

# KERALA ELECTRICITY EMPLOYEES' CONFEDERATION INTUC



(Reg. No. 01-14/87 - Aff. 10485)  
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No. KEEC/GL/2023/70

Thiruvananthapuram  
01-11-2023

To

Shri. R.K Singhji  
Honourable Minister of State (Independent charge) for Power  
Government of India  
New Delhi

Sir,

Sub: Smart meter Implementation – RDSS financial condition of KSEB – Kerala-  
exemption Reg.

Ref: The Tripartite agreement signed between KSEB and state government and  
Central government on 29.3.2022.

The Central government introduced RDSS scheme for the modern developments in the power sector. The RDSS scheme mainly includes the infrastructure development schemes, which is essential for this sector. Also providing 60% grant for the above areas in the power sector. The implementation of Under Ground Cable, Arial Bunched cable, covered conductor etc are essential for the future development and to provide uninterrupted power supply to the consumers including both rural & urban. The working environment in Kerala State Electricity Board Limited Kerala is very poor and sad. Even in the 21<sup>th</sup> century, our lineman climbing the post by using his naked foot. This was pointed out by the Kerala regulatory commission in its one of the comments on the public in the year 2022. The safety precautions taken by the management is also not satisfactory for the last 10 years, many have been died due to the accidents while on duty. The number of employees sanctioned by Kerala Electricity Regulatory Commission was 30230, whereas the present working strength is only 27000. The demand KSEBL was more than 33000 employees. This also affect the proper smooth functioning of the utility. As the situation is this, it is inevitable to solve the lack of employees and the infrastructure development.

Unfortunately, it is happened on 29.3.2022. That Kerala State Electricity Board Limited Central Government and State Government signed a tripartite agreement on which they have

mutually agreed to implement smart meter in Kerala under RDSS schemes instead of infrastructure development. The grant for this scheme is only 15%. The system development based on the infrastructure development and not behind the smart meter. Smart meter is only for measuring the material, goods (energy sold in this case). The present method of reading and measurement is by using digital meter. [Now KSEB have 1.36 crores consumers. Majority of the consumers are domestic consumers and 6000 consumers are under HT/EHT consumers. The 35% of income of Kerala State Electricity Board Limited is from these 6000 consumers]. Consumers having consumption less than 100 unit/ month shall also be Rs.80/- towards meter rent if the smart meter implemented under Totex Method. This will become hazardous to such consumers because the rent of the meter will become very near to their current charge. 95% of the present digital meter implementation work have been completed recently. The present rate of meter reading is 93% and efficiency in billing and collection is 99%. So the problem in the power sector in Kerala is not meter reading but the infrastructure and safety precautions. The collection inefficiency occurred only from certain Government consumers, water authority etc. Also some litigations. There is no handicapped situation in billing or reading or inefficiency in Kerala. The handicapped situation only in the infrastructure development and power production. Due to the objection from the environmentalist, we could not achieve all the possibilities of hydro electric power.

Recently KSEB, invited open tenders for the implementation of smart meter and the tender procedure completed. We trade in this sector unions objected the tender process. Some unions objected the totex method under the RDSS scheme, tripartite agreement. They are totally against the central totex (KSEB, State Government and RECPDCL) and they put forwarded a new totex, Kerala model. Their argument is that the above work has to be completed through a public sector company in Kerala. It is also not practical at this stage. Because it will also add more burden on consumers. KSEBL is also not in a position to the expenditure for the smart meter. Their proposed company could have participated in the tender but not participated in the tender. The proposal of left unions is also, the Totex method and burden will be on the end of consumer. It is not fare. After Covid pathetic condition, all poor people are not in a good economic condition to spend money for smart meter.

We Kerala Electricity Employees Confederation (INTUC) the opposition union in Kerala, strongly oppose the present smart meter proposal at this stage because,

1. The first priority has to be given infrastructure development in order to provide good quality power to consumers.
2. The totex method means the cost of the meter has to be collected from consumers by equal billing installments. It is not practical because,

