

KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM

No. 3401/Com.Ex./2023/KSERC

Dated 6th January, 2025

NOTIFICATION

Kerala Electricity Supply Code (Removal of Difficulties) Order, 2025

Whereas, the Kerala Electricity Supply Code, 2014 (hereinafter referred to as the Code) came into force on the 1st April, 2014;

And whereas, Regulation 36(iii) of the Code provides that the expenditure for extension or upgradation or both of the distribution system undertaken exclusively for giving new service connection to any person or a collective body of persons or a developer or a builder or for enhancing the load demand of a consumer or a collective body of consumers or a developer or builder, shall be borne by the respective applicant or consumer or collective body of consumers or developer or builder, as the case may be, for meeting the demand of the domestic or commercial or industrial complex or colony constructed by a developer or a builder with a demand above one megawatt(MW);

And whereas, as per Kerala Electricity Supply (Fifth Amendment) Code, 2024, sub regulation (1) of Regulation 49 provides that the expenditure for modification, upgradation and uprating of the distribution system of the licensee executed, if any, exclusively for giving connection shall be realised from the applicants for the cases specified in Regulation 36 of the Code;

And whereas, as per Kerala Electricity Supply (Amendment) Code, 2020, sub regulation (5) of Regulation 49 provides that the development authority or the promoter or the builder or the developer or such other person, as the case may be, who constructs such colony or complex or high rise building under the clauses (a), (b) and (c) of sub regulation (1) above, shall, at his cost, construct the required internal distribution network, including the service line, transformer, switchgear, metering cubicles etc., as per the

detailed scheme approved by the Electrical Inspector, for receiving power from the licensee and for distributing it and shall handover the metering cubicle to the licensee before commencement of supply of electricity. The internal distribution network including the transformer and switchgears and the underground service line cable of transformers are to be maintained by the development authority or the promoter or the builder or the developer or present occupier/building association or any other person who is the present registered consumer of the colony or residential complex or a commercial complex or an industrial complex or a high-rise building;

And whereas, as per Kerala Electricity Supply (Fifth Amendment) Code, 2024, sub regulation (7) of Regulation 49 provides that in the case of colony or residential complex or commercial complex or industrial complex except high rise building, with total load demand of and below one megawatt (MW), the following conditions shall be applicable: -

- (a) the licensee shall bear the expenditure for modification or upgradation or uprating of the distribution system;
- (b) the responsibility for construction of the required internal distribution network, including the service line, switchgear etc. for receiving power from the licensee and distributing it, shall be that of the authority or promoter or builder or developer or any other person who constructs such complex;
- (c) the security deposits and other charges if any payable by the consumer shall be borne individually by each applicant at the time of applying for electricity connection.

Provided that, individual consumers have to remit the charges based on normal per kVA/kW rates.

And whereas, sub section (1) of Section 43 of the Electricity Act, 2003 provides that the licensee, shall, on an application by the owner or occupier of any premises, give supply of electricity to such premises, within one month after receipt of the application requiring such supply:

Provided that where such supply requires extension of distribution mains, or commissioning of new sub-stations, the distribution licensee shall supply the electricity to

such premises immediately after such extension or commissioning or within such period as may be specified by the Appropriate Commission:

And whereas several complaints have been received regarding the supply of electricity to individual beneficiaries or collective bodies of beneficiaries in residential colonies/villa projects. These issues have arisen due to the non-performance of mandatory obligations by the promoters or developers of such projects. The problems include failure to complete the projects within the timelines stipulated by the Real Estate Regulatory Authority, abandonment of projects midway before handing them over to the beneficiaries and/or ongoing disputes between the promoters and beneficiaries pending before the Kerala Real Estate Regulatory Authority or the Appellate Tribunal;

And whereas the licensees face difficulties in providing timely electricity supply to individual beneficiaries or collective bodies of beneficiaries due to the failure of promoters or developers of such residential colonies and villa projects to fulfil their obligations. This includes the non-remittance of the required expenditure for modifications, upgradations, and uprating of the distribution system, as well as the construction of the necessary internal distribution network, including service lines, transformers, switchgear, and other components, for reasons outlined in the preceding paragraph;

