

5. LT three phase service connections above 7kW up to 10kW – Rs 10000/- per connection.
6. KSEB Ltd may be allowed to recover a rate of Rs 1560/- per kW from LT consumers having connected load above 10kW for availing their service connections and for enhancement of connected load of existing connections.
7. KSEB Ltd may be allowed to recover a rate of Rs 700/- per kW for conversion of existing service connections.
8. KSEB Ltd may be allowed to recover a additional rate of Rs 5100/- per kVA for service connections requiring installation of transformers, in addition to the kW rate arrived for service connections.
9. KSEB Ltd may be allowed to recover a rate equivalent to 1.15 times approved 'per kW rates' for connections using LT ABC.
10. KSEB Ltd may be allowed to recover following per kVA rates for HT connections up to a contract demand of one megawatt.

HT CATEGORY	per kVA rate (in Rs.)
Without RMU	2000
With RMU	10300

11. It is humbly submitted that the aforementioned costs are based on approved cost data of 2024. The change in cost of materials /cost inflation/change in taxes etc. are not considered in the above rate. Therefore, KSEB LTD. request the Hon'ble Commission to allow the short fall actual cost incurred to be passed on through Tariff orders”

II) Summary of the petition filed by petitioner is given below.

- a) Section 46 of the Electricity Act, 2003 empowers the State Commission to authorize a distribution licensee to recover from an applicant the reasonable expenditure incurred in providing electric lines or electrical plant required for giving electricity supply. Regulation 32 of the Kerala Electricity Supply Code, 2014 further provides that such expenditure shall be based on the cost data approved by the Commission. The Electricity (Rights of Consumers) Rules, 2020 also require that, in electrified areas, connection charges for new service connections up to the specified load shall be determined on the basis of load, category of connection and the average cost of connection, instead of preparing individual estimates for every applicant.
- b) In line with these provisions, the Commission notified the Kerala Electricity Supply (Fifth Amendment) Code, 2024, introducing a framework for recovery of expenditure on a per kVA/kW basis. Under the amended Regulation 32(2), per kVA/kW rates are applicable to LT and 11 kV consumers, except consumers covered under Regulation 36 and applicants whose premises are situated beyond 200 metres from the existing distribution mains. The amended regulation also requires slab-based connection charges for consumers with connected load up to 10 kW. Subsequently,

through the Kerala Electricity Supply Code (Removal of Difficulties) Order, 2024, the Commission defined an "electrified area" as an area where the distribution mains at the relevant voltage level are available within 200 metres of the proposed connection. Consequently, per kVA/kW rates are applicable only to applicants with connected loads up to 1 MW located within this distance, while applicants covered under Regulation 36 continue to bear the actual cost of extension or upgradation of the distribution system.

- c) Earlier KSEB Limited has filed a petition for approval of per kVA rates along with distribution cost data of KSEB LTD. during 2023. While approving the distribution cost data of KSEB Limited in February 2024, the Commission observed that KSEB Limited had proposed per kVA/kW rates only for loads above 10 kW and had not differentiated the rates with reference to the category of connection as envisaged in the Electricity (Rights of Consumers) Rules, 2020. Accordingly, the Commission did not approve the proposal and directed KSEB Limited to submit a fresh petition after notification of the Fifth Amendment to the Supply Code.
- d) Pursuant to the Commission's direction, KSEB Limited entrusted the Distribution Core Committee to develop an appropriate methodology for determining per kVA/kW rates. Since there was no previous methodology for replacing the conventional cost-data-based recovery mechanism with simplified per kVA/kW rates, the Committee analysed the actual ECSC recovered from service connections effected during the period from 1st February 2024 to 31st May 2025. Initially, the analysis covered the period up to July 2024, but it was subsequently extended to May 2025 to verify whether the derived rates remained consistent after implementation of the amended Supply Code. The analysis confirmed that there was no significant variation between the two periods.
- e) The study covered 4,06,560 LT service connections, including about 3.83 lakh weather-proof (WP) connections and 23,058 overhead (OH) connections. It also analysed single-phase and three-phase connections separately and classified them according to tariff category, voltage level, type of service connection and connected load. Based on the total ECSC realised of approximately ₹201,91,96,536/- against a total connected load of 12,91,717 kW, KSEB Limited derived a consolidated weighted average realization of ₹1,563 per kW, irrespective of load, phase or service line configuration.
- f) The analysis showed that only 3.08% of the service connections had connected loads exceeding 10 kW, while nearly 91% had connected loads up to 5 kW, 76% of consumers had connected loads below 3 kW, and 67% had connected loads up to 2 kW. Considering the statutory requirement for slab-based charges up to 10 kW as per Supply Code, 2014, KSEB Limited proposed simplified slab rates instead of applying the uniform per kW rate. The proposed charges are ₹2,500 for 1 kW connections, ₹3,000 for loads up to 2 kW, ₹5,000 for loads above 2 kW and up to 5 kW, ₹8,000 for three-phase connections above 5 kW up to 7 kW, and ₹10,000 for loads above 7 kW up to 10 kW. These rates are intended to reduce the burden on

domestic consumers while maintaining a simplified and transparent charging mechanism.

- g) KSEB Limited further pointed out that under the existing ECSC methodology, charges for overhead service connections are substantially higher than those for weather-proof connections because of the higher infrastructure requirements. Although overhead connections constitute only about 4.5% of total service connections up to 10 kW, they account for nearly 28% of the revenue realised. Since the proposed slab rates do not distinguish between WP and OH connections, consumers, particularly those in rural areas requiring longer overhead service lines, would benefit through lower upfront charges. KSEB Limited estimated that the proposed slab-based rates for consumers with connected load up to 10 kW would reduce its revenue by around ₹14.37 crore, representing about 7.12% of the present realization.
- h) For LT service connections above 10 kW, KSEB Limited proposed a rate of ₹1,560 per kW, excluding transformer costs. For connections requiring installation of distribution transformers, data collected from all Section Offices for the period from August 2024 to June 2025 indicated a realization of about ₹58 crore for 113 MVA of load added, resulting in a weighted average rate of approximately ₹5,100 per kVA. According to KSEB Limited, even consumers requiring transformer installations would pay substantially less than the actual cost of the transformer under the proposed methodology. The utility also proposed a rate of ₹700 per kW for single-phase to three-phase conversions based on historical realization.
- i) Following the decision taken in the meeting chaired by the Hon'ble Minister for Electricity on 25th June 2025, KSEB Limited also evolved a proposal for determining per kW rates for service connections using Aerial Bunched Cable (ABC). Since there was no historical recovery data for ABC-based service connections, the proposal was based on a comparison of the approved cost of constructing bare overhead lines and ABC lines. The analysis indicated that ABC works cost approximately 15% more than equivalent overhead line works, and therefore KSEB Limited proposed applying a multiplication factor of 1.15 to the finalized per kW rates for bare conductor connections to arrive at the corresponding rates for ABC connections.
- j) For HT service connections, KSEB Limited analysed 698 service connections, including RMU and non-RMU connections, covering overhead, underground cable and ABC works. The analysis considered only the works up to the consumer's metering point, excluding consumer-owned installations such as transformers and switchgear. Based on the estimated cost of these works, KSEB Limited proposed a per kVA rate of ₹2,000 for HT connections without RMU and ₹10,300 for HT connections with RMU.
- k) KSEB Limited has prayed the Hon. Commission to approve the per kVA/kW rates for recovery of expenditure under Section 46 of Electricity Act, 2003.

