

CONSUMER GRIEVANCE REDRESSAL FORUM

CENTRAL REGION

(Formed under Section 42(5) of the Electricity Act 2003)

220 kV Substation Compound, HMT Colony P.O. Kalamassery, Pin – 683 503
Phone No. 0484-2556500 Website: cgrf.kseb.in, Email: cgrf.ekm@gmail.com,
CUG No. 9496008719

Present

(1) Smt. Sheeba. P
(2) Smt. Mini Francis

Chairperson
2nd Member

Petitioner

Sri. Abdul Kareem. K.E,
 The Proprietor,
 M/s. Kaisons Metal Sand,
 Mattoor, Kalady P.O.,
 Ernakulam, Pin – 683 574.

Respondent

- 1) The Deputy Chief Engineer,
 Kerala State Electricity Board Ltd.,
 Electrical Circle, Perumbavoor
- 2) The Special Officer (Revenue)
 Kerala State Electricity Board Ltd.,
 Thiruvananthapuram

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No.CGRF-CR/OP No.12/2023-24

Date: 04-08-2023

ORDER

Background of the case:

The petitioner is the Proprietor of an industrial manufacturing unit of Metal Sand (M-sand) named M/s. Kaison Metal Sand having a High Tension (HT) electricity connection bearing Consumer No.LCN-21/9102, under the jurisdiction of Electrical Circle, Perumbavoor (Electrical Section, Kalady). On 16th July 2022, the electricity service to the petitioner's unit was disconnected due to non-payment of current charges. The petitioner claims that as of 16th January 2023, the total outstanding arrear for current charges amounts to 12,89,549/-. Despite requesting for an installment plan to settle the arrears, the petitioner's appeal was rejected by the respondent. Therefore, the petitioner has approached this Forum seeking justice.

Version of the Petitioner:

The petitioner states that they received uninterrupted power supply till 02/2020, but got interrupted in the subsequent months due to some technical defects in the control switch gear and CT/PT units. The petitioner complains that the licensee did not take any effective measures to cure those defects and also failed to carry out their periodical inspection during the material period due to the lockdown restrictions. The petitioner complains that the licensee rectified these defects only on 07/2020. The petitioner admits that during this period, they paid only a fixed minimum charge of Rs.7990/- till 07/2020 on the basis of the assurance given by the licensee that the other charges accrued shall be waived off in the light of Clauses 18 (a) and (b) of the contract. But the licensee unreasonably and arbitrarily generated the invoices for an average sum of Rs.37,000/- and further issued the demand notices to that effect for a cumulative sum of Rs.166085/- during the months 09/2020 and 10/2020. The petitioner then refused to pay such disputed amounts as the licensee did not waive the additional charges accrued till July 2020.

The petitioner states that during this time, their business faced some financial crisis which affected the repayment of the electricity bills generated during the year 2021 and 2022, leading to an accrued arrear amount of Rs.12,89,549/-. In the wake of such non-payment of the outstanding arrears, the KSEBL temporarily disconnected the connection of the petitioner on 16/07/2022 and further issued a demand notice to them on 16/01/2023 for its recovery.

The petitioner argues that even though the petitioner requested for remitting the arrear upon the sanction of a One Time Settlement (OTS) Scheme or upon the sanctioning of an installment facility, the licensee did not accept the request made by the petitioner. The petitioner complains that the KSEBL has already forfeited and adjusted their Security Deposit amount towards the outstanding arrears and also initiated the recovery proceedings against the petitioner without affording him any opportunity to settle the arrears. The respondent also took hasty measures to dismantle the transformer and other equipments installed at his premises; for which

the petitioner expended a sum of more than Rupees Five Lakhs for the procurement and installation of transformers and other equipments and for the installation for the peripherals and for the erection of metering equipment. The petitioner states that the dismantling of their electricity connection by the KSEBL shall cause serious prejudice to him. Thus the petitioner requests this Forum to ascertain the legality and correctness of the demands raised by the respondent, to stop the dismantling procedures of the licensee and also to sanction an installment / OTS scheme by waiving off the disputed amounts.

