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**APPEAL PETITION No. P/019/2021**

**(Present: A.S. Dasappan)**

**Dated: 26<sup>th</sup> August 2021**

Appellant : Sri. K.P. Muhammed Musthafa  
M/s. K P M Crystal Palace,  
Opp. Sarovaram Bio Park,  
Eranhippalam,  
Kozhikode Dist. – 673 006

Respondent : (1) Asst. Executive Engineer,  
Electrical Sub Division, KSEB Ltd.,  
Nadakkavu, Kozhikode Dist.

(2) Special Officer (Revenue)  
KSEB Ltd., Pattom  
Thiruvananthapuram.

**ORDER**

**Background of the case:**

The appellant is a High Tension (HT) consumer of KSEB Ltd. with consumer number LCN/30/8919 having a Contract Demand of 210 kVA under HT IV(B)-Commercial tariff. The appellant is running a hotel in the name and style “KPM Tripenta Hotel” under the section area of Electrical Section, Karaparamba. The appellant has been paying electricity charge comprising of demand charge for 75% of Contract Demand or maximum demand recorded, whichever is higher in each month and the monthly energy charge. The appellant received an arrear bill in November 2020 for Rs.33,29,860/-. The appellant approached the Consumer Grievance Redressal Forum (CGRF), Northern Region with a petition requesting (1) Rebate as per Board Order may be allowed in the fixed charge (Demand Charge) for the months of April, May and June 2020. (2) Demand Charge may be reduced to 75% in all months where billing demand did not exceed 75% of Contract Demand

(3) 24 interest free installments may be allowed to remit the arrears up to December 2020. The CGRF registered the petition vide OP No.101/2020-21 and issued order on 20-02-2021 as follows: -

(a) “The relief sought in petition vide (1) and (2) are found devoid of any merit to consider and hence, dismissed (b) The relief noted in item (3) shall be allowed as a special case. The respondent shall collect the arrear amount in 15 equal installments and the installment shall carry interest as per Regulation 131 (2) of Kerala Electricity Supply Code 2014. The petitioner need not pay interest for the bill amount for the petition pending period before this Forum.”

Not satisfied with the decision of the Forum, the appellant filed this appeal petition before this Authority.

**Arguments of the appellant:**

None of the documents submitted by the appellant were taken into consideration by the CGRF and issued one sided, biased and unilateral order, which is not at all on merits. The energy consumption was very low, when compared to the billed demand, during the “Lockdown” period is an absolute truthful statement, which was not considered by the Forum. The CGRF has erred in its finding that Regulation 60 of Kerala Electricity Supply Code 2014 is not applicable in the case on hand, owing to the fact that it is applicable to the new service connection. The CGRF also failed to uphold the fact that the “Lockdown” of the establishment was not at the whims and fancies of the appellant rather it was a mandatory constraint imposed by the Government. It is true that the entire establishment was closed down and the appellant had to suffer a huge in the business. The prayer of the appellant before the CGRF was to allow them to pay the electricity charges in 24 interest free monthly installments for the energy consumed and to give relaxation for the non-use owing to ‘COVID 19’ pandemic, which was a forceful “Lockdown” imposed by the Government. A huge amount even running into lakhs of rupees is kept as security deposit in the account of KSEB Ltd. in the name of the appellant and yet they are threatening the appellant with the notice of disconnection. Even the interest of such security deposit will be more than sufficient to meet with the requirement of KSEB Ltd. The appellant has

remitted the electricity charges without any default till this day except for the disputed arrears, which is challenged herein. The respondent started threatening to disconnect the service from the very next day onwards from the date of order of CGRF and the appellant has remitted first installment of the disputed arrear amount under protest. The request of the appellant is to quash the order of CGRF, Northern Region and allow the appeal petition with costs.

