



KERALA STATE ELECTRICITY REGULATORY COMMISSION

**INTERIM ORDER
IN THE MATTER OF 'SCHEDULE OF TARIFF AND TERMS AND
CONDITIONS FOR RETAIL SUPPLY OF ELECTRICITY WITH
EFFECT FROM 01.11.2023 TO 30.06.2024'**

OP NO. 18/2023

OCTOBER 2023

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

Present : **Shri T K Jose, Chairman**
Adv. A.J Wilson, Member
Shri B Pradeep, Member

OP. No 18/2023

In the matter of : Proposals to revise 'Schedule of tariff and terms and conditions for Retail Supply of Electricity by KSEB Ltd with effect from 01.04.2023 to 31.03.2027'

Petitioner : Kerala State Electricity Board Ltd
Vydhyuthi Bhavanam,
Pattom Thiruvananthapuram

INTERIM ORDER DATED 31.10.2023

The Kerala State Electricity Regulatory Commission considered the petition filed by the Kerala State Electricity Board Limited on 08.02.2023, for revising the 'Schedule of tariff and terms and conditions for Retail Supply of Electricity by KSEB Ltd with effect from 01.04.2023 to 31.03.2027'.

In compliance to Regulation 27(6) of KSERC (Conduct of Business) Regulations 2003, KSEB Ltd published a summary of the petition in the dailies Kerala Kaumudi, Deshabimani and & The Hindu on 18.04.2023. The petition was also placed in the web site of the Commission and KSEB Ltd for the information of the public. Thereafter, as per Regulation 32 of KSERC (Conduct of Business) Regulations, 2003 public hearings on the petition were held at the Nalanda auditorium, Kozhikode on 08.05.2023, EMS Smaraka Hall, Palakkad Jilla Panchayath, Palakkad on 09.05.2023, Corporation Town Hall, Ernakulam on 10.05.2023 and Institution of Engineers Hall, Vellayambalam, Thiruvananthapuram on 15.05.2023, wherein stakeholders presented their views and objections.

After having carefully considered the submissions, suggestions, objections and written submissions filed by KSEB Ltd, electricity

consumers/general public and other stakeholders and in exercise of the powers vested in the Commission under Section 62 and 64 of the Electricity Act, 2003 (Central Act 36 of 2003) and Regulation 85 of KSERC (Terms and Conditions for Determination of Tariff) Regulations, 2021, the Commission hereby passes the following Order.

Dated this the 31st day of October 2023.

**Sd/-
T K Jose
Chairman**

**Sd/-
Adv. A J Wilson
Member**

**Sd/-
B Pradeep
Member**

Approved for Issue
Sd/-
C R Satheesh Chandran
Secretary

CHAPTER-1
INTRODUCTION

1.1 Kerala State Electricity Board Limited (hereinafter referred to as KSEB Ltd or the licensee), on 08.02.2023 had filed a petition for revising the tariff for the control period from FY 2023-24 to FY 2026-27. The summary of the petition filed by KSEB Ltd is given below.

- (1) The Commission vide the Order dated 25.06.2022 in OP No. 11/2022 had approved the ARR, ERC and Revenue gap of the MYT period from 2022-23 to 2026-27. The details are given below.

Table 1.1
Revenue gap approved vide the Order dated 25.06.2022

Year	Net Aggregate Revenue Requirement (ARR)	Net Revenue from Tariff (ERC)	Revenue gap approved by the Commission vide Order dated 25.06.2022
	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
2022-23	17966.07	16038.87	1927.20
2023-24	19195.05	16255.96	2939.09
2024-25	19750.08	16729.78	3020.30
2025-26	20218.89	17381.63	2837.26
2026-27	21085.47	18203.38	2882.09

- (2) The Commission vide the Order dated 25.06.2022 had also approved to revise the tariff of all categories of consumers w.e.f 26.06.2022 to 31.03.2023, to mobilise an additional revenue of Rs 1010.90 crore annually with an average increase of 6.6%.

The balance revenue gap after adjusting the additional revenue expected through the Tariff Revision effected for the year 2022-23 is given below.

Table 1.2
Balance unbridged gap after the tariff revision for the year 2022-23

Year	Revenue gap (before tariff rev 2022-23)	Addl revenue through Tariff revision in 2022-23 (Avg. Rs. 0.4063/unit)	Balance gap
	(Rs.Cr)	(Rs.Cr)	(Rs.Cr)
2022-23	1927.20	1010.94	916.26
2023-24	2939.09	1044.14	1894.95
2024-25	3020.30	1092.86	1927.44
2025-26	2837.26	1145.02	1692.24
2026-27	2882.09	1202.22	1679.87

- (3) KSEB Ltd has proposed to bridge the balance revenue gap of the MYT period by enhancing the tariff from 2023-24 to 2026-27. The year wise