- a. After Covid all the common and poor people in India are in financial liabilities. The present meter in their premises is good one and properly working. The consumers have already paid the cost of meter though meter rent in various bills. As they have already spent the cost, request of another Rs.8000 or Rs.9000 additional burden is illegal by thinking from the part of consumers. It is against natural justice while on the implementation stage they can approach court. Even the fuel surcharge, and the normal increase in the current charge opposed by the consumers before the court and the court favoured to them in Kerala. There is no legal support in the electricity act 2023, section 55 not allowed to impose additional charge for smart meter to consumers and hence the same is against electricity Act 2003.
- b. This Totex method will keep away the consumers from KSEBL. It may cause struggle between KSEB employees and consumers. This may lead to privatization, we strongly oppose the privatisation.
3. Recently KSEBL invited tender for supply and maintenance of smart meter under Totex Method for 37 lakh consumers in 13 divisions. The present debt of KSEB is a round 50000 crores so, now KSEB is not in a position to avail loan for the above plan, it may require another 16000 crores for the total implementation of smart meter. The borrowing capacity of KSEB is 14000 crores. Now it is over and there is no question of availing loan for this purpose.
4. Present asset of KSEBL is around 37000 crores (new valuation has not been completed. It had been started 10 years back) and spending more amount only for measurement is not a good management technique.
5. The Government already trialed smart meter in selected areas, which are not compatible even now with server, first upon that is to be corrected in all sense. The estimated cost for 37 lakh smart meter was 2400 crores. Out of the three pre-qualified enlisted companies (1.Genus Power Solution Pvt Ltd, 20 GMR Smart Electricity Distribution Pvt Ltd, 30. Polaris smart metering Pvt Ltd) the lowest rate was 3465 crores and hence the cost of one smart meter will around Rs.9365. Initially is 8000, a high difference. It is 45% above estimated cost and hence it could not be proceeded. Out of the cost Rs.9400, 70% is for the software, network, compatibility etc. The actual cost of the meter is only Rs.2500. hence at any instance the as per section 55 of electricity Act 2003, the other charges could not be on the head of consumer.
6. Recently KSEB invited tender for smart meter the present tender value was 45% above the estimated cost and hence the tender could not be finalised. So there is no scope for continuing the present tender and another tender. Now it is learnt that Government of Kerala have cancelled the tender.

Hence the proposal as per tripartite agreement is not practical and at the same time a Kerala model (left union proposal) totex is also not practical because both will be ultimately to consumers and it will cause litigation. It is better in implementation by inviting direct tenders by KSEB with cheaper rate after sometime and when Kerala state electricity board becomes financially sound.

In this connection we request your good self to allow KSEB to take its own decisions that to implement this scheme from their own fund, when they are in profit. You may please insist KSEBL to withdraw from the tripartite agreement. If the action from your end is flexible, government of Kerala and KSEB can also become flexible.

**Now we propose the following as own suggestions:**

1. Provide grant 70% under RDSS scheme for infrastructure development. Insist KSEB to do such work. Directions from your end is appreciated and is expecting direction for the sky lift to all field offices field work with safety.
2. Provide smart meter/AMR to HT/EHT consumers with immediate effect in the grouped industrial areas. (Because the 30% of the Income of KSEBL, from the 6000 HT/EHT consumers)
3. Domestic Consumers whose consumption less than 100 units has to bear Rs.87/- for smart meter of it is in the totex method that is their meter charges will be more than the current charges.
4. Directions may please be given to KSEBL to provide facilities for prepaid meter for the consumers who are willing to bear at the entire expenses at their own cost.
5. AT&C loss in Kerala is the lowest in India, 2.77% is the lowest rate. As far as KSEBL is concerned, smart meter is not economical but if financial condition is good or 100% grant is received from government, it can be implemented as a part of modernisation. Action may please be taken from Central Government to issue direction to state government to take over the entire debt of KSEBL as on 2016, Kerala government have signed the Uday scheme but not taken over the entire debt of KSEBL as on that date.
6. The debt of KSEBL increased without any proper reason after 2016. This could be clarified only through a white paper. The projects of Purappura solar, Charging station, Hydrel tourism, Transgrid etc caused the high liability. Because of the huge debt, KSEBL is not in a position to implement smart meter their at own coast or by availing any loan. The borrowing capacity of KSEBL is 14000 crores. The present debt is 50000 crores.

7. Once the entire liability is cleared either by the state government or central government, KSEBL could handle the Smart meter procedure, until that date KSEBL may please be exempted from this meter implementation procedure and provide facilities and grant for infrastructure development.
8. People of Kerala demanding quality power without interruption and not smart meter.
9. At present the collection efficiency is 99%. The arrear due from Government consumer is huge amount. (The arrear due to KSEB from water authority is around 1300 crores).
10. The tripartite agreement signed on 29.3.2022 and RDSS conditions could be implemented only after clearing the arrears of Government, consumers including water authority. (One condition for smart meter grant is to clear the arrear from the Government consumer)
11. Another condition for grant for smart meter, is quarterly annual return statements. It is also not satisfied by KSEB.
12. In short finally, KSEB will loose 100% grant of smart meter in all aspects at this stage if we proceed.
13. Total expenditure will be heavy burden to KSEB.
14. Considering all the above facts, even though the tripartite agreement signed on 29.3.2022, KSEBL may exempt from the smart meter implementation for the time being.
15. Government of India may please allow the entire amount require for smart meter to government utilities in states or insist state governments fund the power utilities or both state and central government may please be given full financial support as grant.

Thanking you,

Yours faithfully,



K.P Dhanapalan Ex.MP  
President



Adv.Siby Kutty Francis  
Working President



V.Sudheer Kumar  
General Secretary

Copy to

1. The Private Secretary to Minister for Electricity, Kerala