**Arguments of the respondent:**

The argument of the respondent is as follows: -

The appellant is the proprietor of M/s. KPM Crystal Palace. The service connection is provided for running a hotel. The Contract Demand is 210 kVA. Details of electricity consumption of the appellant in the year 2020 are listed below:-

Sl. No.	Consumption Months	Bill date	RMD (kVA)	75% of CD (kVA)	Billing Demand (kVA)	Rate (Rs.)	Demand Charge (Rs.)
1	12/2019	03-01-2020	162.43	157.5	162	440	71,280/-
2	01/2020	04-02-2020	159.77	157.5	160	440	70,400/-
3	02/2020	05-03-2020	166	157.5	166	440	73,040/-
4	03/2020	03-04-2020	157.41	157.5	158	440	69,520/-
5	04/2020	02-05-2020	112.27	157.5	158	440	69,520/-
6	05/2020	02-06-2020	32.71	157.5	158	440	69,520/-
7	06/2020	03-07-2020	136.98	157.5	158	440	69,520/-
8	07/2020	04-08-2020	99.66	157.5	158	440	69,520/-
9	08/2020	04-09-2020	101.97	157.5	158	440	69,520/-
10	09/2020	05-10-2020	133.5	157.5	158	440	69,520/-
11	10/2020	04-11-2020	140.91	157.5	158	440	69,520/-
12	11/2020	02-12-2020	163.35	157.5	163	440	71,720/-

During the lock down period from 04/2020 to 10/2020 the consumption was low and the demand charges were calculated as per the clauses in the HT service connection agreement between the appellant and the KSEB Ltd. executed based on the Regulations. From the table, it is clear that there is no drastic drop in the consumption except for the month of 05/2020.

For preparing the electricity bill, clauses 16 (b) and 18 (b)(iii) of the HT service connection agreement are relevant. As per clause 16 (b) of the HT service connection agreement, “the consumer is bound to intimate the Licensee the reasons for non-(reduced) consumption, if any. The consumer is also bound to pay the fixed minimum charges approved by Kerala State Electricity Regulatory Commission (KSERC) during the period of such consumption irrespective of the reasons for the reduced consumption and the actual quantity of consumption”.

This clause is based on the condition 2 under Part B of Tariff Order of Kerala State Electricity Regulatory Commission (KSERC) dated 08-07-2019, saying that “the billing demand shall be the recorded maximum demand for the month in kVA or 75% of the Contract Demand as per the agreement whichever is higher”.

Also, as per clause 18 (b)(iii) of the HT service connection agreement, “the monthly minimum applicable charges shall be deemed charges for 75% of the contract demand set as per the contract demand agreement executed in force”.

So, as per the tariff order of KSERC and as per the HT service connection agreement, the appellant is liable to pay demand charges for 75% of the contract demand even when the supply is disconnected. The appellant had also not requested for reducing his Contract Demand at any time during the above mentioned period, if done could have reduced his demand charge as well.

The electricity bill to the appellant has been prepared based on these facts and hence, the appellant is liable to remit the electricity charges as per the served bill. The CGRF, Northern Region, Kozhikode in their verdict had clearly mentioned these facts while disposing the case.

The argument of the appellant that the Regulation 60 of Kerala Electricity Supply Code 2014 is applicable in this case is not true as this Regulation relates to application for new service connection only.

As per the Board Order dated 30-05-2020, a rebate of 25% on fixed charges is allowable to the appellant for the period from 03/2020 to 05/2020. As per this Board Order an amount of Rs.52,140/- ( $69520 \times 25/100 \times 3$ ) has been adjusted in the bill dated 03-07-2020 issued to the appellant. As per the above Board Order, the appellant was also eligible for deferment of payment of 75% of the fixed charges

for the period from 03/2020 to 05/2020 up to 15-12-2020.

Also, the CGRF, Northern Region, Kozhikode in their verdict had directed the respondent as a relief to appellant to collect the arrear amount in 15 equal installments with interest as per Regulation 131 (2) of Kerala Electricity Supply Code 2014.

The allegation that the respondent had threatened to disconnect the electricity supply to the appellant is false. Also, the appellant is eligible to get interest on the Security Deposit, deposited with KSEB Ltd. at existing bank rates.

The respondent requested to dismiss the appeal petition.

**Analysis and findings:**

An online hearing of the case was conducted on 22-07-2021 with prior intimation to both the appellant and the respondent. Sri. Rajan M. Menon attended the hearing for the appellant and Sri. E. Manoj, Assistant Executive Engineer, Electrical Subdivision, Nadakkavu and Sri. P. Pradeep, Superintendent, Office of the Special Officer (Revenue) from the respondent's side attended the hearing. On examining the petition, the counter statement of the respondent, the documents attached and the arguments made during the hearing and considering all the facts and circumstances of the case, this Authority comes to the following findings and conclusions leading to the decision thereof.

