

STATE ELECTRICITY OMBUDSMAN

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REPRESENTATION No: P 80/09

Appellant : M/s Grand Marine Foods
No:16 Development area ,Industrial Estate,
ARoor –Alappuzha

Respondent: Kerala State Electricity Board
Represented by
The Assistant Executive Engineer
Electrical Sub Division
POOCHAKKAL - ALAPPUZHA

ORDER

M/s Grand Marine Foods , Industrial Estate, Aroor submitted a representation on 26.5.2009 seeking the following relief :

Direct that the complainant Consumer Number 17326 may be continued to be charged under LT IV Industrial tariff

To set aside all the demands raised against the above consumer number under LT VII A tariff and order refund of excess collected

Counter statements of the Respondent was obtained and hearing of both the parties conducted on 4.8.2009.

The Appellant has an LT electric connection under Electrical Section Aroor with consumer number 17326 which is the cold storage of the firm engaged in sea food processing and exports. The sea food processing is conducted at Kodungallur .

The respondents classified the cold storage connection number 17326 under LT VII A tariff .The CGRF upheld the action of the respondent.

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

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

Sea food processing is under taken by the Appellant in a different premise. The premise connected with consumer number 17326 is being utilized as a transit point after processing sea food prior to its sale and export. The only issue to be decided is whether

the storage in transit after processing can be roped in as one coming under LT VII A or LT IV tariff. To put one storage under commercial tariff, the products stored in the store should be intended for commercial sale. In the case of the Appellant the storage is not intended for immediate commercial purpose. It is part of the manufacturing process. The mere fact that activities are undertaken in two separate units will not deny the benefit meant for manufacturing activity of processing sea food. Hence the Appellant consumer number 17326 is eligible for LT IV tariff.

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

The petitioner has one electrical connection under Aroor section and power is used for cold storage in this unit. The service connection number 17326 at Aroor is used exclusively for freezing and cold storage activity. The power is used for preserving the commercial value for export and sale. The Sea Food Processing Unit is at Kodungallur. The KSERC has clarified that if separate connection is taken for cold storage /freezing it shall be billed under LT VII A commercial tariff.

Discussion and Findings:

The Kerala State Electricity Regulatory Commission in their Order dated August 29, 2008 disposing a batch of Petitions like DP39/2008 had directed that the Sea Food Processing Units in LT shall be billed under LT IV industrial category and that the LT consumers engaged in the freezing and cold storage activity shall be billed under LT VII A Commercial. In the Order dated April 23, 2009 on the Clarification Petitions on the matter the Commission had further clarified that if separate connection is taken for the purpose of cold storage/freezing plant it shall be deemed to be billed under LT VII A commercial. The Commission had also observed that 'the argument of the Petitioners that the activity of processing and storing being part of an integrated activity it can not be differentiated and categorized separately can not hold good if separate connections are taken for each activity'.

In the instant case the Appellant has taken independent and separate connections for the two activities namely sea food processing and cold storage at different locations. The Appellant has no case that the activities are integrated under one connection. The contention of the Appellant that the cold storage under Aroor section do not engage in 'immediate' commercial activity is not relevant as far as tariff categorization is concerned.

As such the tariff to be applied for the connection having the activities of freezing & cold storage shall be LT VII A Commercial as specifically clarified by the KSERC. The respondents shall be free to apply the tariff accordingly and realize the arrears outstanding if any.

But as a relief to the consumers to mitigate the effect of tariff shock the respondents are directed to allow installments for the payment of arrears and interest liberally, provided they pay the regular monthly charges under the LT VII A tariff regularly.

Orders:

Under the circumstances 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 representation submitted by the Appellant is devoid of merits and hence dismissed.*
2. *No order on costs.*

Dated this the 6th day of August 2009 ,

P.PARAMESWARAN
Electricity Ombudsman

No P 80/09 / 313/ dated 11.08.2009

- Forwarded to: 1. M/s Grand Marine Foods
No:16 Development area ,Industrial Estate,
ARoor –Alappuzha
2. The Assistant Executive Engineer
Electrical Sub Division
POOCHAKKAL - ALAPPUZHA

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 Buildings , ERNAKULAM