Subsequently, statement of facts was called for and the same was submitted by the respondent on 16-06-2023.

Version of the Respondent (SOR):-

The respondent states that the petitioner is running an industrial manufacturing unit under the jurisdiction of Electrical Circle, Perumbavoor. The service to the petitioner was disconnected on 16/07/2022 due to the default in payment of current charges. Thus the petitioner was served with a minimum demand bill for 180 days as envisaged in Regulation 143 of the Kerala Electricity Supply Code, 2014. The respondent states that the power supply remained disconnected continuously for a period of 180 days and thus KSEBL resorted to dismantle the service as per Regulation 143(3) of Kerala Electricity Supply Code, 2014 which states that *‘if the service connection of the consumer remains continuously disconnected for 180 days, the agreement may be terminated after giving a notice of fifteen days to the consumer’*.

The respondent further states that the notice dated 16/01/2023 was issued to the petitioner as per Regulation 139 (6) of Kerala Electricity Supply Code 2014, as he failed to clear the dues even after repeated reminders. As per Regulation 139(6), *“The licensee shall, after disconnection on the grounds mentioned in sub-regulation (1) of regulation 138, give intimation to the consumer as per the format given in Annexure - 18 to the Code, to remove the cause of disconnection within forty five days, failing which the supply may be dismantled”*.

The respondent states that as per the Board Order vide B.O.(FTD) No.363/2020(KSEB/TRAC-D/Covid Pandemic – Tariffconcession/2020-21) dated 30/05/2020, it was decided to waive 25% of the fixed charge applicable to industrial/commercial connections and private hospitals for the months from 03/2020 to 05/2020 and to defer the payment of balance fixed charge up to 15/12/2020 without levying interest during the deferred period. Accordingly the petitioner was allowed a rebate of Rs.23970/- vide bill dated 09/07/2020. Apart from that, the licensee vide B.O. (FTD) No.511/2021 (KSEB/ TRACC/ Covid Pandemic-Tariff Concession/2021-22) dated 02/07/2021 also provided relief to the tune of 25% of fixed charge /demand charge applicable to industrial/ commercial consumers for the month of 06/2021 and allowed three equal installments without interest, to remit the balance dues after allowing relief up to 30/09/2021. The respondent states that the said rebate had already been allowed to the petitioner firm vide bill for the month of 07/2021. The respondent states that the licensee has passed on all the benefits extended by the Government of Kerala, during the pandemic period, on the strength of section 108 of the Indian Electricity Act, 2003 to the petitioner firm and no other benefits can be extended to the petitioner firm irrespective of Section 65 and 108 of the Indian Electricity Act, 2003. Hence the petitioner is liable to clear the existing arrear as the contentions of the petitioner are against the Regulations of Kerala Electricity Supply Code, 2014 which has been issued on the strength of Section 50 of the Electricity Act, 2003, which cannot be challenged before this Forum. Thus the respondent requests this Forum to dismiss this complaint at costs and to permit the licensee to take action against the petitioner in pursuant to Regulation 136(4) of the Code 2014.

Analysis and findings:

Hearing was conducted at the chamber of the Chairperson, Consumer Grievance Redressal Forum, Ernakulam. The Forum afforded an opportunity to hear the Petitioner and the Respondent on 19-06-2023 and on 27-07-2023. Both the petitioner and the respondent were present for hearing. Having examined the petition in detail and the statement of facts of the respondent, considering all the

facts and circumstances in detail and perusing all the documents of both sides, the Forum comes to the following observations, conclusions and decisions thereof.

During the first hearing held on 19/06/2023, the petitioner requested to adjourn the hearing to the first week of July. Both the petitioner and respondent were present and this Forum granted an opportunity to hear both sides regarding the petitioner's adjournment request. However, the petitioner failed to provide a valid reason for the adjournment and instead, emphasized their need for an instalment plan to settle the arrears due to their financial constraints. The respondent agreed to this request, subject to the verification of details and a second hearing was scheduled for 12/07/2023. But on 11/07/2023, the petitioner requested to further postpone the hearing, citing ongoing discussions with the respondent to settle the issue through One Time Settlement (OTS) of the arrears and an instalment scheme. As a result, the hearing was adjourned. On 24/07/2023, the Special Officer, Revenue of the licensee sanctioned an instalment plan consisting of six equal payments for the petitioner to settle their arrears.

