KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

No.687 /Con.Engg/ 2025/ KSERC Dated 29th April, 2025

NOTIFICATION

In exercise of the powers conferred under subsection (1) of Section 181 and clause (g) of sub section (1) of Section 86 of the Electricity Act, 2003, and all other powers enabling it in this behalf and after previous publication; the Kerala State Electricity Regulatory Commission hereby makes the following Regulations to amend the Kerala State Electricity Regulatory Commission (Conditions of Licence for Existing Distribution Licensees) Regulations, 2006, namely:-

KERALA STATE ELECTRICITY REGULATORY COMMISSION (CONDITIONS OF LICENCE FOR EXISTING DISTRIBUTION LICENSEES) (THIRD AMENDMENT) REGULATIONS, 2025

1. Short title and commencement.-

(1) These Regulations may be called the " Kerala State Electricity Regulatory Commission (Conditions of Licence for Existing Distribution Licensees) (Third Amendment) Regulations, 2025".

(2) It shall come into force from 01.04.2025.

2. Amendment of Regulations. - In the Kerala State Electricity Regulatory Commission (Conditions of Licence for Existing Distribution Licensees) Regulations, 2006, in Regulation 34 after the existing proviso, the following proviso shall be added, -

“Provided further that, KSEB Ltd shall remit the licence fee for the next three financial years, i.e., FYs 2025-26, 2026-27 and 2027-28, to the Commission at the rate of 0.015% of the revenue from the sale of power for the previous financial year”.

By Order of the Commission

Sd/-

C R Satheesh Chandran

Secretary

Explanatory Memorandum

(This does not form part of the notification, but is intended to achieve its general purport)

1. Section 86(1) (g) of the Electricity Act, 2003 authorizes the State Electricity Regulatory Commission to levy fee for the purposes of this Act. Accordingly, the Commission has notified the KSERC (Conditions of License for Existing Distribution Licensees) Regulations, 2006, on 23rd February, 2006. Further, it was amended on 16th December, 2009 and on 30th June, 2022.

2. As per Regulation 34 of the KSERC (Conditions of License for Existing Distribution Licensees) Regulations, 2006, all the Licensees shall pay every year Licence fee to the Commission at the rate of 0.03% of the revenue from the sale of power for the previous financial year. As per the request of KSEB Ltd and considering the accumulated losses and financial liabilities, KSEB Ltd was permitted to remit licence fee for the three financial years commencing from FY 2022-23, to the Commission at the rate of 0.015% of the revenue from sale of power for the previous financial year vide Amendment Regulations, 2022.

3. KSEB Ltd vide D.O letter No. KSEBL/ TRAC/FO/2024-25/119 dated 01.01.2025 has requested the Commission to continue to levy the existing licence fees at the rate of 0.015% for a minimum period of three more financial years from FY 2025-26 onwards. The Commission, after reviewing the request of KSEB Ltd and considering its financial challenges and large power sales, has decided to retain the existing licence fee of 0.015% of revenue from power sales for three more years from FY 2025-26.

4. To address the matter indicated above, the Commission has published the Draft Kerala State Electricity Regulatory Commission (Conditions of Licence for Existing Distribution Licensees) (Third Amendment) Regulations, 2025, for inviting stakeholder comments and objections. To enhance transparency and improve informed stakeholder participation the Commission has also published detailed explanatory memorandum along with the draft Regulations, which details the facts and circumstances led to the publication. Further, the Commission conducted public hearing on the draft Third Amendment Regulations, 2025, on 22.04.2025 at the Court Hall of the Commission, Thiruvananthapuram. After considering the suggestions and objections received from the stakeholders, the Commission approved the Kerala State Electricity Regulatory Commission (Conditions of Licence for Existing Distribution Licensees) (Third Amendment) Regulations, 2025 and decided to publish the approved amendment in the Official Gazette

5. This notification is intended to achieve the above purpose.