The appellant is a HT consumer having a Contract Demand of 210 kVA. The monthly billing pattern for the demand charge is 75% of the Contract Demand or Maximum Demand recorded in each month whichever is higher. As such, in this case 158 kVA is the billing demand if the recorded maximum demand in each month is below 158 kVA. The appellant wants to get rebate in demand charge for the months of April, May and June 2020; to reduce demand charge to 75% in all months where billing demand did not exceed 75% of Contract Demand and to allow 24 numbers interest free installments to remit the arrears up to 12/2020. The CGRF, Northern Region rejected the first two requirements of the appellant and allowed 15 installments, against the request for 24 installments, with interest as per rules.

The argument of the appellant for the above is that the consumption during the “Lockdown” period was very low. The respondent admitted the argument of the appellant that the consumption was low in the “Lockdown” period comparatively from the previous period. But the respondent stated that there is no dispute in the energy charge billed, but on the demand charge billed in the “Lockdown” period. The respondent argued that the appellant is liable to remit the demand charge as raised by the respondent though the recorded maximum demand is less than 158 kVA, which was done as per rules. Further, the respondent argued that the appellant had not requested the Licensee to reduce the Contract Demand from 210 kVA to a lower demand enabling to minimize the billing demand.

Another question raised by the appellant that whether Regulation 60 of Kerala Electricity Supply Code 2014 can be applied in this case. The Regulation says, Regulation 60 – Failure of the applicant to avail supply due to reasons beyond his control:-

“If the applicant fails to avail supply due to reasons beyond his control such as natural calamity, order of a Court or of any other competent authority, public resistance and change in law, the applicant shall not be liable to pay any compensation or charges to the Licensee on account of such failure to avail supply of electricity.”

This Regulation in continuation to the Regulation 59 of Kerala Electricity Supply Code 2014, which explains the “delay on the part of applicant to take supply”. In this appeal petition, Regulation 60 of Kerala Electricity Supply Code 2014 has no relevance since which pertains to the applicants who want to avail fresh connection. Here the appellant is not an applicant, but a consumer who is availing electric power from the Licensee. Hence, “reason beyond his control such as natural calamity” in Regulation 60 of Kerala Electricity Supply Code 2014 cannot be applied in this case.

The appellant requested rebate on the demand charge for the months April, May and June 2020. The respondent revealed that an amount of Rs.52,140/- had been adjusted in the bill dated 03-07-2020 towards the rebate @25% on demand

charge for the period from 03/2020 to 05/2020 (billing month 04/2020 to 06/2020) as per the Board order dated 30-05-2020. Moreover, the appellant is eligible for a deferment of payment of 75% of the demand charge for the period from 03/2020 to 05/2020 up to 15-12-2020. In the hearing, the appellant admitted that the amount was received. From the above, it is found that the appellant was given the benefit as decided by the Licensee.

Another requirement of the appellant is to reduce the demand charge to 75% in all the months when the billing demand did not exceed 75% of Contract Demand, 158 kVA.

Month	Recorded Maximum Demand (kVA)
12/2019	162.43
01/2020	159.77
02/2020	166.00
03/2020	157.41
04/2020	112.77
05/2020	32.71
06/2020	136.98
07/2020	99.66
08/2020	101.97
09/2020	133.50
10/2020	140.91
11/2020	163.35

From the above table, it can be seen that the recorded maximum demand is less than 158 kVA, 75% of Contract Demand, for the period from 04/2020 to 10/2020. During the period from 04/2020 to 10/2020, the respondent billed the demand charge for 158 kVA as per rules stipulated in the tariff order and the High-Tension agreement executed between the appellant and the Licensee. Also, no other concessions or rebates were declared by the Licensee than the rebate and concessions explained earlier. In this case, the appellant has no remarks on the accuracy of the metering system installed in the premises of the appellant and on the consumption of energy. Moreover, the appellant had not requested to reduce

the Contract Demand from 210 kVA to a lower level at any time in the period of dispute as per Regulation 100 of Kerala Electricity Supply Code 2014.

This Authority verified the monthly bills issued by the respondent for a period of one year from the month of May 2020 onwards. The arrear amount to be remitted by the appellant as on April 2021 (billing month) is Rs.43,12,599/- comprising of energy charge and demand charge. The amount was accumulated from the month of May 2020 since the regular monthly bills were not remitted by the appellant. The appellant filed petition before the CGRF, Kozhikode on 07-12-2020, requesting 24 numbers interest free monthly instalments for the arrear amount of Rs.33,29,860/- as per the electricity bill dated 04-11-2020 along with rebate on demand charge.