III) Upon detailed scrutiny of the petition, KSEB Limited was requested, vide letter dated 20.07.2026, to furnish certain clarifications, supporting data and additional documents required for processing the petition. The salient points of the information sought are summarised below.

- *Petition Fee:* As per Annexure II of Regulation 64(1) of the KSERC (Conduct of Business) Regulations, 2003, the applicable petition fee is ₹5,00,000. Since KSEB Limited has remitted only ₹10,000 on 14.11.2025, the balance petition fee shall be remitted at the earliest.
- *Administrative Overhead Charges: Regulation:* 37A of the Kerala Electricity Supply Code, 2014 permits the licensee to recover administrative overhead charges where applicants execute the works themselves. However, the petition does not specify the methodology for estimating such charges in cases where per kVA/kW rates are applicable. KSEB Limited shall therefore propose an appropriate methodology for determining these charges.
- *HT Connection Charges:* KSEB Limited has proposed per kVA rates of ₹2,000 for HT connections without RMU and ₹10,300 for HT connections with RMU. The proposed rate for RMU-based connections, particularly for consumers with higher contract demand, appears disproportionately high. KSEB Limited shall furnish detailed justification, supported by data and calculations, and also examine the feasibility of prescribing a reasonable upper ceiling on the recoverable connection charges, along with the basis for such a cap.
- *Supporting Data:* To facilitate a detailed examination of the proposal, KSEB Limited shall submit the complete data analysis sheets and supporting documents forming the basis for the proposed slab-wise rates up to 10 kW, per kW rates above 10 kW, transformer installation charges, single-phase to three-phase conversion charges, HT per kVA rates (with and without RMU), and the estimated revenue loss. KSEB Limited shall also furnish the information specified in Annexure I (Tables 1 and 2) for the relevant period of analysis.
- *Publication of Proposal:* KSEB Limited shall comply with Regulation 33(2) of the Kerala Electricity Supply Code, 2014 by publishing the proposal on its website and issuing an abstract in one Malayalam and one English daily having wide circulation, and shall submit proof of such publication to the Commission.
- *Methodology for Annual Revision:* In accordance with Regulation 33(1)(i) of the Kerala Electricity Supply Code, 2014, KSEB Limited shall also propose an appropriate methodology for the annual revision of the applicable per kVA/kW rates while submitting its annual proposal to the Commission.

IV) The licensee published an abstract of the petition in the *New Indian Express* and *Mathrubhumi* dailies, in accordance with Regulation 33(2) of the Kerala Electricity Supply Code, 2014. The petition was also hosted on the websites of the Commission and KSEB Ltd. for information and inviting comments from the public. The Commission issued a press release on 23.07.2026, notifying that the public

hearing on the petition would be held on 06.08.2026 and inviting stakeholders and other interested persons to submit their objections, comments and suggestions on the petition on or before the date of the public hearing.

- V) The objections received from the stakeholders were forwarded to KSEB Limited on 04.08.2026 for furnishing its counter responses during the hearing. A majority of the objections have been submitted by existing prosumers, primarily concerning the proposed per kVA/kW rates applicable for single-phase conversions and the sanctioning of additional connected load.

KSEB Limited was also requested to submit a consolidated reply to the common objections raised by the stakeholders, along with a response to the Commission's letter dated 20.07.2026. Further, KSEB Limited was directed to furnish an assessment of the technical, financial, and legal implications of the proposed per kVA/kW rates on both the consumers and KSEB Limited at the earliest.

- VI) KSEB Limited, vide its letter dated 27.07.2026, requested the Commission to admit the present petition by waiving the balance petition fee of ₹4,90,000/-. KSEB Limited submitted that it had already remitted ₹10,000/- towards the petition fee in November 2025 and contended that it had initially filed the petition for approval of the per kVA rates together with the Cost Data petition in 2023 by remitting the entire applicable fee. It was further submitted that, vide order dated 08.02.2024, the Commission had directed KSEB Limited to file a separate petition for approval of the per kVA/kW rates. On this basis, KSEB Limited requested waiver of the balance petition fee. The request of the licensee was considered by the Commission and decided to waive the difference in petition fee by treating the process in continuation of the approval of Cost Data. Accordingly, the petition was admitted and listed for hearing.

- VII) The commission has conducted public hearing on the petition on 06.08.2026 Adv. Ajith Joy appeared on behalf of the petitioner. List of persons participated in the public hearing is attached as Annexure II.

The summary of the deliberations during the hearing is given below.

- 1) The petitioner submitted the following;

KSEB Ltd. has filed the present petition seeking approval of kW/kVA-based rates for releasing new connections during FY 2026–27, in accordance with the Electricity Rights of Consumers Rules, the amended Supply Code and Section 46 of the Electricity Act, 2003. The proposal addresses the shortcomings identified by the Commission in O.P. No. 36 of 2023 by incorporating appropriate differentiation based on relevant factors such as load, voltage, consumption and other applicable parameters. Adoption of approved kW/kVA rates in place of estimate-based charges would facilitate faster release of connections, ensure uniformity and transparency, eliminate variations in site estimates, reduce disputes and provide a more efficient and consumer-friendly process for new connections.

To establish the methodology, Distribution Core Committee of KSEB Ltd. was entrusted with developing the methodology. It was decided to go for the weighted average of actual customers Estimated Cost of Supply. Thus, the Committee analyzed a 16-month dataset (February 2024 to May 2025) covering over 4 lakh service connections (4,06,560 consumers, total connected load of 12,91,717 kW, and total collection of ₹201 crores). Based on this, a consolidated weighted average of ₹ 1,563 per kW (rounded to ₹1,560/kW) was arrived at. The proposal is designed to remain largely revenue-neutral (projected collection under proposed rates is ₹ 187 crores, reflecting a revenue deficit of 7.12%).

a) The proposed slab-based cost structure for service connection is as follows:

1. Up to 1 kW: ₹ 2,500 per connection
2. 1 kW to 2 kW: ₹ 3,000 per connection
3. 2 kW to 5 kW: ₹ 5,000 per connection
4. 6 kW to 7 kW: ₹ 8,000 per connection
5. 8 kW to 10 kW: ₹ 10,000 per connection
6. Above 10 kW: ₹ 1,560 per kW

The petitioner added that the current proposal does not distinguish between Weatherproof (WP) and Overhead (OH) connections, significantly reducing high upfront costs associated with poles, post insertions, struts, etc., for the consumers.

b) Additional proposals include:

1. Transformer-based connection charges: ₹ 5,100 per kVA (based on data from Feb 2024 to June 2025 showing ₹ 58 crore collected for 113 MVA load, averaging ₹ 5,076/kVA).
2. Single-phase to three-phase conversion: ₹ 700 per kVA.
3. LT Aerial Bunched Cable (ABC) connections: 1.15 over the approved rate.
4. HT connections: ₹ 2,000 per kVA (without RMU) and ₹ 10,300 per kVA (with RMU).

The petitioner prayed that the honorable Commission to approve the proposed per kW/kVA rates. Furthermore, KSEB Ltd. requested permission to recover the short fall in the present realization through future tariff orders.

