

CONSUMER GRIEVANCE REDRESSAL FORUM

CENTRAL REGION

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

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CUG No. 9496008719

Present	(1) Smt.Sheeba. P (2) Sri. Biju Varghese	Chairperson 3 rd Member
Petitioner		Smt. Merin Mathew, Wildrein Organic Food Processing Industry, 1/723 A7, Sreevardhini Building, Muvattupuzha Road, Vengalloor, Thodupuzha, Idukki, Pin – 685 608
Respondent	1) 2)	The Assistant Executive Engineer, Kerala State Electricity Board Ltd, Electrical Sub Division, Thodupuzha No.1, Idukki The Assistant Engineer, Kerala State Electricity Board Ltd, Electrical Section, Thodupuzha No.1,Idukki

No.CGRF-CR/OP No.35/2023-24

Date: 11-10-2023

ORDER

Background of the case:

The petitioner currently holds an LT IV industrial electricity connection with consumer number 1156180038528, which falls under the jurisdiction of Electrical Section, Thodupuzha No.1. Previously, the petitioner had an electricity connection at the same premises for construction purposes, with consumer number 1156185037938. On May 29, 2023, the petitioner acquired a new LT IV Industrial connection by paying adequate fees for the construction of an 11kV Overhead line and the installation of a 100 kVA Transformer. The petitioner is filing a complaint

alleging that the licensee has unlawfully collected the following amounts:- Rs.23,000/- for Estimated Cost of Service Connection (ECSC) charges for the new connection, Rs.9,602/- as additional ECSC for the old connection, Rs.1,101/- as a work deposit for the dismantling of the old connection and Rs.1,56,977/- for transformer installation. Thus the petitioner has approached this Forum seeking reimbursement of these amounts, along with interest.

Version of the Petitioner:-

The petitioner explains that they initially had a three-phase electric connection under LT-VI F tariff for their operations, where they installed machinery and equipment. However, after the completion of their work, to get electricity connection for their industrial purpose, they were asked to install a new transformer, due to insufficient spare capacity in the existing transformer and they paid an amount of Rs.3,30,894/- on July 25, 2022 for the same. Subsequently, on 23/02/2023 which was after seven months, the Assistant Engineer, Electrical Section, Thodupuzha No.1 issued an additional demand notice for Rs.1,56,977/-, claiming that the petitioner had to pay this amount for the work they carried out, as instructed by the Hon'ble Kerala State Electricity Regulatory Commission (KSERC). The petitioner further mentions that despite their consistent visits to the KSEBL office for new connection, no action was taken by the respondent. As a result, on May 29, 2023, i.e. after ten months since the installation of the transformer, they finally obtained a new electric connection. During this period, they suffered significant financial losses due to the lack of electricity connection.

The petitioner also highlights that their old connection, originally obtained for construction purposes could have been converted into an industrial connection by adjusting the connected load. However, officials at the Electrical Section Office in Thodupuzha No.1 insisted the petitioner to obtain a new connection and dismantle the existing one. Furthermore, the petitioner states that they personally covered the expense of laying Under Ground cables (UG cable) from the transformer to the meter panel. Yet the respondent requested the petitioner to remit ECSC charges of Rs.23,000/- and a cash deposit of Rs.49,000/-.

Regarding their new connection obtained on May 29, 2023, the petitioner clarifies that connection number 1156185037938 was no longer in use. To prevent the accumulation of fixed charges, they requested to dismantle the connection and paid dismantling charges of Rs.130/- on June 1, 2023. However, the respondent charged a total of Rs.1,011/-, which includes Rs.857/- for a work deposit and Rs.154/- for GST.

Additionally, the petitioner complains that after dismantling the service connection, the respondent issued an exceptionally high electricity bill for the dismantled service connection, amounting to Rs.21,580/-, after adjusting their security deposit held by the licensee. The petitioner asserts that their electricity consumption for the month of May, specifically from May 6, 2023, to May 20, 2023, was very low. The respondent provided this bill without disclosing the final reading of the dismantled electric connection, despite the petitioner's repeated requests for the downloaded meter data to the Assistant Engineer at Thodupuzha No.1, which went unanswered.

The petitioner also expresses confusion about the reason for collecting an additional amount of Rs.9,602/- as ECSC charges on July 13, 2022, in addition to the Rs.4,200/- (as ECSC) they had already paid on June 28, 2022. Therefore, the petitioner requests a refund with interest for the amounts including the ECSC charges of Rs.23,000/- collected for the new connection, Rs.9,602/- for the old connection, the Rs.1,011/- collected as a work deposit and Rs.1,56,977/- collected for the transformer installation.

Subsequently, statement of facts was called for and the same was submitted by the respondent on 01/09/2023.

