

STATE ELECTRICITY OMBUDSMAN

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REPRESENTATION No: P 150/10

Appellant : Sri Alex P Antony ,
Digital House, VanRose Junction,
Thiruvananthapuram

Respondent: Kerala State Electricity Board
Represented by
The Assistant Executive Engineer
Electrical Sub Division,
Puthenchantha, Thiruvananthapuram 695001

ORDER

Sri Alex P Antony ,Digital House, VanRose Junction, Thiruvananthapuram submitted a representation on 30.6.2010 seeking the following relief :
To set aside the demand cum disconnection notices dated 22-5-09 and 26-08-2009 amounting to Rs 6593/- and Rs 144679/- respectively.
Counter statements of the Respondent was obtained and hearing conducted on 16.9.2010.

The Appellant is running a firm called Digital House where activities like digital flex printing, vinyl printing, DTP, data processing etc are under taken . The service connection No: 9329 was given on 28.8.2006 under LT VII tariff with connected load of 7.64KW. Later the tariff was changed to LT IV after obtaining sanction from the Executive Engineer and the connected load enhanced to 19.43KW on 20.2.2007. The connected load was again enhanced to 44.68 KW on 11.5.2009.

During an audit by the Accountant General's team in 9/2007 it was observed that the power load and light load was not segregated and metered separately. The Respondent issued a bill towards penal charges for the months of 2/07 and 3/07 amounting to Rs 6593/- on 22.5.2009. The Appellant paid the bill. The segregation had been done by the month of 7/09 along with the enhancement of load. Later the audit team instructed to issue penal bills for the entire period when the power load and light load was not segregated. Hence the Respondent issued penal bill dated 26.8.2009 amounting to Rs 144679/- for the period from 4/07 to 7/09. The Appellant agitated against this demand

and the Assistant Engineer as well as Executive Engineer declined to withdraw the demand. The CGRF also upheld the demand.

The representation with the pleas noted above is submitted to the under signed in the above back ground.

The Appellant has put up a large number of arguments against the penal demands. The relevant contentions/arguments/points raised by the Appellant in the representation and during the hearing are summarized below:

1. The service connection had been given to the Appellant and the LT IV tariff sanctioned in 2/2007 after satisfying all the provisions in the KSEB Terms & Conditions 2005 and other relevant regulations. The light loads were actually segregated by separate circuits .If the authorities had not taken care to provide separate meter for lighting circuits it was not the fault of the consumer.
2. At the time of allowing tariff-change in 2007 the authorities might have considered the consumers premises as one which do not require segregation of light loads as per the tariff notifications of 2002. If any change in the rules or regulations had come up later, they should have given a notice to the consumer for segregating the loads.
3. The authorities had not inspected the premises after the AG audit in 9/2007 and taken follow up action for segregation of circuits. Had this been done the observation in 5/2009 and the penal bills for around 2 years could have been avoided.
4. The penal charges had been demanded from the consumer entirely due to failure of the Licensee's officials to discharge their duties and the consumer can not be penalized for it.

The contentions/arguments/points raised by the Respondent in the counterstatement and during the hearing are summarized below:

It is true that the additional load on the LT connection of the Appellant was sanctioned and LT IV Industrial tariff allowed from 2/2007 onwards after obtaining approval from the concerned Executive Engineer. Records are not available why segregation of power load and light load was not insisted at that time. Negligence on the part of the concerned officials is admitted. There was failure to take timely follow up action even after the audit observation in 9/2007. How ever the consumer can not escape from paying the penal bills on this ground.

Discussion and Findings:

The concept of segregation and separate metering of power loads and light loads in industrial plants had evolved as measure to control/reduce consumption of subsidized electricity supplied for industrial purposes for non productive purposes. Generally 5% of the bulk energy consumption was allowed to be used for lighting and other non productive purposes. Later due to the advent of IT and IT enabled service industry such segregation became irrelevant and impractical. The KSEB in an order dated 24.4.2001 decided that 'the entire consumption and connected load of such consumers shall be charged at industrial tariff'.

Segregation of power load and light load in any plant involves two activities: Consumer has to segregate the light loads from the power loads circuit by properly segregated wiring or rewiring if necessary. The supplier has to provide an independent meter to measure the energy consumption in the light circuit.

It is not known from the records made available whether the LT IV tariff was allowed to the Appellant in 2/2007, without providing separate light meter , based upon the assumption that it is engaged in 'software development/technology' as provided in the Board Order dated 24.4.2001 and tariff orders of 2002. Any way it is undisputed that LT IV tariff was allowed by the Licensee in 2007 without segregation and separate metering of power and light circuits.

If, later, the Licensee reaches to the conclusion that power load and light load had to be segregated and metered separately, the primary action they had to take was *to issue a notice to the consumer* and to provide a separate light meter in the premises.

The Respondent does not claim that they had issued any notice for segregation of circuits to the consumer. Nor do they claim that they had provided an independent meter to measure the energy consumption in the light circuit while the consumer failed to discharge his part of the activity. On the other hand the consumer claims that he had segregated light circuits in the plant from the very beginning. The Respondent had neither inspected this aspect in the premises at any stage nor do contradict this claim.

If the KSEB officials had issued notice for segregation of power load and light load at any stage and provided independent meter for lighting circuit and the consumer had failed to segregate his loads, they could have demanded penal charges from the consumer. Without adhering to these steps , asking the consumer to pay penal charges for non-segregation of light circuit from 2/2007 onwards, is unfair.

It seems that the Audit team had arrived at the conclusion that the consumer is bound to pay penal charges simply by looking at the meter reading register and other records. But the officials of the Licensee can not act arbitrarily based upon such instructions.

Appropriate decision had to be taken after inspecting the premises and taking all facts into consideration. The Respondent has to function within the frame work of the rules and regulations.

Considering the various facts of the case I have come to the conclusion that the claims towards penal charges under reference are unfair , illegal and arbitrary and hence can not be upheld.

Orders:

Under the circum stances explained above and after carefully examining all the evidences, arguments and points furnished by the Appellant and Respondent on the matter, the representation is disposed off with the following orders:

1. *The reliefs sought by the Appellant are allowed and the demand cum disconnection notices dated 22-5-09 and 26-08-2009 amounting to Rs 6593/- and Rs 144679/- respectively are declared illegal and set aside.*
2. *The amounts already collected towards these claims shall be refunded by adjusting in future current charges within 3 months from the date of this order.*
3. *No order on costs.*

Compliance:

If the Licensee do not comply with the above orders the Appellant may report the matter to the undersigned with copy to the Compliance Examiner, Kerala State Electricity Regulatory Commission, KPFC Bhavanam, Vellayambalam, Thiruvananthapuram 695010

Dated this the 18th day of September 2010 ,

P.PARAMESWARAN
Electricity Ombudsman

No P 150 /2010/ 654 / dated 18.9.2010

- Forwarded to:
1. Sri Alex P Antony ,
Digital House, VanRose Junction,
Thiruvananthapuram
 2. The Assistant Executive Engineer
Electrical Sub Division,
Puthenchantha, Thiruvananthapuram 695001

Copy to :

1. The Secretary,
Kerala State Electricity Regulatory Commission
KPFC Bhavanam, Vellayambalam, Thiruvananthapuram 695010
2. The Secretary ,KSE Board,
VaidyuthiBhavanam ,Thiruvananthapuram 695004
3. The Chairman , CGRF,KSE Board , Kottarakkara

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