

**THE STATE ELECTRICITY OMBUDSMAN**

Charangattu Bhavan, Building No.34/895, Mamangalam-Anchumana Road,  
Edappally, Kochi-682 024

[www.keralaeo.org](http://www.keralaeo.org) Ph: 0484 2346488, Mob: 91 9447576208

Email:ombudsman.electricity@gmail.com

---

APPEAL PETITION NO. P/129/2015

(Present: V.V. Sathyarajan)

Dated: 30<sup>th</sup> October 2015

Appellant : Sri Radhakrishnan T K  
Rayiga House,  
Thenhipalam, Malappuram Dist.

Respondent : The Assistant Executive Engineer,  
Electrical Sub Division,  
Parappanangadi, KSE Board Ltd,  
Malappuram.

**ORDER**

**Background of the case:**

The appellant had applied for power to an extent of 40 kW to start a new catering business unit under the jurisdiction of Electrical Section, Chelari. He had remitted the required fee for Rs. 2,010.00 on 17-07-2014. On 16-09-2014, the respondent has issued a letter demanding to deposit an amount of Rs. 2,75,250.00 towards the installation charges of a transformer for providing the connection. Aggrieved by this, the appellant had filed a petition before CGRF Kozhikode requesting to exempt him holding the expenditure for the installation of the transformer. The CGRF dismissed the petition vide order dated 24-03-2015 by holding the demand issued for Rs. 2,75,250.00 is in order. Still aggrieved with the above decisions of CGRF, the appellant has approached this Authority with this appeal petition dated 02-07-2015.

**Arguments of the appellant:**

The appellant stated that he had applied for power to an extent of 40 kW for starting a new hotel under Electrical Section, Chelari by remitting the prescribed fees for the same. After 1½ months, the appellant was received a letter from the respondent directing to remit Rs. 2,75,250/- for installation of a transformer. Since the power requirement is only for 40 kW, there is no need for a transformer and dedicated feeder exclusively for the appellant. A petition was filed before the CGRF, Kozhikode stating relevant provision in the Supply Code, 2014. The appellant argued that the licensee is liable to give connection to the consumers whose power requirement is below 1 MW. The appellant's

contention is that the licensee has delayed to take action on the application submitted by him. The CGRF simply upheld the decision of KSEB and disposed of petition without considering the real facts in the case.

Reliefs sought for:

1. To cancel the demand notice issued by the respondent directing to remit the amount for installation of transformer and to allow connection as per the rules specified in the Supply Code.
2. To cancel the order issued by the CGRF and to give connection to the appellant as per Regulation 35 of Supply Code, 2014 since there is no need for a transformer and dedicated feeder exclusively for the appellant.

**Arguments of the respondent:**

1. The respondent has stated that the appellant, Sri Radhakrishnan has given an application for power requirement of 40 kW to start up a new catering unit named "KANCHEES". He remitted Rs. 10.00 as Application Fee and Rs. 2,000.00 as advance estimate towards this on 17-07-2014.
2. As per his request, the respondent checked the load status of nearby 160 kVA Kohinoor transformer. The transformer is almost fully loaded and peak load current comes R phase - 210 A, Y phase - 190 A and B phase - 208 A. The location at which this transformer situated is a town near Calicut University comprising lot of commercial institutions and shops. The transformer feeds a thickly populated area of domestic consumers also including housing colony of university staff. Providing additional load of 40 kW from this transformer will adversely affect the existing consumers and will lead to transformer failure. Thus this transformer has no spare capacity to cater any additional load.
3. Since the existing nearby transformer has no spare capacity to meet the 40 kW power requirement, the respondent prepared an estimate for installing a 100 kVA transformer at their premises itself for delivering the requested power. The estimate cost comes to the tune of Rs. 2,75,250/- and estimate was sanctioned vide AS No. DB/LEOYEC/2014-15/CHRVAS-10 Dated. 16-08-2014.
4. The respondent contented that the transformer proposed is exclusively for the catering unit proposed by the appellant and hence the expenditure for such line or plant shall bear by the consumer as per Regulation 37 of Supply Code 2014. Hence the respondent issued a demand note on 16-09- 2014 to the appellant.

5. The respondent stated that the status of the existing Kohinoor 160 kVA transformer was submitted to Deputy Chief Engineer, Electrical Circle Tirur. As the existing Kohinoor 160 kVA transformer is not in a condition to cater 40 kW additional load requested by appellant, the Deputy Chief Engineer, Electrical Circle Tirur directed to collect the expenditure for installing the transformer as per the clause of 37 of Supply Code, 2014.
6. The Appellant had filed petition at CGRF Kozhikode requesting to exempt him from bearing the expenditure for the installation of transformer as proposed by KSEB. The Hon'ble CGRF Kozhikode vide its order in OP No. 66/2014-15 dated 24-03-2015 dismissed the petition stating that expenditure for installing the transformer has to be borne by the appellant as per the clause 37 of Supply Code, 2014.
7. After implementing the Supply Code, 2014 the KSEB was seeking clarification regarding the subject issue and The Assistant Engineer was seeking clarification from higher ups. This lead to a delay in responding to the appellant's application and was not intentional.