However, upon contacting the petitioner, this Forum was informed that the petitioner sought additional months to settle the arrears as they were unable to settle the arrear within just six instalments. Thus another hearing was conducted on 27/07/2023, but the petitioner once again requested over the phone to postpone the hearing. Nevertheless, the hearing proceeded as scheduled and both the petitioner and the respondent were present.

During the hearing, the respondent informed that they initially planned to offer six equal instalments for the entire arrear amount of Rs.20,19,650/-, as per their procedure mentioned in procedure No.SOR/AMU4/LCN-21/9102/2023-24/19 dated 21/07/2023. The respondent further informed the petitioner that their request for a One Time Settlement (OTS) could be considered, allowing them to settle arrears up to the year 2020. This would result in a substantial reduction in the surcharge amount. Additionally, the respondent agreed to provide an instalment plan for the remaining balance. However, the petitioner argued that the

surcharge/interest imposed by the licensee was unaffordable and they refused to pay it. The respondent clarified that the interest rate levied was in accordance with the guidelines outlined in Regulation 131 of the Kerala Electricity Supply Code, 2014.

Regulation 131. Payment of bills and interest for belated payments.-

“(1)The consumer shall pay to the licensee the full amount of the bill on or before the due date indicated therein, for which the licensee shall issue a receipt.

(2) If the consumer fails to remit the bill amount on or before the due date, the licensee is entitled to recover interest on the amount of the bill at the rates specified in the Schedule of Miscellaneous Charges as per schedule 1 of the Code.”

As per the 12th item in the Schedule of Miscellaneous Charges as per Schedule 1 of the Code, the rate of interest for delayed payment is: *“12% per annum, based on actual number of days of delay from the due date, up to a period of 30 days and thereafter at the rate of 18% per annum for the entire period of default from the due date.”*

After carefully evaluating all the facts and relevant details, this Forum concludes that the licensee responded positively to address the petitioner's complaint and was willing to consider an OTS and provide an instalment plan to settle the arrears.

DECISION:

Considering the above facts and circumstances, the Forum issues the following orders:-

- 1. The petitioner is responsible for settling the arrears along with the surcharge.**
- 2. The respondent shall provide the option of OTS for the eligible amount and proceed with the agreed instalment facility as discussed before this Forum.**
- 3. No costs ordered.**

The petitioner is at liberty to file appeal before the State Electricity Ombudsman, D.H. Road, Off shore Road Junction, Near Gandhi Square, Ernakulam, Pin – 682 016 (Ph: 0484 -2346488 , Mobile No. 8714356488) within 30 days of receipt of this order, if not satisfied with this decision.

Dated this 04th day of August 2023

Sd/-

Mini Francis
2nd Member
CGRF, Ernakulam

Sd/-

Smt. Sheeba. P
(CHAIRPERSON)
CGRF-CR, Ernakulam

Endt. On CGRF-CR/OP No.12/2023-24 Dated

Delivered to

Sri. Abdul Kareem. K.E,
Proprietor,
M/s. Kaisons Metal Sand,
Mattoor, Kalady P.O.,
Ernakulam, Pin – 683 574

Sd/-

**CHAIRPERSON
(DEPUTY CHIEF ENGINEER)
CGRF-CR, KALAMASSERRY**

Copy submitted to: 1) The Secretary, KSEBL, Vydhyuthi Bhavanam, Pattom,
Thiruvananthapuram.

“ 2 The Secretary, Kerala State Regulatory Commission,
KPFC Bhavanam, C.V. Raman Pillai Road, Vellayambalam,
Thiruvananthapuram.

Copy to: 1) The Deputy Chief Engineer, Kerala State Electricity
Board Ltd., Electrical Circle, Perumbavoor

2) The Special Officer (Revenue), Kerala State Electricity Board Ltd.,
Vydhyuthi Bhavanam, Thiruvananthapuram.