2) Gist of Stakeholder Comments in the hearing

a) Shri. Muhammed Ashraf Ambadi

The objections primarily concern the lack of categorization of consumers into domestic, commercial and industrial classes, contrary to statutory provisions; the proposed cost-realization methodology under Section 46 of the Electricity Act, relies on historical realized revenue rather than expenses reasonably incurred and the proposal may perpetuate earlier billing for materials not actually installed. He also stated that there is ambiguity in Regulation 49(1), which could enable arbitrary recovery of full transformer installation costs from small commercial shops or

rented premises. He further pointed out that there is no clarity regarding the proposed conversion rate of ₹700/kVA, particularly whether a consumer seeking enhancement of load from 3 kW to 25 kW would be required to pay the applicable per kW/kVA rate for the enhanced load in addition to the conversion charge. He requested that the per kW/kVA rate be determined based on the actual expenditure incurred, for which the requisite data is available with KSEB Ltd. He strongly objected to KSEB Ltd's proposal allowing recovery of an exorbitant additional rate of ₹5,100/kVA for transformers, highlighting that consumers already fund service cables and line extensions, making this additional charge unjust and duplicative.

b) Shri. Muhammed Rafeeq

Representing the All Kerala Licensed Electrical Wiremen, Supervisors & Contractors Association, Shri. Muhammed Rafeeq called for the outright rejection of KSEB Ltd.'s proposed cost data petition, criticizing it as arbitrary and detached from market realities. Key objections centered on excessive transformer rates of ₹5,100/kVA and the lack of demand and diversity factor considerations, which unfairly inflate costs for domestic and small commercial users. To curb delays, overcharging, and lack of transparency, he demanded itemized GST invoicing, open-market material procurement rights for consumers and licensed contractors, an independent third-party audit of KSEB Ltd. purchases, and the mandatory publication of all official orders and petitions of the Commission and KSEB Ltd. in Malayalam for public accessibility. Additionally, he urged the Commission not to allow the 15% additional charges proposed for Aerial Bunched Cables (ABC) and review the conversion charges. Noting that residential EV chargers typically range from 7.2 kW to 11 kW, he termed the existing rate of ₹700 per kW is excessive and requested a balanced, realistic per-kW/kVA rate structure that protects consumers from undue financial strain while remaining viable for the licensee.

c) Shri. Sunil Kumar M.M, Vice President, Panoor Block Congress Committee

The stakeholder strongly objected to publishing cost data petitions solely in English, demanding their full translation and publication in Malayalam to ensure transparency, meaningful public participation and natural justice. He further contended that, under Section 46 of the Electricity Act, 2003, only actual and prudently incurred expenses can be recovered, and alleged that KSEB Ltd's proposed per-kVA rates would result in unlawful recovery of accumulated revenue deficits and past financial losses. He also highlighted the issue of duplicate energisation charges, stating that the Kerala Electricity Supply Code does not permit separate charges where transformers are erected, and alleged that KSEB Ltd. is nevertheless proposing such recovery. Further, he pointed out that consumers are legally entitled to procure compliant weather-proof service connection wires directly from the open market, but KSEB Ltd. continues to include charges for the same materials/services in the connection estimate, resulting in recovery of costs already borne by consumers

d) Shri. Dony C. S, KSEB Engineers' Association

The Association submitted that the proposed per kW/kVA rates should be rationalised considering the inspection limitations under Regulation 153(14), which may encourage under-declaration of loads and adversely affect revenue and network planning. It also sought harmonisation with Regulation 50A by adopting a uniform slab for connected loads up to 20 kW, and contended that KSEB Ltd's flat-rate calculations overestimate actual capacity utilisation by ignoring demand and diversity factors. Accordingly, the Association prayed for approval of the per kW/kVA rates based on its proposed slab structure and benchmark rates proposed by them, adoption of demand and diversity factor-weighted loading factors, and appropriate regulatory provisions enabling KSEB Ltd. to recover the actual cost of procurement, installation, civil works, RMU and transformer infrastructure directly from consumers where space constraints, structural limitations or right-of-way objections prevent utilisation of transformer capacity for other consumers.

e) Shri. M. Abdul Sathar (Domestic On-Grid Solar Prosumers Forum)

Shri M. Abdul Sathar stated that the core structural and unbundling provisions under Section 131 of the Electricity Act, 2003 remain unimplemented, resulting in continuing administrative and financial ambiguities. Expressed strong resentment over the long-pending settlement of APPC tariff payments due to solar prosumers who have invested private capital in grid-connected systems. Further demanded that KSEB Ltd.'s unverified cost data and rate escalation proposals be subjected to a rigorous independent third-party audit, rather than allowing unsubstantiated operational overheads to be loaded onto consumer connection charges.

f) Shri. Siby Kutty Francis (Electricity Employees Confederation / INTUC)

Shri. Siby Kutty Francis expressed grave concern over the disproportionate increase in basic domestic connection charges, citing the proposed escalation from ₹1,910 to ₹2,500 for 1 kW and to ₹3,000 for 1-2 kW WP connections, and cautioned that such steep hikes could invite severe public backlash. Highlighted the concern that distribution lines, posts and transformers fully funded by consumers are subsequently capitalised as permanent assets in KSEB Ltd's balance sheet. Advocated augmentation of the capacity of existing transformers, wherever technically feasible, instead of requiring domestic and commercial consumers to install costly dedicated transformers at their own cost. Further highlighted the administrative dilemma faced by field engineers, who may face harassment or conflicting action either for collecting costs for installation of 100 distribution transformers or for granting legitimate exemptions, and urged the Commission to issue clear and unambiguous guidelines to protect field staff and ensure consistent implementation.

g) Shri. Mohammed Ibrahim K (Individual Consumer Representative)

He argued that KSEB Ltd's proposal violates Section 46 of the Act by charging ₹1,560/kW for minor administrative load enhancements (e.g., 6 kW to 8 kW) where

no physical line work or marginal expense is incurred by the licensee. He also objected to mandating 50 sq.mm service cables for 10 kW to 25 kW connections, highlighting that 50 sq.mm cables physically cannot be connected to the terminals of a standard 3-phase domestic/commercial energy meters.

h) Shri. Sajithkumar, Representative of KSEB Officers' Association

The Association representative welcomed the standardized per-kVA/kW charging mechanism in principle, but strongly recommended a concessional connection charge for domestic consumers with connected loads up to 2 kW. Recommended a uniform flat charge of ₹3,000 for all connections in the 2 kW to 5 kW range, irrespective of single-phase or three-phase supply, to discourage under-declaration of initial load, promote voluntary adoption of three-phase connections and minimize technical losses. Further recommended restructuring the proposed 5 kW-7 kW slab into a single 5 kW-10 kW slab at ₹8,000 for simpler implementation and greater transparency, with any resulting revenue gap addressed through future tariff proposals. Opposed the levy of separate transformer charges, contending that such charges dilute the objective of per-kVA standardization and create scope for arbitrary field-level discretion, and urged that transformer development costs be fully integrated into the standard per-kVA rate. Suggested that single-phase to three-phase conversion charges be based on the actual distance involved rather than a flat ₹700/kW rate, as such conversions generally require only short extensions along existing three-phase routes. Further pointed out the inconsistency between KSEB Ltd.'s Capital Investment Plan, which mandates LT Aerial Bunched Cables (LT-ABC) and HT covered conductors for future networks, and the cost data based on bare conductors, and demanded that the approved cost data reflect the prescribed standards. With regard to HT connections, submitted that most works are executed by consumers or licensed contractors and sought clear identification and standardization of Ring Main Unit (RMU) requirements and their costs to avoid field-level ambiguity. Also pointed out technical anomalies in the cost data, including the specification of 2.5 sq. mm weatherproof aluminium cables for single-phase connections, and suggested their removal in view of potential line losses and the use of 4 sq. mm copper for internal house wiring. Further advocated a transition to Underground (UG) service connections, considering Kerala's dense vegetation and adverse weather conditions.

