DSR 2016.
5. Sri Sunil K, representing K S E B Engineers Association made a presentation and stressed the need for confirming to the safety standards.
6. Based on the deliberations during hearing and comments offered by the stakeholders, the Commission hereby direct K S E B Ltd. to submit the following latest by 12.2.2018;
- (i) Copy of the purchase orders of the important items used for estimation of cost of material
 - (ii) Details of works done using Arial Bunched Conductor based on the actual cost of completion
 - (iii) Copy of the Board Order adopting the CPWD rates by K S E B Ltd.
 - (iv) Details of the procedures followed in K S E B Ltd. regarding payment of work contract tax and other taxes / deductions from to petty contractors. Also, the procedure now followed for claiming and reimbursing the GST.

- (v) Justification of cost increase of distribution box and the 11kV lightning arrestor

Reserved for orders

Sd/-

K.Vikraman Nair
Member

Sd/-

S.Venugopal
Member

Sd/-

Preman Dinaraj
Chairman

Approved for issue

K B Santhosh Kumar
Secretary