Version of the Respondent:-

The respondent explains that the complaint concerns the ECSC charges and demands issued during various phases from the Electrical Section, Thodupuzha No.1 to the petitioner which includes the application for a service connection and

the dismantling of the Low Tension (LT) VIF connection initially obtained for construction purposes on July 1, 2022.

On July 19, 2022, the petitioner remitted Rs.5,912/- as an application fee for obtaining a 60kW power supply for their upcoming industrial operations. Additionally, on July 25, 2022, they paid Rs.3,24,994/- as per the demand issued for additional power allocation by the office of the Assistant Engineer. The respondent states that the petitioner requested a load of 60kW, which necessitated the construction of a new 100kVA transformer with a 35M HT Overhead line.

The respondent emphasizes that as per the cost data of distribution works approved by the Hon'ble Kerala State Electricity Regulatory Commission (KSERC), the expenditure to be collected from the petitioner for "Constructing 1 KM of 11kV line using ACSR Raccoon with stays" was Rs.960/M. Additionally, according to item 62, "Installation of 1 No. 11kV/433V, 100kVA transformer without stay is Rs.390,000/-". Therefore, the correct amount to be collected from the petitioner was Rs.4,87,871/- ($\text{Rs.960} \times 35 + \text{Rs.3,90,000/-} + \text{GST Rs.74,421/-}$). However, the Assistant Engineer mistakenly issued a demand notice for only Rs.3,24,994/-. This discrepancy was identified upon the inspection carried out by the Hon'ble KSERC Compliance Inspection Team. To recover the short-collected amount, the Assistant Engineer issued a demand notice for Rs.1,56,977/-, which the petitioner remitted on May 9, 2023.

The respondent further reports that the petitioner submitted a new service connection application on April 3, 2023, for an 80.291 kW load for industrial purpose to the Assistant Engineer, Electrical Section, Thodupuzha No.1. It was the petitioner's discretion to choose either applying for a new connection or modifying the existing one. The respondent notes that the petitioner did not submit any application to change the LT VI F category of the connection and thus, it was assumed that the petitioner chose to proceed with a new application. The respondent asserts that the delay in processing the new connection was primarily

due to the petitioner's non-remittance of dues and variations in the load details submitted, for which the petitioner is solely responsible.

Regarding the ECSC charges, the respondent states that the demand for Rs.23,000/- was strictly in line with the rates mandated by the Hon'ble Kerala State Electricity Regulatory Commission (KSERC). These rates were based on the Cost Data approved by the KSERC, specifically item 5, which states that "LT three-phase weatherproof service connection from 50kVA and above up to and including 100kVA is Rs.23,000/-." Therefore, no additional charges beyond the mandatory rates were imposed on the petitioner.

The respondent notes that as per their records, the petitioner submitted an application for dismantling their LT VIF connection bearing consumer number 1156185037938 on June 1, 2023. Following the rules, dismantling charges were demanded and the petitioner promptly remitted the same on the same day without any protest. Subsequently, the service connection was dismantled and the demand issued to the petitioner was based on the last meter reading. Despite the petitioner's request for downloading the meter data on July 12, 2023, they had not remitted the required amount for meter testing. The respondent contends that the petitioner's consumption during the last billing cycle was high and the petitioner themselves informed the respondent during a site inspection that machineries were installed and testing was ongoing at the premises, using the available LT VI F connection. Therefore, the current consumption was reflective of the actual units consumed by the petitioner.

Additional Statement of facts by the Respondent:-

As directed by this Forum during the hearing of OP No.35/2023-24 on 20/09/2023, an inspection was conducted at the site of consumer number 1156185037938. On inspection it was found that the cable used for extending service from the transformer cut out to the metering panel of the consumer is supplied and installed by the consumer. The argument of the consumer was that the cost of their cable is already included in the ECSC charges collected from the

consumer. Usually ECSC charges, as envisaged by the Hon'ble Kerala State Regulatory Commission is the average cost involved in establishing a service connection with cost of materials and labour involved. The licensee is authorized to collect their amount. Since this is an average cost, the actual materials and labour varies with location. At times, certain consumers offer their own cable extensions from the transformer cut out to the metering panel, as the part of their electrical installation and as per their own convenience. In such cases, KSEBL is used to oblige this by observing the standards and safety, as a part of consumer friendly gesture. The respondent admits that the cable is laid by the consumer themselves.