- i) Shri Sajeev M.S., representing KINESCO Power and Utilities Pvt. Ltd. (KPUPL), submitted that KPUPL functions as a distribution licensee within KINFRA industrial parks, where the internal power distribution infrastructure, predominantly comprising underground cable networks, is developed in advance before industrial plots are allotted. He pointed out that consumer requirements in these industrial parks vary significantly, with diverse connected loads and different sizes of underground service cables, such as 15 sq.mm, 20 sq.mm and 25 sq.mm, making a single generalized per-kVA flat rate impractical for a small distribution licensee. He therefore requested that KPUPL and other similarly placed licensees be

permitted to continue recovering the actual and reasonably incurred expenditure for providing service connections instead of adopting KSEB Ltd's standardized per-kVA rates.

The Commission clarified that the regulatory framework prescribed under the Electricity (Rights of Consumers) Rules, 2020 and the KSERC Supply Code applies uniformly to all distribution licensees. However, it also clarified that KPUPL is not required to adopt KSEB Ltd.'s approved per-kVA rates. Instead, KPUPL shall file a separate petition before the Commission proposing its own licensee-specific per-kVA rates, duly supported by its actual cost data and infrastructure requirements, rather than seeking an exemption from the regulatory framework.

j) Smt. Bindu N.S. (Friends of Electricity Employees and Consumers - FEEC)

FEEC welcomed the underlying objective of introducing standardized per-kW/kVA charges to promote *Ease of Doing Business* and provide prospective consumers with transparent and predictable upfront cost clarity without delays associated with field estimation. However, FEEC strongly objected to the separate levy of transformer charges for LT consumers up to 100 kW, observing that consumers have no knowledge or control over the existing capacity or availability of transformers in their locality. They highlighted the resulting inequity whereby a 25-kW applicant may be required to bear the cost of transformer enhancement, while a 70-kW applicant in an adjacent area may incur no such cost merely because spare transformer capacity is available. Therefore, urged that all transformer-related costs be subsumed within the uniform per-kW/kVA rates. Regarding RMU costs, it was pointed out that the availability of RMUs is not uniform across the State, and hence their cost allocation should either be incorporated into the standard rates or rationally categorized based on the location, such as within Corporation and Municipality limits, to avoid arbitrary demands at the field level. Further, objected to restricting the applicability of standardized connection charges to a distance of 200 metres under the amended Supply Code, stating that such a restriction would create significant inequities among similarly placed consumers, and urged the Commission to extend standardized charges to all consumers irrespective of the distance from the existing distribution mains. It was also pointed out that the proposal appears to presume that connections below 5 kW would invariably be single-phase, and therefore, clear and non-discriminatory rates should be prescribed for consumers below 5 kW who opt for three-phase supply. The rationality of the proposed slab divisions, particularly up to 10 kW, was also questioned. With regard to additional load enhancement, concern was expressed over the absence of clear provisions governing the levy of charges, particularly in view of Regulation 32(2)(3) of the Supply Code, which exempts additions of load up to 10% or 20 kW, without any change in voltage level, from additional capital expenditure charges; it was emphasized that this exemption should be strictly maintained. Finally, the proposal to levy higher connection charges for LT-ABC installations was opposed, on the ground that although LT-ABC may involve higher initial investment, it provides significant life-cycle benefits through lower maintenance expenditure, reduced interruptions and improved reliability, and

therefore should not attract an additional charge solely on account of its initial installation cost.

k) Shri. Jose Mathew (*Industrial Consumer / Techno Polymers, Thodupuzha*)

Shri Jose Mathew submitted that his MSME plastic injection moulding unit, having an existing connected load of 30 kVA, had applied for an additional load of 40 kVA. However, KSEB Ltd. issued a substantially high and commercially unviable estimate involving dedicated transformer/network augmentation. He stated that small-scale manufacturing units are unable to bear such substantial capital expenditure for network expansion and requested practical and rationalised per-kVA cost norms that reflect the actual requirements of MSMEs. He also highlighted the proposed 200-metre distance limitation from the feeding point/11 kV network, stating that his unit is located approximately 300-400 metres away, and urged the Commission to consider suitable relaxation or a practical distance criterion for industrial consumers.

l) Shri. Sabu (*Consumer, Thiruvananthapuram*)

Shri. Sabu submitted written objections to the Commission and urged the Commission to reject KSEB Ltd.'s petition outright, stating it contravenes the Kerala Electricity Supply Code and imposes unfair, unjustified financial burdens on consumers.

m) Commission's observations during the hearing

The Commission directed KSEB Ltd. to undertake an empirical analysis of the available data to establish a clear load threshold beyond which installation of a new transformer or enhancement of the capacity of an existing transformer would generally be warranted. The Commission observed that inclusion of the transformer cost in the approved per kVA/kW rate would enable applicants/consumers to ascertain the upfront cost in advance, thereby ensuring greater transparency and predictability. The Commission also sought clearer presentation and adequate supporting data in respect of proposals relating to load augmentation, capacity enhancement and phase conversion from single-phase to three-phase. Further, KSEB Ltd. was directed to maintain full transparency in the calculation of cost data and formulation of transformer norms, duly consider genuine consumer feedback, and submit its counter remarks on the comments and suggestions received from stakeholders before the Commission proceeds to issue final orders.

The Commission directed KSEB Limited to furnish, at the earliest, the details sought in its earlier communications, along with the clarifications sought during the hearing, to facilitate further processing of the petition. Chief Engineer (Commercial & Tariff), KSEB Limited agreed to furnish the required details within two weeks.

VIII) KSEB Ltd., vide its letter dated 10.08.2026, furnished its response to certain points raised by the Commission in its letter dated 20.07.2026. KSEB Ltd. submitted data analysis sheets relating to connections falling under various connected load

ranges and also furnished an assessment of the estimated revenue loss that may be incurred by the licensee upon implementation of the proposed per kVA/kW rates.

KSEB Ltd. further submitted that the methodology and basis for determining the administrative overhead charges recoverable in cases where the applicants themselves execute the works, for which the proposed per kVA/kW rates are applicable, require detailed analysis. The licensee stated that the methodology and supporting cost data would be submitted along with the next cost data petition within two months. Pending such submission and consideration by the Commission, KSEB Ltd. requested that it may be permitted to continue to levy the administrative overhead charges at the rates presently approved under the existing cost data.

KSEB Ltd. also informed that the rate proposed for HT connections with an RMU is reworked and the revised proposal is under consideration of the Board. It is also informed that the licensee has constituted a committee for putting up a proposal for revised cost data. The proposal for annual revision of the applicable per kVA/kW rates will also be submitted along with the cost data petition. They have furnished the copies of the notification published in newspapers.

Further KSEB Limited vide letter dated 02.09.2026 has furnished counter responses to the stakeholder objections for the subject petition.

KSEB Limited vide its letter dated 15.09.2026 submitted additional clarifications containing data analysis to establish load thresholds for transformer installations.