And whereas the Kerala Real Estate Regulatory Authority is empowered to protect the interests of individuals affected by the non-performance of mandatory obligations, including financial frauds, as well as the abandonment or failure of projects for any reason midway, before they are handed over to individual beneficiaries/collective body of beneficiaries by the promoters or developers of residential colonies/villa projects registered and approved by the Kerala Real Estate Regulatory Authority;

And whereas, the Kerala Real Estate Regulatory Authority lacks jurisdiction to direct the licensees under the Electricity Act, 2003 to take necessary action to provide the basic amenities such as electricity connection due to non-performance of mandatory action on the part of promoters/developers of the residential colonies/villa projects;

And whereas, the Commission has satisfied that the difficulties arisen in providing electricity connection to the individual beneficiary/collective body of beneficiaries within residential colonies/villa projects developed by promoters/developers wherein the promoter/developer fails to discharge responsibilities envisaged under Regulations 36 and 49 of the Code, need to be addressed;

And whereas, the Commission has satisfied that the issues relating to recovery of capital cost incurred by the licensee for providing electricity connection to the individual beneficiary/collective body of beneficiaries within the residential colonies/villa projects due to abandonment of projects in the mid-way before handing over it to the individual beneficiary or due to pendency of disputes between the promoter/developer and the individual beneficiary before the Kerala Real Estate Regulatory Authority/Appellate Tribunal or due to failure of projects within the time line allotted by Kerala Real Estate Regulatory Authority for any other reasons need to be addressed;

Now, therefore, the Commission in exercise of its powers conferred by Regulation 179 of the Code, hereby makes the following order in public interest and to remove the difficulties related to implementation of Regulations 36 and 49 of the Code, namely: -

1. Short title and commencement- (1) These Regulations shall be called the “Kerala Electricity Supply Code (Removal of Difficulties) Order 2025.”
(2) It shall come into force from the date of this order.
2. Relaxation of Regulation 36 and 49-
 - (1) Notwithstanding anything contained in Regulations 36 and 49 of the Code, individual beneficiaries within residential colonies or villa projects, where projects have been abandoned midway before being handed over to the beneficiaries, or where disputes between the promoter/developer and individual beneficiaries are pending before the Kerala Real Estate Regulatory Authority or the Appellate Tribunal, or where projects have failed to meet the timelines allotted by the Kerala Real Estate Regulatory Authority shall be at liberty to approach the licensee for availing service connections by submitting separate applications.

- (2) The licensee shall verify the application form and if the application form is in order estimate and inform the expenditure as follows.
- (a) If the total load of the residential colony/villa projects is more than one megawatt, estimate the expenditure to be incurred for extension or upgradation or both of the distribution system undertaken exclusively for giving new service connection and the expenses for constructing internal distribution network including service line, transformer, switch gear, metering cubicles etc. for receiving power from the licensee and intimate the proportionate expenditure to be remitted by the applicant based on the connected load of his/her premises.
- (b) If the total load of the residential colony/villa projects is of and below one megawatt, estimate the expenditure to be incurred for constructing the required internal distribution network including the service line, transformer, switchgear, metering cubicles etc. for receiving power from the licensee and intimate the proportionate expenditure to be remitted by the applicant based on the connected load of his/her premises.
- (3) Upon receiving the intimation regarding the expenses, the individual beneficiary/collective body of beneficiaries shall remit the proportionate share of the expenses, calculated based on their connected load, to avail the service connection.
- (4) The remaining expenditure for the extension or upgradation of the distribution system and/or the construction of the internal distribution network, as applicable, shall be recovered from other individual beneficiaries in proportion to their connected load as and when they apply for electrical connection to their individual villas.
- (5) The capital cost incurred by the licensee in this regard can be initially included in the GFA/NFA in the ARR & ERC for the corresponding year and the said expenses may be netted off from the GFA/NFA based on the consumer contribution on receipt of the recovery of balance expenses from other individual beneficiaries.

(6) The internal distribution network including the transformer and switch gears and the underground service line cable of transformers developed as above are to be maintained by the distribution licensee and the expenses thereof can be claimed in the ARR & ERC of the licensee based on the norms provided in the tariff regulations.

By Order of the Commission

Sd/-

C.R. Satheesh Chandran

Secretary,

Kerala State Electricity Regulatory Commission