Analysis and findings:

Hearing was conducted at the chamber of the Chairperson, Consumer Grievance Redressal Forum, Ernakulam. This Forum afforded an opportunity to hear the Petitioner and the Respondent on 20/09/2023. 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 hearing, the petitioner raised the following complaints regarding the new LT IV industrial connection provided to their premises after dismantling their old connection, which had been initially availed for construction purposes at the same location:

1. The petitioner complied with the direction of the officials of the Electrical Section Office, Thodupuzha No.1, by paying Rs.3,30,894/- for the construction of an 11 kV Overhead line and transformer installation. However, an additional and unjustified amount of Rs.1,56,977/- was demanded by the licensee without any valid explanation.
2. Even though the petitioner had personally laid the LT UG cable from the transformer cutout to the metering panel at their own expense for the new service connection to their premises, the officials of the section office

collected 'Estimated Cost of Service Connection' (ECSC) charges amounting to Rs.23,000/-.

3. Since the licensee instructed the petitioner to obtain a new connection, they paid an Application Fee of Rs.130/- for dismantling the old connection. However, the officials from the section office forced them to pay Rs.1,011/- (Rs.857/-+ Rs.154/- GST) as a work deposit, which contradicts the prevailing Regulations.
4. Despite the old connection having very low consumption between May 6, 2023 and May 20, 2023, the licensee issued a bill totaling Rs.21,580/- after deducting the Cash Deposit held by the licensee. The petitioner requested the licensee to provide downloaded meter data for verification, as they had doubts regarding the final reading of the old connection, which was not disclosed to the petitioner during the dismantling of the meter. However, the petitioner did not receive any response to their request.

This Forum has reviewed the petitioner's above concerns one by one, which are as follows:-

1. The petitioner complied with the direction of the officials of the Electrical Section Office, Thodupuzha No.1, by paying Rs.3,30,894/- for the construction of an 11 kV Overhead line and transformer installation. However, an additional and unjustified amount of Rs.1,56,977/- was demanded by the licensee without any valid explanation.

In response to this matter, the respondent clarified that an extra amount of Rs.1,56,977/- was collected due to a short collection anomaly, which was identified by the Compliance Inspection Team of the Hon'ble Kerala State Regulatory Commission (KSERC). According to the approved cost data for distribution works by the Hon'ble KSERC, the charges should have been Rs.960/- per meter for 'Constructing 1 km of 11 kV line using ACSR Raccoon with stays,' and in this case, there were a total of 35 meters to be constructed. Additionally, the cost for 'Installation of 1 No 11kV/433V, 100 kVA transformer without stay' was Rs.3,90,000/-. Therefore, the total amount to be collected should have been

Rs.4,87,871/- (Rs.960 x 35 + Rs.3,90,000/- + GST Rs.74,421/-). However, due to an error, only Rs.3,24,994/- was collected. Consequently, the respondent issued an additional demand for Rs.1,56,977/- to the petitioner.

This Forum emphasizes that, in accordance with Regulation 32 (1) of the Kerala Electricity Supply Code, 2014, the licensee is authorized to recover reasonable expenses incurred in supplying premises' electricity from the owner or lawful occupier. Regulation 32 (2) further stipulates that such charges by the licensee should be based on the cost data approved by the Commission. Regulation 32 (1) and (2) are described below:-

Regulation 32. Recovery of expenditure.-

(1) The licensee may recover from the owner or lawful occupier of any premises requiring supply, the expenditure reasonably incurred by the licensee for providing from the distributing main, any electric line or electrical plant required exclusively for the purpose of giving that supply:

Provided that, the licensee shall not be entitled to recover such expenditure if such expenditure is incurred under any scheme approved by the Commission:

Provided further that, the licensee may exempt any person requiring connection from the payment of expenditure if the State Government directs the licensee to provide new electric connection to any category of consumers and pays in advance to the licensee, the expenditure at the rates in the cost data approved by the Commission.

(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.”

Therefore, upon analysis, this Forum finds that the additional cost of Rs.1,56,977/- collected from the petitioner to cover the shortfall in the expenditure of the work conducted by the licensee is justified.

2) Even though the petitioner had personally laid the LT UG cable from the Transformer cutout to the metering panel at their own expense for the new service connection to their premises, the officials of the section office collected 'Estimated Cost of Service Connection' (ECSC) charges amounting to Rs.23,000/-.

In this context, the respondent has clarified that, although the petitioner mentioned that they supplied and installed the Low Tension Underground (LT UG) cable from the Transformer cutout to the metering panel, the ECSC charges collected by the licensee were in line with the KSERC-approved rates as per the prevailing Regulations. This Forum acknowledges that, according to Regulation 37 (1) and (2) of the Kerala Electricity Supply Code, 2014, the licensee is authorized to collect ECSC charges as approved by the KSERC. Regulation 37 (1) and (2) are described below:-

Regulation 37. Expenditure for service line, plant etc., for providing supply.-

“(1) The consumer shall bear the expenditure for the service line or of the plant or of both, provided exclusively for him by the licensee.

(2) The expenditure for line and plant mentioned in sub regulation (1) above shall be determined as per the cost data approved by the Commission.”