IX) Analysis and Decision of the Commission:

The Commission, having considered the petition filed by KSEB Ltd. seeking approval of the proposed per kVA/kW rates, the additional submissions and data furnished by the licensee, the objections, comments and suggestions received from the stakeholders, the response of KSEB Ltd. thereto, and the deliberations held during the public hearing conducted on 06.08.2026, and having examined the matter in the light of the provisions of the Electricity Act, 2003, the Electricity (Rights of Consumers) Rules, 2020, the Kerala Electricity Supply Code, 2014, and other applicable statutory provisions and regulations, hereby decides as follows:

- 1) The instant petition has been filed by KSEB Ltd. for approval of per kVA/kW rates to be collected from different categories of consumers, as per Section 46 of the Act and Regulation 32(2) of Supply Code, 2014. Earlier during July 2023, KSEB Limited filed a petition seeking approval of the per kVA/kW rates along with the petition for approval of the Cost Data. While approving the Cost Data vide Order dated 08.02.2024 in OP No. 36/2023, the Commission observed that the proposed per kVA/kW rates were not in conformity with Rule 4(13) of the Electricity (Rights of Consumers) Rules, 2020, notified by the Government of India, and the draft amendments proposed to the Kerala Electricity Supply Code, 2014. Accordingly, the Commission directed KSEB Limited to submit a revised petition proposing per

kVA/kW connection charges within three months from the date of notification of the Kerala Electricity Supply (Fifth Amendment) Code, 2024.

Pending approval of the revised per kVA/kW rates, the Commission, in its Order dated 08.02.2024, permitted an interim increase of 10% (ten percent) over the rates for the items included in Annexures 1 to 5, Annexures 7 to 14, and Annexures 21 to 30 of the Commission's Order dated 27.04.2018 in O.A. No. 17 of 2017 (Cost Data items relating to service connections for which per kVA/kW rates are to be determined), or the rates proposed by KSEB Limited, whichever was lower. This interim arrangement was made applicable for a period of six months or until the approval of the per kVA/kW rates, whichever occurred earlier. The Kerala Electricity Supply (Fifth Amendment) Code, 2024 was notified by the Commission on 26.07.2024.

Subsequently, based on the request of KSEB Limited vide letter No. TRAC/GL/per KVA/2024-25/972 dated 28.11.2024, the Commission extended the validity of the relevant portion of the Cost Data Order dated 08.02.2024 in OP No. 36/2023 up to 31.03.2025 or until the approval of the per kVA/kW rates, whichever was earlier.

The statutory and regulatory framework governing the determination and implementation of per kVA/kW rates is examined below.

2) *Statutory Provisions*

1. As per section 46 of the Electricity Act, 2003, power to recover an expenditure from a person requiring supply is vested with the Distribution Licensee as per the Regulations notified by the Commission. Section 46 is extracted below:

“Section 46. (Power to recover expenditure):

The State Commission may, by regulations, authorize a distribution licensee to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply.”

2. Further, the Central Government, in exercise of the powers conferred by section 176 of the Electricity Act, 2003 notified the Electricity (Rights of Consumers) Rules, 2020. The rule insists for new service connection based on per kVA/kW rates ie. mainly on the basis of the load, category of connection sought and average cost of connection of the distribution licensee. The rule 4(13) is extracted below:

“(13) For electrified areas up to 150 kW or such higher load as the Commission may specify the connection charges for new connection shall be fixed on the basis of the load, category of connection sought and average cost of connection of the distribution licensee so as to avoid site inspection and estimation of demand charges for each and every case individually. The demand charges, in such cases, may be paid at the time of application for new connection.”

3. KSERC has notified the Kerala Electricity Supply (Fifth Amendment) Code, 2024 in the Kerala Gazette Extraordinary No. 2479 dated 31st July 2024 and by the aforesaid (Fifth Amendment) Code, 2024, for Regulation 32(2), the following sub regulation has been substituted which outlines special conditions for per kVA /kW rates.

“32(2) The expenditure charged by the licensee shall be based on the cost data approved by the Commission and published by the licensee effective for the period mentioned therein, as follows:

- (i) for consumers/ applicants availing supply at LT and 11 kV, excluding those consumers under Regulation 36 of this Code and consumers/ applicants whose premises are at a distance of over 200 m from the existing distributing main at the applicable voltage level, the licensee shall recover the expenditure based on the per kVA/ kW rate approved by the Commission. The per kVA/ kW rates shall be differentiated based on the load factor, power factor, category of connection, voltage, total consumption of electricity during any specified period of time, geographical position etc. of the consumers:*

Provided that for consumers/ applicants with connected load up to 10 kW, the connection charges as above shall be based on appropriate slabs and as approved by the Commission from time to time;

- (ii) per kVA/ kW rates shall not be applicable for the individual consumers/ applicants in separate dwelling/ units covered under sub regulations (iii) or (iv) of Regulation 36 below. For such consumers energization charges as approved by the Commission shall be applicable;*
- (iii) for consumers/ applicants requiring additional connected load or contract demand, as the case may be, shall remit the cost based on per kW/ kVA rate applicable for the additional connected load or contract demand. Such consumers need not remit the connection charges, if the additional connected load or contract demand is less than 10% of the approved connected load or contract demand or 20 kW/ kVA, whichever is lower, unless such additional connected load or contract demand require change in the existing service line/ voltage level.*
- (iv) for consumers/ applicants covered under Regulations 36, 37 and 49 (1) of this Code, the licensee shall recover the expenditure based on the rates in the cost data of materials and work as approved by the Commission.”*

4. Further, the Commission has notified Kerala Electricity Supply Code (Removal of Difficulties) Order, 2024 on 20.11.2024. In the order, *Electrified* areas are defined as follows:

“Definition of Electrified areas. — For the purpose of implementing the provisions of the Code “Electrified areas” shall be defined as an area having

the distribution mains at respective voltage level within 200 meters from the proposed connection”

Hence, the per kVA/kW rates are applicable to applicants/consumers availing supply at LT and 11 kV voltage levels, excluding consumers covered under Regulation 36 of the Kerala Electricity Supply Code, 2014 and those whose premises are situated beyond 200 metres from the existing distribution mains. A conjoint reading of the Supply Code and the amendments notified thereto from time to time indicates that the approved per kVA/kW rates are applicable to prospective consumers having a connected load/contract demand up to one megawatt (1 MW), provided that their premises are located within 200 metres of the existing distribution mains at the respective voltage level.

3) *Inflation during the period from April 2018 to May 2026:*

As stated in sub paragraph 1 above, while approving the per kVA/kW rates in February 2024, the Commission permitted only a 10% increase in the Cost Data items coming under per kVA/kW rates relating to service connections. The underlying Cost Data, relating to Service Connections, however, had last been approved in April 2018.

The Wholesale Price Index (WPI) and Consumer Price Index (CPI) based inflation from April 2018 to May 2026 are 29.1% and 50.69%, respectively. In service connection works, material costs generally constitute around 60% of the total cost, while the remaining 40% comprises labour and transportation costs. Applying these weightages, the overall inflation during the above period works out to approximately 42%. Since only a 10% marginal increase in the Cost Data was allowed by the Commission in 2024, the unrecovered inflation in the Cost Data is still approximately 32%.

4) *Stake holder comments and counter responses of KSEB Ltd.:*

The major comments received from the stakeholders, along with the responses furnished by KSEB Ltd. thereto, are summarised below.

1. A majority of the objections have been submitted by existing prosumers, primarily concerning the proposed per kVA/kW rates applicable for single-phase conversions and the sanctioning of additional connected load. The stakeholders also cited instances where materials and components forming part of the approved Cost Data were reportedly not utilised by KSEB Limited while providing new connections or effecting load conversions, particularly in the connected-load range of 10 kW to 25 kW, and therefore urged that the approved rates be aligned with the materials and works actually required and executed in practice. They recommended that the Commission rationalise and standardise the proposed per-kVA/kW connection charges based strictly on actual and prudently incurred expenditure, supported by transparent, verifiable and independently auditable cost data, while ensuring that

historical deficits, past losses, or costs already borne by consumers are not recovered through the proposed rates.

