

STATE ELECTRICITY OMBUDSMAN

Thaanath Building Club Junction Pookkattupadi Road Edappally Toll

KOCHI 682024

www.keralaeo.org

Phone 04842575488 +919447226341 Email : info@keralaeo.org

REPRESENTATION No: P 31/08

Appellant : M/s Spectrum Softtech Solutions(P) Ltd
Mahakavi G Road
COCHIN 682011

Respondent: Kerala State Electricity Board
Represented by
The Deputy Chief Engineer
Electrical circle, Power House
ERNAKULAM 682018

ORDER

M/s Spectrum Softtech Solutions(P) Ltd Cochin 682011 submitted a representation on 22.10.2008 seeking the following relief :

Refund of Service Connection Charges to the extent of Rs 1,66,050/-collected by KSEB with interest

Counter statements of the Respondent was obtained and hearing of both the parties conducted on 16.12.2008 .

The Appellant is an IT enabled service provider with an HT connection vide number 16/4413 under KSEB from 1.7.2006 onwards. The Appellant was made to remit an amount of Rs 166050/- under Service Connection Charges by KSEB on 13.5.2008 based on an under taking they had submitted on 22.6.2006 for obtaining connection. The Appellant approached the CGRF against the collection of Service Connection Charges but the CGRF endorsed the action of the KSEB.

The Appellant contends that the demand for Service Connection Charges was not prescribed in the Supply Code 2005 and the Respondent has no authority to collect the Service Connection Charges surpassing the Supply Code. None of the clauses of the Terms and Conditions Regulations of KSEB allow them to collect the Service Connection Charges. Hence the Appellant is eligible to get refund of the Service Connection Charges.

The Respondent stated that Service Connection Charges are being levied from all applicants for HT connections based on connected load. The Government of Kerala and the Kerala State Electricity Regulatory Commission permitted KSEB to continue the collection of Service Connection Charges and the charges collected from all the HT applicants are Rs 450/ per KW.

The single issue to be decided in this case is *whether the KSERC had permitted the collection of Service Connection Charges by KSEB*. There is no doubt that, under the existing statutes, the Licensees can collect any charges from the consumers only after getting approval from the KSERC.

Sub Clause (1) of Clause 7 of Supply Code empowers the Licensee to recover from the consumer the reasonable expenses for providing electricity to him. If such expenses are covered under the ARR&ERC the expenses can not be recovered. By implication, if the expenses related to providing power connection is not covered under the ARR&ERC the same can be recovered from the consumers if not explicitly exempted by the policy directives of the Government. But the Statutes also provide that the rates are to be approved by the Commission.

The KSEB pointed out that the KSERC in their communication dated 26th July 2005 had approved the estimates for such works and pointed out that the rates shall be valid for the FY 2005-06 or till the revised rates are approved by the Commission. The KSEB claims that this communication has to be considered as the approval of the Commission under the statutes.

The following observations are made on the matter based upon the facts revealed during the hearings and on verification of the records produced:

1. KSEB had been collecting Service Connection Charges from all applicants for HT connection for the last few years continuously
2. KSEB contends that the Letter No KSERC/Supply Code/2/140/2005/1031/dated 26.7.2005 of the Regulatory Commission is an approval for the collection of Service Connection Charges from certain classes of consumers and the rates are also approved in the same communication.
3. The question of collection of Service Connection Charges is a *general issue* which can not be confined to the limits of individual grievance.
4. Being a general issue, the KSERC shall be the appropriate authority to decide on the matter and conclude whether collection of Service Connection Charges is in order and whether there is any violation of statutes by the Licensee.
5. The appellant may approach the KSERC with a petition presenting the matter, not as an individual grievance, but as a general issue involving the questions of violation of the prevailing statutes and obtain orders.
6. The Appellant may approach the grievance redressal mechanisms of CGRF and Ombudsman again if necessary, on obtaining a favorable verdict from the Commission.

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 *without entering to the merits* of the case but disallowing the relief for the time being.

Dated this the 15th day of June 2009 ,

P.PARAMESWARAN
Electricity Ombudsman

No P 31/08/ 262 / dated 16.6.09

Forwarded to:

1. M/s Spectrum Softtech Solutions(P) Ltd
Mahakavi G Road
COCHIN 682011
2. The Deputy Chief Engineer
Electrical circle, Power House
ERNAKULAM 682018

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 ,
Powerhouse , ERNAKULAM 682018
4. The Chairman , CGRF,KSE Board ,
VaidyuthiBhavanam, Gandhi Road , KOZHIKODE
3. The Chairman , CGRF,KSE Board ,
VaidyuthiBhavanam, KOTTARAKKARA