

STATE ELECTRICITY OMBUDSMAN

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REPRESENTATION No: P 64/09

Appellant : Sri Joseph.M.Kallivayalil
Managing Director,GlenRock Rubber Products Pvt Ltd
Mallikassery(Po) Paika 686577

Respondent: Kerala State Electricity Board
Represented by
The Deputy Chief Engineer
Electrical Circle PALA

ORDER

Sri Joseph.M.Kallivayalil, Managing Director, GlenRock Rubber Products Pvt Ltd ,Mallikassery(Po) Paika submitted a representation on 18.3.2009 seeking the following relief :

To set aside Order No: CGRF-CR/Comp.85/2008-09/665/10.2.2009 of CGRF Ernakulam

Counter statements of the Respondent was obtained and hearing of both the parties conducted on 29.7.2009 .

The Appellant is an HT Industrial consumer with Contract demand 400KVA.The HT connection was effected on 25.6.2007. The Special Officer (Revenue) fixed quota of 24120 units per month in 2008 consequent to power restrictions imposed w.e.f July 2008. But the Appellant states that they had commenced commercial production only by March 2008 and hence the higher level of actual production-related consumption had not been reflected in the quota. Consequently they had to shell out huge amounts towards high-cost marginal energy. Their quota was not sufficient even to meet 30% of their actual consumption after July 2008. Aggrieved by this they approached the CGRF with a plea to treat them as new unit and allow quota based upon 250 units per KVA. The CGRF disallowed the plea but directed the KSEB to revise the quota as per the relevant Board Orders.

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:

Though power connection was given on 25.6.2007 they could not run the industry immediately. Machines were imported ones and had to under go trial runs. Commercial production had started only in March 2008. Review of consumption by the Appellant shall vindicate this statement. Consumption recorded from March 2008 is very high and steady. Hence the unit is to be treated as a new unit for fixing quota and 250 units per KVA should be taken as base average.

If the unit can not be treated as a new unit the base average is to be calculated as per Clause 2(b) of the BO No 1817/2008/dated 24.7.2008 .The Appellant is praying for a proper interpretation and implementation of the Board Order dated 24.7.2008. Clause 2(b) of the order says that

“ for new industrial consumers who are provided with electric connections between 1.4.2007 to 31.3.2008, the average consumption will be calculated taking the average consumption divided by the number of months for which for which *they have availed* supply of energy.”

Hence the average for July 2007 to June 2008 is to be taken for calculating the quota.

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

The quota of 24120 units was fixed as per clause 2(a) of the BO dated 24.7.2008. Considering the grievance of the consumer the proposal to re-fix the quota as 47758 as per clause 2(b) of the BO dated 24.7.2008 was submitted . This was done considering the consumption for 8 months from 11/2007 to 6/2008 and excluding the low consumption periods of 7/07 to 10/07 and in accordance with the Board Order dated 7.8.2008. The proposal was rejected by the Board.

Based upon the order of the CGRF on 10.2.2009 and as per request of the consumer dated 19.2.2009 a revised proposal for taking the average consumption from 11/07 to 6/08 has been submitted to the Board . The quota becomes 50942 due to enhancement in the percentage. Approval of the Board is yet to come.

Discussion and Findings:

The consumption of the Appellant was below 5000 units per month from June 2007 to August 2007. It ranged between 14936 to 46152 units per month from July 2007 to February 2008. From March 2008 to July 2008 it was more than 84000 units per month .After July 2008 it has come down to 48000 – 60000 range until October 2008.

It is evident that the Appellant can not be treated as new consumer who had been provided connection after 1.4.2008 under any circumstances and the plea for the same is rejected.

The Appellant comes under the group explained under Para 2(b) of the BO dated 24.7.2008. Taking average of the available months in the case of such consumers mechanically will not be fair and realistic. What will be the fate of a consumer who had been connected up during February or March 2008? Hence applying the calculation methodology applicable to old consumers will not be fair and hence the quota fixed by the Special Officer (Revenue) can not be approved.

The Board has envisaged a different treatment for such consumers. The average consumption will be calculated taking the average consumption divided by the number of months for which for which *they have availed* supply of energy, which obviously means that the actual consumption for the period ending June 2008 can be reckoned for computing the average. The BO 1939/08 dated 7.8.2008 mentions 'special circumstances warranting different treatment'. The above Board Order dated 7.8.2008 had authorized the agreement authorities to examine such cases individually and fix quota. They have to get approval from the higher authorities for the quota fixed.

In the instant case it can be seen that the consumption has been stabilized only by March 2008. But considerable consumption has been recorded from 11/2007. Hence it can be seen that the calculation methodology adopted by the Respondent Deputy Chief Engineer is fair.

Having considered and convinced my self on the matter I conclude and decide that the quota of the Appellant shall be re-fixed taking into account the consumption of 8 months from 11/07 to 6/08 as suggested by the Respondent Deputy Chief Engineer. The proposal put up by the Respondent Deputy Chief Engineer shall be approved by the appropriate authorities.

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 plea of the Appellant to set aside the order dated 10.2.2009 of the CGRF is not allowed, but the Appellant shall be eligible for the relief in fixing the quota as per the guide lines given above.*
2. *No order on costs.*

Dated this the 21st day of August 2009 ,

P.PARAMESWARAN
Electricity Ombudsman

No P 64/09/ 327 / dated 21.8.2009

Forwarded to: 1. Sri Joseph.M.Kallivayalil
Managing Director,GlenRock Rubber Products Pvt Ltd
Mallikassery(Po) Paika 686577

2. The Deputy Chief Engineer
Electrical Circle KSE Board PALA

Copy to :

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2. The Secretary ,KSE Board,
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3. The Chairman , CGRF,KSE Board ,
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4. The Chief Engineer (Commercial & Tariff)
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