They strongly urged that transformer and other network augmentation costs be integrated into the standard rates, wherever practicable, to eliminate arbitrary and location-dependent additional charges, while providing clear criteria for exceptional cases. Other key recommendations included rationalising the slab structure and providing concessional rates for small domestic consumers, retaining the statutory exemptions for minor load enhancement, adopting realistic demand and diversity factors, reviewing conversion charges based on actual work/distance, removing unjustified additional charges for LT-ABC and prescribing technically appropriate cable specifications.

2. KSEB Ltd. submits that the proposed standardised per kVA/kW connection charges have been formulated in accordance with the amended Regulation 32 of the Kerala Electricity Supply Code, 2014 and the directions of the Commission in O.P. No. 36/2023, with the objective of replacing site-specific estimation with a simple, predictable and uniform average-cost-based mechanism. The proposed rates are based on analysis of a large database of actual service connections and associated expenditure, and are intended to reflect the reasonable average cost of different classes of connections rather than the cost of each individual connection. KSEB Ltd. contends that the factors specified in Regulation 32(2)(i) need not result in a separate rate for every combination of load factor, power factor, category, voltage, consumption and geographical conditions, as connection costs are primarily influenced by connected load, phase, voltage, type of connection, line characteristics and requirements such as transformers and RMUs. It further submits that differences between existing and proposed charges, including for weatherproof and higher-load connections and at slab boundaries, are an inherent consequence of standardisation and do not, by themselves, establish that the proposed rates are excessive or constitute cross-subsidy. The per kVA/kW methodology is intended to improve transparency, predictability and ease of doing business by linking charges more directly to connected load, while retaining separate treatment under Regulation 36 and other applicable provisions for cases involving substantial network extension or augmentation.
- 5) The Commission after prudently analysing the data and all the statutory provisions, the inflation during the period from April 2018 to May 2026, the stake holder comments and counter responses of KSEB Ltd. on the comments decides as follows.
 1. Realising electricity connection charges based on per kVA/kW rate simplifies the process by charging consumers according to the maximum power they plan to draw. This system eliminates individual site inspections and manual estimation of demand charges. By enabling upfront payment during the application process, it aligns directly with the Government's Ease of Doing Business initiatives. The proposed system has the following advantageous.

- *Reduction in Processing Time and Human Intervention:* Eliminating the need for traditional field surveys and case-specific estimation is expected to significantly reduce the time required for processing applications, from weeks to a matter of hours, while minimising human intervention. It would also reduce the need for applicants/consumers to make repeated visits to Electrical Sections for estimate preparation, approval and related clarifications.
 - *Transparency in Cost Recovery:* Levying standardised, load-based charges at the time of application would provide greater transparency and facilitate a seamless and predictable online application and payment process.
 - *Standardisation and Uniformity:* Adoption of pre-determined per kVA/kW rates would streamline administrative processes and facilitate faster release of electricity connections. It would also eliminate variations arising from location-specific estimation practices and ensure uniform treatment of consumers having similar load requirements across the State.
 - *Upfront Cost Certainty:* Availability of pre-published per kVA/kW rates would enable applicants to ascertain the estimated capital expenditure associated with obtaining supply in advance, thereby reducing uncertainty and the possibility of unexpected increases in project costs arising from additional network augmentation requirements.
 - *Equitable Treatment of Connection Types:* Removal of differential cost treatment between Overhead and Weather-Proof connections would simplify the cost structure and may particularly benefit consumers in rural areas and economically weaker sections.
2. The Commission, after due consideration of the proposal submitted by KSEB Ltd., the submissions and suggestions of the stakeholders, and all relevant circumstances pertaining to the determination of the rates, considers it appropriate to modify and clarify certain aspects of the rates proposed by KSEB Ltd., as set out below.
- a) *Domestic single-phase connections up to 2 kW:* KSEB Ltd. has proposed a slab rate of ₹2,500 for LT service connections up to 1 kW and ₹3,000 for service connections above 1 kW and up to 2 kW. The Commission notes that a substantial number of domestic service connections provided under Central and State Government-aided housing schemes, including the LIFE Mission housing scheme, fall within this connected load range. Considering the nature of such connections and the need to facilitate access to electricity for beneficiaries of such housing schemes, the Commission decides to prescribe a uniform rate of ₹2,000 per connection for domestic single-phase service connections up to a connected load of 2 kW.
- b) *Conversion from single-phase to three-phase supply:* KSEB Ltd. has proposed a rate of ₹700 per kW for conversion from single-phase to three-phase supply. Stakeholders have sought greater clarity regarding the applicability of the proposed rate, particularly to ensure that the charges levied for such conversion are not in

addition to the charges otherwise applicable for a change in connected load or contract demand.

Taking the above into consideration, the Commission decides to prescribe the rate of ₹700 per kW for conversion from single-phase to three-phase supply in respect of applications without any change in the connected load.

In case of conversions accompanied by an increase in connected load and the resultant connected load is 10 kW or below, the difference based on the applicable slab rates, as approved by the Commission, shall only be levied. Where the conversion is accompanied by an increase in connected load/contract demand and the resultant load exceeds 10 kW, the charges shall be limited to the applicable per kVA/kW rate approved by the Commission for the additional connected load/contract demand.

c) KSEB Ltd.'s Capital Investment Plan envisages the use of Aerial Bunched Cables (ABC) for future distribution networks. The Commission notes that the adoption of ABC is expected to provide significant life-cycle benefits, including reduced maintenance expenditure, fewer supply interruptions and improved reliability of the distribution system. In view of the above, the Commission does not find sufficient justification for allowing an additional loading of 1.15 times over the approved per kW rates for LT connections involving ABC. Accordingly, the Commission decides not to approve the proposal of KSEB Ltd. to levy 1.15 times the approved per kW rates for LT ABC connections.

d) KSEB Ltd., in its additional submission, informed the Commission that the rate proposed for HT connections involving installation of an RMU is being reworked and that the revised proposal is under consideration by the Board. The Commission also notes that, in its original petition, KSEB Ltd. had submitted that, in most cases, applicants themselves execute similar works through approved electrical contractors under the supervision of KSEB Ltd., and that only administrative and overhead charges are collected by the licensee in such cases. In view of the revised rate proposal being still under consideration by the Board, and considering the existing practice of execution of such works mostly by applicants through approved contractors, the Commission does not find it appropriate to approve the proposed per kVA rate for HT connections involving installation of RMUs at this stage. Accordingly, the Commission decides not to approve the present proposal of KSEB Ltd. relating to per kVA rates for HT connections involving installation of RMUs.

e) As per Regulation 32(2)(iii) of Kerala Electricity Supply Code, 2014, for consumers/applicants seeking enhancement of connected load or contract demand, as the case may be, the charges, wherever applicable, shall be determined based on the approved per kVA/kW rate applicable to the additional connected load or contract demand. However, no additional connection charges shall be levied where the additional connected load or contract demand is less than 10% of the approved connected load or contract demand or 20 kVA/kW, whichever is lower, unless such enhancement necessitates change in the existing service line/voltage level. Several stakeholders requested that the exemption applicable to minor enhancements in connected load or contract demand be expressly incorporated as a provision in the

final order. It is noted that the concerns of the stake holders are adequately addressed through the regulations.

