

**INDIAN INSTITUTE OF TECHNOLOGY, KANPUR**  
**INSTITUTE WORKS DEPARTMENT**  
**CENTRAL OFFICE**

Letter No. IWD/CO/

Date: 25.05.2015

**NOTE-SHEET**

**Minutes of the meeting held on 06.04.2015, 13.04.2015 and 25.05.2015 of the committee, constituted by the Director, to review the electricity charges, including supplementary electricity charges, to be recovered from students residing in hall of residences.**

Three rounds of meetings were held. The first meeting was held on 06.04.2015 which was attended by DOIP, Prof. J. Ram Kumar, Chairman COW, Finance officer, S.E, IWD, President Student Gymkhana, Student representative (PG), AR, DOSA, Shri Raghvendra Singh. PIC (Electrical), ADHA, DOSA could not attend the meeting on 06.04.2015

In this meeting, S.E, IWD presented the cost of yearly electricity consumption in various hostels in year 2011 to 2014 (year wise from Jan to Dec). The FO in consultation with Prof. J. Ram Kumar informed the committee about the yearly recovery of electricity charges in various heads from the students residing in hostels. The FO also informed the committee about the charges of electricity being recovered in some of the other IITs for the year 2013.

The committee noted that there is difference of more than Rs. 3.00 Crores between the cost of electricity consumed and recovery made from the students in the year 2014. The difference is primarily because of the revision in tariff from 2007 to 2014 and the increase in consumption.

After the detailed discussion it was agreed that the students would collect the information about the electricity charges being recovered from students in old and new IITs and the same should be presented in the next meeting.

In the second meeting held on 13.04.2015 all members were presents.

Chairman COW presented the details of electricity charges being recovered from the students in other IITs. It was noted by the committee that there is huge difference in electricity charges being recovered amongst various IITs.

PIC (electrical) presented the theoretical calculation of electrical load in all hostels based on the light points / fan points in rooms, toilets, corridors, sports facility, common rooms, etc. (i.e. the connected load inside the boundary walled premises of the hostels).

After the detailed discussion, the final conclusion on the enhancement in the electricity charges including fixed charges could not be arrived. The student representative suggested to charge the students only for the consumption of electricity, including fixed charges, for residential rooms. They suggested that the electricity consumption for common facilities including toilets should be borne by the Institute. The student representative requested that they will discuss this issue in student forum and shall inform the committee.

The third meeting of the committee was held on 25.05.2015. Chairman COW and students representatives could not attend the meeting. In this meeting, DOIP presented a note which was already circulated beforehand to all members for their feedback. On the basis of this note, the following is noted and recommended for enhancement in electricity tariff:

1. On the basis of information made available by the Institute Works Department on actual electricity charges, it was noted that the total amount paid by the Institute for consumption of electricity in halls/hostels is about Rs. 4,71,67,489 in FY2014-15. Out of this, the recovery from shops and canteens of halls/hostels is about Rs. 11,31,364. Hence, the net amount paid towards hostel related electricity charges by the Institute is Rs. 4,60,36,125. For calculating the fixed charges, electricity duty and protective load, it is considered that the total consumptions in hostel is 15% of the total consumption of the Institute.
2. As informed by the FO and Chairman COW, the recovery from the students against the electricity charges is as follows (last revised in 2007):
  - a) Rs. 300/- per student per semester towards electricity, fan and water charges
  - b) Rs. 300/- per student per semester towards supplementary electricity charges
  - c) 16 units per students per month in MEC per semester (@Rs. 6.23 per unit). This is approximately Rs. 400 per semester.

On the basis of this data, it was noted that the students residing in hostels are paying approximately Rs. 1000 per regular semester.

3. Assuming 6100 students in hostels and using the the above information, the present recovery from hostels is given in Table 1:

**Table 1: Recovery of electricity charges from hostels**

Sr. no.	Head	Calculation	Amount (Rs)
1	Direct electricity charges	6100 x 2 x 600	73,20,000.0
2	Electricity charges through MEC (for eight months)	6100 x 16 x 6.23 x 8	48,64,384.0
3	Electricity charges through MEC (in summer term, for two months and assuming 3500 students)	3500 x 16 x 6.23 x 2	6,97,760.0
		<b>TOTAL</b>	<b>1,28,82,144.0</b>

**Net present deficit for electricity consumptions in the hostel = Rs. 3,31,53,981**  
**(Rs. 4,60,36,125 – Rs. 1,28,82,144 = Rs. 3,31,53,981)**

4. The above difference will further increase in the FY15-16 because the tariff from 1 April 2014 to October 11, 2014 was Rs. 5.80 per unit (plus ED) and from 12 October 2014 onwards, it has been revised to Rs. 6.40 per unit (plus ED and regulatory charges).
5. Analysis of the connected load in all the hostels at various locations (i.e. residential rooms, toilets cum bath, corridors, stairs, common room, landscaping light, admin block, mess, canteen, sports activity, badminton court & basketball court, etc.) has revealed that the average load for just three segments- residential rooms, toilets cum bath, and mess is about 85% of the total connected load in hostels.