It is pertinent to note that the appellant was given the concession in demand charge for Rs.52,140/- and also the interest of cash deposit (CD) for Rs.38,564/- in the regular monthly bill dated 03-07-2020 itself, before filing petition before CGRF. Hence, the request is only for the rebate in demand charge for five months from 06/2020 to 10/2020, in which period the Recorded Maximum Demand is less than 158 kVA, 75% of Contract Demand. It is noted that argument of the appellant for the claim is only for a portion of demand charge from 06/2020 to 10/2020, but which was not ordered by the Licensee or any other empowered bodies. Hence, the non-remittance of energy charge and major portion of the demand charge cannot be accepted. The "arrear bill" issued to the appellant is not a reassessed amount related to the energy consumption or any amount escaped from the notice of the respondent, but it is the usual monthly electricity bill for the energy consumed. As such a consumer is liable to remit the energy charge then and there itself.

Another request of the appellant is for 24 numbers interest free instalments and the CGRF allowed 15 numbers instalments with interest. In this subject case this Authority could not find any ground to exempt the appellant from paying the interest for instalments.



As per regulation 130 (1) of Kerala Electricity Supply Code 2014, any complaint with regard to the accuracy of the bill shall be made in writing to the Officer designated by the Licensee to issue the bill. As per Regulation 130 (7) of Kerala Electricity Supply Code 2014, “if the complaint was found to be incorrect, the consumer shall immediately be notified and directed to make payment as per the original bill and the consumer shall be liable to pay late payment penalty if the payment is made after the due date of payment as per the original bill”.

In this case the complaint is not related to the accuracy of the bill, but related to the deduction of Demand Charge for which no orders or directions were issued by the Licensee or any other empowered bodies.

**Decision: -**

From the analysis done and the findings and conclusions arrived at, which are detailed above, this Authority take the following decision: -

As ordered by KSEB Ltd., the rebate @ 25% on fixed charge (demand charge) for the months of March, April and May 2020 amounting to Rs.52,140/- had already been adjusted in the regular monthly bill dated 03-07-2020. Hence, the request of the appellant for the implementation of Board Order in allowing rebate for the three months is treated as settled and hence closed.

Since the rebate on fixed charge granted by KSEB Ltd. had already been given to the appellant and there is no orders or directions from KSEB Ltd. or any from other empowered bodies to extend the rebate on fixed charge to a further period, the request of the appellant to reduce the fixed charge to 75% in all months where billing demand did not exceed 75% of the Contract Demand is rejected.

The CGRF, Northern Region had already granted 15 numbers instalments, as a special case, for the payment of arrear amount with interest as per rules. Further review on this subject is not required and the decision of CGRF in granting instalments with interest is upheld.

The CGRF, Northern Region exempted the appellant from paying the interest on the arrear amount for the petition pending period in the Forum. But this Authority observed that the arrear amount is the regular monthly bills, which had to be remitted by the appellant within the due date in each month and the requirement of the appellant is for a rebate on a portion of fixed charge only. As such the appellant shall remit interest for the energy charge for the petition pending period in CGRF, Northern Region and the appeal petition pending period before this Authority. At the same time, the appellant is exempted from paying the interest on 25% of the fixed charge or demand charge during the petition pending period in CGRF, Northern Region and before this Authority. The respondent shall revise the bill accordingly and issue within 15 days from the date of orders.

Having concluded and decided as above, it is ordered accordingly. The order of CGRF, Northern Region in OP No.101/2020-21 dated 20-02-2021 is modified to this extent. No order on costs.

## **ELECTRICITY OMBUDSMAN**

P/019/2021/ \_\_\_\_\_ dated \_\_\_\_\_.

Delivered to:

1. Sri. K.P. Muhammed Musthafa, M/s. K P M Crystal Palace, Sarovaram Bio Park, Erannahipalam, Kozhikode Dist. – 673 006
2. Asst. Executive Engineer, Electrical Sub Division, KSEB Ltd., Nadakkavu, Kozhikode Dist.
3. Special Officer (Revenue), KSEB Ltd., Pattom, Thiruvananthapuram.

Copy to:

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