f) The Commission clarifies that, as per the prevailing practice, KSEB Ltd. provides LT service connections up to a maximum length of 200 metres of overhead line, in addition to 35 metres of weather-proof service cable/wire. Accordingly, the standardised per kVA/kW rates approved under this Order shall be applicable to LT service connections up to the aforesaid maximum length.

g) As per the Tariff Orders issued by the Commission, demand-based meter reading and billing shall be mandatory for industrial consumers having connected load above 20 kW. Consumers belonging to categories other than those billed under the ToD tariff, having a connected load above 20 kW, can opt for the optional demand-based tariff. The Commission clarifies that, in the case of applicants/consumers billed on the basis of connected load, the applicable per kVA/kW charges shall be levied based on the connected load declared by the applicant/consumer. In the case of applicants/consumers billed under a demand-based tariff, the applicable per kVA/kW charges shall be levied based on the Contract Demand declared by the applicant/consumer and agreed by KSEB Limited, at the rates approved by the Commission.

h) KSEB Limited has proposed a rate of ₹2,000/- per kVA for HT connections without RMU. The Commission has examined in detail the costs involved in providing HT connections for the maximum distance for which the standardized per kVA/kW rates are applicable, in accordance with the provisions of the Kerala Electricity Supply Code, 2014.

On such examination, the Commission observes that the proposed rate of ₹2,000/- per kVA is on the higher side. The Commission further notes that, when applied to applicants/consumers having higher Contract Demand, the resulting amount would be disproportionately high in relation to the expenditure ordinarily involved in providing the connection. Taking into consideration, inter alia, the prevailing rates applicable for the construction of 11 kV lines using different types of poles and conductors, the Commission decides to fix the standardized rate for HT connections without RMU at ₹1,800/- per kVA, subject to a maximum ceiling of ₹5,00,000/- per connection.

i) The standardized per kVA/kW rates approved herein are applicable only for consumers/applicants whose premises are at a distance of over 200 m (plus allowance of 35 metres for weather proof cables/wires) from the existing distributing main at the applicable voltage level. KSEB Ltd. shall, along with its next Cost Data petition, submit a methodology for recovery of the expenditure towards service connections requiring extension beyond the said 200-metre limit.

3. The Commission recognises that, with the implementation of standardised per kVA/kW rates, the process of sanctioning and providing new connections and load enhancements become more streamlined and predictable. However, the Commission is also of the view that the adoption of standardised rates should not, in any manner, result in delay or deferment by the licensee in carrying out the necessary infrastructure works; installation of transformer/augmentation of

transformer capacity, strengthening of distribution infrastructure, or other associated works required to provide the sanctioned load and maintain the prescribed standards of performance and power quality.

The licensee shall, therefore, put in place appropriate institutional and monitoring mechanisms to ensure that the infrastructure requirements arising from new connections, load enhancements and other applications covered by the standardised rates are assessed and the corresponding works are executed within the prescribed timelines.

The licensee shall also ensure that the implementation of the per kVA/kW rate mechanism does not adversely affect the quality, reliability or continuity of supply to existing as well as new consumers. The amounts collected under the head shall be utilised for the creation, strengthening and augmentation of the distribution network, including installation and augmentation of transformers, network modernisation, conversion and upgradation of distribution infrastructure, and other associated works required for ensuring adequate capacity and power quality in respect of all the new connections released or load enhancements granted. Any recurring constraints or delays in execution of such works shall be reviewed by KSEB Ltd. at the appropriate level and corrective measures shall be taken expeditiously.

During the public hearing, stakeholders raised concerns regarding instances where KSEB Ltd., after recovering Estimated Cost of Service Connection (ECSC) based on the rates approved in the Commission's Cost Data, does not execute deposit works using the standard materials and specifications considered for approval of such rates. The Commission observes that such concerns may assume greater significance with the introduction of standardised per kVA/kW rates, as the charges would be determined on a pre-approved basis. Accordingly, in order to ensure transparency, uniformity and accountability, KSEB Ltd. shall prepare and publish a standardised list of materials to be used for different works related to service connection up to a load of 1 MW, specifying the applicable technical specifications and minimum standards, and shall ensure their uniform compliance in the execution of such works. KSEB Ltd. shall furnish a copy of the same to the Commission and shall establish an appropriate monitoring mechanism to ensure adherence to the prescribed specifications and standards, and to address complaints relating to any deviation in the quality or specifications of the materials used.

At the time of truing up, KSEB Ltd. shall furnish category-wise details of the amounts collected under the standardised per kVA/kW rates, along with the corresponding actual expenditure incurred for execution of such works. The expenditure details shall, at a minimum, separately indicate the cost of materials, labour, transportation and other relevant components of expenditure, duly supported by appropriate records. Such reporting shall enable the Commission to assess the adequacy and prudence of the rates approved, compare the amounts recovered with the actual cost incurred, and review the need for any revision or rationalisation of the standardised rates in subsequent period.

The Commission further observes that KSEB Ltd. shall provide an online per kVA/kW calculator on its official website to enable applicants to ascertain the applicable charges for new connections, load enhancements and other relevant cases, based on the applicable consumer category, voltage level and load/demand. The calculator shall be user-friendly, clearly indicate the basis of computation, and be updated promptly upon revision of the approved rates, thereby enabling applicants to ascertain the charges payable upfront and ensuring greater transparency and predictability.

4. In view of the foregoing considerations, observations and directions, the Commission hereby approves the per kVA/kW rates to be recovered from the respective categories of consumers, in accordance with Section 46 of the Electricity Act, 2003 read with Regulation 32(2) of the Kerala Electricity Supply Code, 2014, as specified in Annexure I to this Order.

X) Orders of the Commission:

The Commission, having considered the petition filed by KSEB Ltd. seeking approval of the proposed per kVA/kW rates, the additional submissions and data furnished by the licensee, the objections, comments and suggestions received from the stakeholders, the response of KSEB Ltd. thereto, and the deliberations held during the public hearing conducted on 06.08.2026, and having examined the matter in the light of the provisions of the Electricity Act, 2003, the Electricity (Rights of Consumers) Rules, 2020, the Kerala Electricity Supply Code, 2014, and other applicable statutory provisions and regulations, hereby orders as follows.

- (1) KSEB Limited is authorised, in accordance with Section 46 of the Electricity Act, 2003 and Regulation 32(2) of the Kerala Electricity Supply Code, 2014, to recover from a person requiring supply of electricity, the expenditure towards the works necessitated for providing such supply, at the per kVA/kW rates applicable to the respective categories of consumers/applicants, as specified in **Annexure I** appended to this Order. In the case of applicants/consumers billed on the basis of connected load, the applicable per kVA/kW charges shall be levied based on the connected load declared by the applicant/consumer at the rates approved by the Commission. In the case of applicants/consumers billed under demand-based tariff, the applicable per kVA/kW charges shall be levied based on the Contract Demand declared by the applicant/consumer and agreed by KSEB Limited.
- (2) The Commission rejects the proposal of KSEB Limited to recover 1.15 times over the approved per kW rates for LT connections involving ABC for reasons cited in paragraph IX (5)(2)(c) of the order.
- (3) KSEB Limited is authorized to recover a rate of ₹700 per kW for conversion from single-phase to three-phase in case of applications without any change in the

connected load. In case of conversions accompanied by an increase in connected load and the resultant connected load is 10 kW or below, the difference based on the applicable slab rates, as approved by the Commission, shall only be levied. Where the conversion is accompanied by an increase in connected load/contract demand and the resultant load exceeds 10 kW, the charges shall be limited to the applicable per kVA/kW rate approved by the Commission for the additional connected load/contract demand.