### **Analysis and findings**

A hearing of the case was conducted in my chamber at Edappally, Ernakulam, on 08-10-2015. Sri Prasad Chandran representing the appellant was present for the appellant's side and Sri Asif Kiliyamannil, Assistant Executive Engineer, Electrical Sub Division, Parappanagadi represented the respondent's side. Both sides have presented their arguments on the lines as stated above.

The brief facts and circumstances of the case that led to filing of the petition before this Authority are narrated above. On examining the petition of the appellant, the statement of facts filed by the respondent, the arguments in the hearing and considering all the facts and circumstances of the case, this Authority comes to the following findings and conclusions leading to the decisions.

The contention of the respondent is that the existing transformer is not having sufficient power for meeting the requirement to the tune of 40 kW, a new 100 kVA transformer has to be installed exclusively for catering the demand of the appellant. As per Regulation 37 of Kerala Electricity Supply Code, 2014, "the consumer shall bear the expenditure for the service line or the plant of both, provided exclusively for him by the licensee". In the instant case, the transformer is proposed to be erected exclusively for the appellant and demand for Rs. 2,75,250/- was issued as per Regulation 37 of Supply Code, 2014 and appellant is liable to remit the amount as stipulated in the Code.

The appellant's grievance is that since the power requirement is only for 40 kW, there is no need for a transformer and dedicated feeder exclusively for him. Further, the licensee is liable to give connection to the applicants whose power requirement is below 1 MW. Going through the relevant provision in the Supply Code, 2014, Regulation 36 which reads as **“the expenditure for extension or up-gradation or both of the distribution system undertaken exclusively for giving new service connection to any person or a collective body of persons or a developer or a builder, or for enhancing the load demand of a consumer or a collective body of consumers or a developer or builder, shall be borne by the respective applicant or consumer or collective body of consumers or developer or builder, as the case may be, in the following cases:-**

- (i) for meeting the demand of an applicant with a contract demand above one megawatt (MW);**
- (ii) for meeting the additional demand of existing consumers, if the aggregate demand including the additional demand applied for, is above one megawatt (MW);**
- (iii) for meeting the demand of the domestic or commercial or industrial complex or colony constructed by a developer or a builder with a demand above one megawatt (MW);**
- (iv) for meeting the demand of a high rise building irrespective of its demand;**
- (v) for meeting the demand of power intensive unit irrespective of its demand' and**
- (vi) for meeting the demand of a consumer requesting for dedicated feeder or protected load status irrespective of its demand:**

**Provided that, if due to technical reasons, the extension or up-gradation or both to be undertaken by the licensee as per this regulation is more than the requirement of such consumer, the expenditure for such extension or up-gradation or both to be realized from the consumer shall be limited to the proportionate expenditure.”**

In this case the requirement of power by the applicant is only for 40 kW. The specific provision in Regulation 36 does not allow realization of expenditure from the consumer having a contract demand below one MW except for meeting the demand of a high rise building irrespective of its demand and for meeting the demand of power intensive unit irrespective of its demand. The appellant's power requirement is not related to a high rise building or a power intensive unit. So the demand raised by the respondent is not sustainable and hence not justified.

On going through the records it can be seen that for availing low tension supply up to 100 kVA, the appellant need not remit any amount towards the

cost of transformer or 11 kV line **as per Regulation 35 of Supply Code, 2014, which reads as: expenditure for extension or up-gradation or both of the distribution system up to and including the distributing main, for meeting the demand of new consumers and the additional demand of existing consumers shall normally be borne by the distribution licensee and this expenditure shall be recovered from the consumers through tariff as approved by the Commission.** Hence the appellant is eligible for power to an extent of 40 kW as per the above Regulation.

### **Decision**

In view of the facts and circumstances placed before this Authority there is no ground for issuing demand for Rs. 2,75,250.00 to the appellant in accordance with the Regulation 35 and 36 of Kerala Electricity Supply Code, 2014. Hence the demand issued is hereby quashed. The respondent is hereby directed to issue electric connection as early as possible by complying with the Regulation mentioned above. The appeal is admitted and the CGRF order in OP No. 66/2014-15 dated 24-03-2015 is hereby set aside. No order as to costs.

**ELECTRICITY OMBUDSMAN**

P/129/2015/\_\_\_\_\_ Dated:\_\_\_\_\_

Forwarded to:

1. Sri Radhakrishnan T K, Rayiga House, Thenhipalam, Malappuram Dist.
2. The Assistant Executive Engineer, Electrical Sub Division, Parappanangadi, KSE Board Ltd, Malappuram.

Copy to:

1. The Secretary, Kerala State Electricity Regulatory Commission, KPFC Bhavanam, Vellayambalam, Thiruvananthapuram-10.
2. The Secretary, KSE Board Limited, Vydhyuthibhavanam, Pattom, Thiruvananthapuram-4.
3. The Chairperson, Consumer Grievance Redressal Forum, Vydhyuthibhavanam, KSEBoard Ltd, Gandhi Road, Kozhikode.