6. Subsidizing the electricity charges for hostels is now untenable and cannot continue further. In principle, the institute may absorb up to a maximum of 10% of electricity charges which may be counted towards common areas such as corridors, stairs, common room, landscaping light, admin block, sports facilities, etc. This absorption may also be reviewed later. The remaining 90% of the electricity charges in hostels need to be borne by hostel residents.
7. In view of the above (with revised tariff and sharing on 1:9 basis), Table 2 summarizes hostel electricity charges to be recovered from students for FY15-16.

**Table 2: Revised recovery of electricity charges from students in hostel**

Sr. no.	Item	Units/charges	Unit charges/factor	Amount (Rs.)
1	Energy charges in hostels (based on Y2014)	6124859 units	Rs. 6.4	39199098
2	Fixed charges for hostel (15% of annual charges)	Rs. 21438000	0.15	3215700
	<b>Total (1 + 2) = A</b>			<b>42414798</b>
3	Electricity duty (7.5% of A)	Rs. 42414798	0.0750	3181110
4	Regulatory charges (2.23% of A)	Rs. 42414798	0.023	975540
5	Protective load charges (15% of 9500 x 240 x 12)	Rs. 27360000	0.15	4104000
	<b>TOTAL (B)</b>			<b>50675448</b>
	<b>RECOVERY</b>			
6	Shops and canteens (taking 20% increment from 2014) (C)			1357000
7	Net amount to be paid for hostels (D = B - C)			49318448
8	Less 10% of D to be absorbed by the institute (for common areas like, corridors, stairs, common room, landscaping light, admin block, etc.) (E)			4931845
9	Net amount to be recovered from students (F = D - E)			44386603
10	Approximate annual charges per student (assuming 6100 students) (F/6100)			7276
11	Annual electricity charges (rounded to the nearest hundred) (G)			7300

With the above calculations, following proposal is presented for recovery of electricity charges from students residing in hostels:

- (1) Realization of all electricity charges from students may be merged into a single head: **Electricity Charges**. Consequently, the MEC charges will be reduced by the corresponding component of electricity charges which at present is approximately Rs. 400 per regular semester.
- (2) The proposed semester wise break-up may be Rs. 3,150 each for the first and second semester and Rs. 1,700 for the summer term. The approximate amount recovered on account of this proposal will be Rs. 6,300 x 6,100 + Rs. 1,700 x 3,500 = Rs. 4,43,80,000.
- (3) The above proposed charges shall be revised automatically with change in the tariff. For example, if the tariff goes up from Rs. 6.40 per unit to Rs. 7.00 per unit, the semester and summer term electricity charges for students may then automatically become from Rs. 3150 to Rs. 3,450/- and Rs. 1,700 to Rs. 1,860 respectively.

- a) The following two options were suggested for enhancement in electricity charges from students residing in hostels:

**Option-1:**

- For all new students, from July 2015, the above charges may be implemented with immediate effect i.e. Rs. 3,150 per regular semester and Rs. 1,700 for the summer semester.
- For the existing students (up to Y14 batch), the electricity charges may be increased in two stages. In July 2015, they may pay Rs. 2,000. From January 2015 onward they may pay Rs. 3,150 at par with all other students. The charge for the summer term remains same just like any new student (i.e. Rs. 1,700).

**Option-2:**

- For all students from July 2015, the above charges may be implemented immediately i.e. Rs. 3,150 per regular semester and Rs. 1,700 for the summer semester.

After detailed discussion, the committee recommends for **OPTION-1** for implementation.

Mr. Raghvendra Singh	President, SG	UG representative	PG Representative
Mr. Rajeev Garg	Mr. Munish Malik	Mr. J. Sarangi	Dr. S. N. Singh
Dr. Shalabh	Dr. A. R. Harish	Dr. J. Ram Kumar	Dr. Onkar Dikshit