- (4) The Commission, in accordance with Regulation 32(2)(iii) of the Kerala Electricity Supply Code, 2014, directs that the charges for enhancement of connected load or contract demand shall be levied based on the approved per kVA/kW rate applicable to the additional load or contract demand. No additional per kVA/kW charges shall be levied where such enhancement is less than 10% of the approved contract demand or connected load or 20 kVA/kW, whichever is lower, except where the enhancement necessitates change in the existing service line/voltage level.
- (5) KSEB Limited at the time of truing up every year shall furnish category-wise details of the amounts collected under the per kVA/kW rates towards deposit works, along with the corresponding actual expenditure incurred for execution of such works. The expenditure details shall separately indicate the cost of materials, labour, transportation and other relevant components of expenditure, duly supported by appropriate records.
- (6) KSEB Limited shall ensure timely execution of all infrastructure works required for new connections and load enhancements covered under the per kVA/kW rates, including installation and augmentation of transformers and strengthening of the distribution network, without compromising the prescribed standards of reliability, continuity and power quality as mentioned in paragraph IX (5)(3) of the order. KSEB Limited shall establish appropriate monitoring mechanisms to ensure timely execution of such works, and any recurring delays or constraints shall be reviewed at the appropriate level and remedied expeditiously.
- (7) KSEB Limited shall provide an online per kVA/kW calculator on its official website to enable applicants to ascertain the applicable charges for new connections, load enhancements and other relevant cases, based on the applicable consumer category, voltage level and load/demand.
- (8) KSEB Limited shall submit within two months, the detailed methodology and supporting data for determination of administrative overhead charges applicable in cases where the applicants themselves execute the works; the revised rate proposal for HT connections with RMU; and the proposal and methodology for annual revision of the applicable per kVA/kW rates. As the per kVA/kW rates approved herein are applicable only to consumers/applicants whose premises

are within 200 metres (plus allowance of 35 metres for weather proof cable/wire) of the existing distributing main at the applicable voltage level, KSEB Limited shall, along with its next Cost Data petition, submit a methodology for recovery of the expenditure incurred towards providing service connections requiring extension beyond the aforesaid distance limit. The above submissions shall be duly supported by relevant details and justification for examination and determination.

- (9) The approved per kVA/kW rates shall have prospective effect and shall be applicable where amounts under Regulation 32(2) of Supply Code, 2014 are collected on or after 12th October 2026.

The petition stands disposed of. Ordered accordingly.

Sd/-
T K Jose
Chairman

Sd/-
B Pradeep
Member

Approved for issue

Sd/-
Rajendran K.V
Secretary

Annexure I

KERALA STATE ELECTRICITY REGULATORY COMMISSION

(ORDER IN OP No 34/2026 dated 23/09/2026)

Per kVA/kW rates approved by Kerala State Electricity Regulatory Commission in pursuance of Section 46 of Electricity Act 2003 and Regulation 32(2) of Supply Code, 2014. The rates are applicable for consumers/applicants availing supply at LT and 11 kV, excluding those consumers under Regulation 36 of the Kerala Electricity Supply Code, 2014 and consumers/applicants whose premises are at a distance of over 200 m from the existing distributing main at the applicable voltage level.

Sl. No.	Description of works	Category	Per kVA/kW rates
1	LT single phase service connection up to and including 2 kW	Domestic	₹ 2000/- per connection
2	LT single phase service connection up to and including 1 kW	All applicable categories excluding domestic	₹ 2500/- per connection
3	LT single phase service connection above 1 kW up to and including 2 kW		₹ 3000/- per connection
4	LT single phase service connection above 2 kW up to and including 5kW	All applicable categories	₹ 5000/- per connection
5	LT three phase service connection above 5 kW up to and including 7 kW		₹ 8000/- per connection
6	LT three phase service connection above 7 kW up to and including 10 kW		₹10000/- per connection
7	Conversion of existing service connection (This rate is applicable for conversion of single phase to three phase without any change in the connected load)		₹ 700/- per kW
8	LT three phase service connection with contract demand/ connected load above 10 kW up to and including 30 kVA/kW		₹ 1560/- per kVA/kW of the requested load
9	LT three phase service connection with contract demand/ connected load above 30 kVA/kW up to and including 40 kVA/kW		₹ 2890/- per kVA/kW of the requested load

10	LT three phase service connection with contract demand/ connected load above 40 kVA/kW up to and including 50 kVA/kW	All applicable categories	₹ 4225/- per kVA/kW of the requested load
11	LT three phase service connection with contract demand/ connected load above 50 kVA/kW up to and including 100 kVA/kW		₹ 5670/- per kVA/kW of the requested load
12	HT connection without RMU		₹ 1800 per KVA subject to a maximum ceiling of ₹5,00,000 per connection

**Sd/-
T K Jose
Chairman**

**Sd/-
B Pradeep
Member**

Approved for issue

**Sd/-
Rajendran K.V
Secretary**

Annexure II

LIST OF PERSONS PARTICIPATED IN THE PUBLIC HEARING ON 06.08.2026

SL No.	NAME	CATEGORY
1.	SAMI K	CONSUMER
2.	MOHAMED ASHRAF AMBADI	CONSUMER
3.	K. MOHAMMED RAFIK	OTHERS (AKLWA)
4.	SUNILKUMAR M.M.	CONSUMER
5.	DONY C.S.	KSEB ENGINEERS' ASSOCIATION
6.	JOSE MATHEW	CONSUMER
7.	M.ABDUL SATHAR	DOMESTIC ON-GRID SOLAR PROSUMERS' FORUM
8.	SIBIKUTTY FRANCIS	INTUC
9.	MOHAMMAD IBRAHIM K	EXISTING PROSUMER
10.	MOHAMMAD SHAREEF P.	GENERAL PUBLIC
11.	A SAJITHKUMAR	KSEB OFFICERS ASSOCIATION
12.	SAJEEV M.S.	KINESCO
13.	BINDU N.S.	FRIENDS OF ELECTRICITY EMPLOYEES AND CONSUMERS
14.	MATHEW VARGHESE	EXISTING PROSUMER
15.	SHIJU ZACHARIAS	PUBLIC
16.	AJITH JOY	ADVOCATE REPRESENTING KSEB LTD.
17.	MUKESH KUMAR	KSEB LTD.
18.	JALESH KUMAR A S	KSEB LTD.
19.	PADMAKUMAR C S	KSEB LTD.
20.	SARASWATHY T.	KSEB LTD.
21.	LATHA S.V.	KSEB LTD.
22.	KUNJUNNI T.S	KSEB LTD.
23.	SHAJU M.A.	KSEB LTD.
24.	SURESH KUMAR S.	KSEB LTD.
25.	PREETHA SHENOY	KSEB LTD.
26.	RAJESH K.	KSEB LTD.
27.	EDWARD P. BONIFACE	KSEB LTD.
28.	BIJI CHRISTUDAS	KSEB LTD.
29.	ASHOKKUMAR K.	KSEB LTD.
30.	BIJU	KSEB LTD.
31.	SABU T.	CONSUMER
32.	ANOOP M.A.	MALAYALA MANORAMA