However, the petitioner contends that they supplied and installed the service line (LT UG Cable) themselves and no work related to this was undertaken by the licensee. In an additional statement of facts submitted by the respondent on 05/10/2023, the respondent also agreed with this claim. Furthermore, it is important to highlight that both the petitioner and the respondent are in full agreement and have no disputes regarding safety concerns and the necessary approvals for the work conducted by the petitioner. Hence, this Forum holds the view that, since the service line was provided and installed by the petitioner, the licensee is not entitled to demand the ECSC charges as specified in Regulation 37 (2) of the Kerala Electricity Supply Code, 2014. Instead, the licensee can only charge the fees outlined in Regulation 37 A (v) of the KESC, 2014, which is detailed below:-

Regulation 37A. Power of licensee to give permission to an applicant for undertaking certain works.-

“v) The work shall be done under the supervision of the licensee for which the licensee may charge administrative overhead charges, subject to a maximum of ten percent of the cost of labour and transport as per the cost data approved by the Commission for such work.

Provided that the licensee shall not be entitled to recover any amount towards the expenditure under regulation 36 and 37, other than the administrative over head charges as specified in clause (v) above from the applicant if such work of construction of electric line or plant or both has been undertaken by the applicant himself”.

3) Since the licensee instructed the petitioner to obtain a new connection, they paid Fee of Rs.130/- (Dismantling Charge Rs.100/- + Application Fee Rs.10/- + 18% GST) for dismantling the old connection. However, the officials from the section office forced them to pay Rs.1,011/- (Rs.857/- + Rs.154/- GST) as work deposit, which contradicts the prevailing Regulations.

The respondent has stated that they collected the amount as per the rules, but the respondent did not provide a specific reference for the additional collection of Rs.1,011/- as work deposit. However, this Forum observes that, in accordance with Item No.6 (a) of the Schedule of Miscellaneous charges detailed in the Annexure to B.O. (FTD) No.1998/2015 (KSEB/TRAC/R3/ SOP/2014-15) dated 11/08/2015, the licensee is only permitted to charge Rs.130/- (comprising Rs.100/- for dismantling, Rs.10/- application fee and GST at 18%) for the service connection dismantling (on request of consumer). If the licensee has collected an additional amount of Rs.1,011/- for this purpose, it is not in compliance with any Orders or Regulations.

4) Despite the old connection having very low consumption between May 6, 2023 and May 20, 2023, the licensee issued a bill totaling Rs.21,580/- after deducting the Cash Deposit held by the licensee. The petitioner requested the licensee to

provide downloaded meter data for verification, as they had doubts regarding the final reading of the old connection, which was not disclosed to the petitioner during the dismantling of the meter. However, the petitioner did not receive any response to their request.

In response to this matter, the respondent explained that the higher consumption in the last billing cycle of the old connection might have been due to the testing of machinery installed on the premises. The respondent also mentioned that they have provided the meter for downloading. This Forum acknowledges that there is a dispute regarding the final reading, which was not disclosed to the petitioner at the time of dismantling. Therefore, the Forum recommends that the respondent should download the meter data and provide the same to the petitioner. If there is any change in the final reading, the bill should be revised accordingly.

DECISION:

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

- 1. The additional cost of Rs.1,56,977/- collected from the petitioner to cover the shortfall in the expenditure of the work conducted by the licensee is justified.**
- 2. In reference to the ECSC charges collected from the petitioner, given that the service line was supplied and installed by the petitioner, the licensee is only authorized to charge the fees specified in Regulation 37 A (v) of the Kerala Electricity Supply Code, 2014. Therefore, the respondent shall refund the excess amount to the petitioner.**
- 3. The respondent shall refund the extra amount collected as work deposit for the dismantling of the service connection, which was collected from the petitioner in addition to the sum of Rs.130/-.**
- 4. Concerning the final electricity bill issued for the dismantled service connection of the petitioner, the respondent is directed to download the meter data and furnish it to the petitioner. If there**

are any alterations in the recorded consumption, the disputed bill should be adjusted accordingly within fifteen days from the receipt of this Order.

5. No cost 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 11th day October of 2023

Sd/-
Sri.Biju Varghese
3rd Member
CGRF, Ernakulam

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

Endt. On CGRF-CR/OP No.35/2023-24 Dated
Delivered to Smt. Merin Mathew,
Wildrein Organic Food Processing Industry
1/723 A7, Sreevardhini Building,
Muvattuppuzha Road, T
Thodupuzha, Idukki,
Pin – 685 608

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, Electrical Circle, KSEBL, Thodupuzha
(2) The Executive Engineer, Electrical Division, KSEBL, Thodupuzha
(3) The Assistant Executive Engineer, Electrical Sub Division,
KSEBL, Thodupuzha No.1
(4) The Assistant Engineer, Electrical Section, Thodupuzha No.1.