

THE STATE ELECTRICITY OMBUDSMAN

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Appeal Petition No. P/061/2025 (Present A. Chandrakumaran Nair) Dated: 03-12-2025

Appellant : Sri.Roy Abraham,
Managing Partner,
M/s. Royal Coir Products,
Varakappillil House,
Mannathoor Post, Muvattupuzha,
Ernakulam dt - 686667

Respondent : The Assistant Executive Engineer,
Electrical Sub Division, KSE Board Ltd,
Muvattupuzha, Ernakulam(dt)

ORDER

Background of the case

The appellant Shri.Roy Abraham is the Managing Partner of M/s. Royal Coir Products at Muvattupuzha. The LT three phase power connection is availed for the functioning of the coir product factory under the LT IV A tariff. The service connection from the Licensee KSEBL is obtained from the Electrical Section, Muvattupuzha with connected load 166.9 KW and contract demand 90 kVA. The said power supply is connected with an energy meter with CT for recording the power consumption. The multiplication factor recorded in the Orumanet was 20, and the monthly power bills were raised accordingly. The appellant was regular in making the payment according to the bills raised by the Licensee. The Electrical Sub Division officials conducted an inspection on 24/03/2024 and found that CT ratio of the CTs used are 150/5 and the multiplication factor is 30. A section initiated meter unit change have happened in this service connection on 22/08/2020. Hence the short assessment bill prepared for a period from 09/2020 to 04/2025 for Rs. 16,06,501. The appellant has contented the short assessment bill and filed petition to CGRF which was numbered as OP/37/25-26. The CGRF issued order dated 27/08/2025 on completing the procedural formalities stating that the petitioner is liable to remit the short assessment bill. The appellant

has challenged the order in the Hon'ble High Court of Kerala by filing the petition WP©/34758/2025. The Hon'ble Court has disposed the case directing the appellant to file the appeal petition to this Authority. Accordingly this appeal petition is filed by the appellant.

Arguments of the Appellant

The applicant has availed an electric connection vide Consumer no. 1155911023616 under LT 4A Tariff. The Sub Engineer conducted an inspection at the premises on 28.03.2025 and prepared a site mahazer. The Assistant Engineer thereafter issued a short assessment bill dated 22.04.2025 for an amount of Rs. 16,06,501/- only. According to him, a mistake has been crept while preparing monthly invoices due to wrong application of multiplication factor and the multiplication factor has been taken as 20 in the monthly invoices, instead of 30 and hence a short assessment bill has been issued for a period of five years. The applicant could not actually understand under what provision of law said Bill is raised. The Assistant Engineer made him to believe that the bill is issued strictly in compliance of relevant provision in Kerala Electricity Supply Code, 2014 and there are no irregularities in said bill. Therefore, trusting his explanation, the applicant did not have consultation with a technical expert and he has given a reply dated 15.05.2025 simply asking 60 months time to clear the liability, without imposing any interest thereon, bonafidely thinking that the said bill is issued strictly in tune with the provisions in the Electricity Supply Code, 2014. The Assistant Engineer thereafter passed an order dated 06.06.2025 confirming the short assessment bill.

The applicant has serious objections with respect to the contents of site mahazer and the total amount demanded as per the short assessment bills. According to the Assistant Engineer, the short assessment bill is generated in view of the anomalies attributed to the licensee with respect to wrong application of multiple factor, which is subsequently detected on an inspection. In such cases, the procedure for raising a short assessment bill is described in Regulation 152 of The Kerala Electricity Supply Code, 2014.

As such, going by the proviso to Regulation 152(3) of the Supply Code, once an anomaly attributable to the licensee has been detected, such as wrong application of multiple factor, the realization of electricity charges shall be limited for a maximum period of 24 months only, even if the period during which such anomaly persisted is found to be more than 24 months. But in the instant case, the electricity charges are demanded for a period of 60 months alleging wrong application of multiple factor. Such a demand goes against the proviso to Regulation 152 (3) of The Kerala Electricity Supply Code, 2014. Hence the impugned demand has no legal footing and hence the same are liable to be set aside. The Assistant Engineer has relied on Regulation 152(1), (2) and (4) of The Supply Code, 2014 to justify the

demand. But he has tactically omitted to mention the application of the proviso to Regulation 152 (3) of the Supply Code. The Assistant Engineer was committing fraud upon the consumer by suppressing the material facts, regarding application of proviso to Regulation 152 (3) of the Electricity Supply Code, 2014 in the matter of short assessment bills raised due to wrong application of multiple factor.

The Assistant Engineer is up on a legal obligation to issue a short assessment bill in strict compliance with the statutory provisions prescribed in The Electricity Supply Code, 2014. He cannot take advantage of the ignorance of consumer under whatever circumstances. He ought to have limited the period of liability imposed upon the complainant for a period of two years (24 months) only in strict compliance of the proviso to Regulation 152 (3) of The Supply Code, 2014. The Assistant has relied on Regulation 134(1) to justify the demand. In the present case, Regulation 134(1) has no application since the dispute pertains to wrong application of multiple factor. In such circumstance; proviso to Regulation 152(3) of The Supply Code, 2014 is applicable. The CGRF, however, failed to appreciate consumer's contentions and dismissed his application, as per Order No. CGRF-CR/OPNo.37/2025-26/98 dated 27.08.2025. The impugned order dated 27.08.2025 is illegal, arbitrary and unsustainable in law and therefore it is liable to be set aside. The Forum ought to have allowed consumer's application and the short assessment bill ought to have been set aside.

The CGRF has wrongly relied on the judgments of Hon'ble Supreme Court in Assistant Engineer Vs Rahamatulla Khan (Civil Appeal No. 1672/2020) and M/s Prem Cottex Vs Utter Haryana Bijli Vitran Nigam Ltd. (Civil Appeal No. 7235/2009) to reject the relief sought in his application. The aforesaid judgments have no application in the facts and circumstances of the present case. In the aforesaid Civil Appeals, the subject matter of dispute was with respect to the short assessment bills alleging wrong multiple factor, which are occurred during the period from 2006 to 2009. During said period, the Kerala Electricity Supply Code, 2014 was not at all framed. Hence the Apex Court had no occasion to consider the impact of the proviso to Regulation 152 (3) of The Supply Code, 2014. In said circumstance, the finding by Apex Court has no application in the facts and circumstance of the present case. Going by the proviso to Regulation 152 (3) of The Electricity Supply Code, 2014, in the matter of short assessment bills alleging application of wrong multiple factor, the period of assessment shall be limited to 24 months only. The Assistant Engineer has relied on Regulation 152(1), 152(2) and 152(4) of The Supply Code, 2014 to issue the short assessment bill. But he has tactically omitted to mention the effect of proviso to Regulation 152 (3) of the Supply Code. The Assistant Engineer was committing fraud up on the consumer by way of suppression of the material fact, which is with respect to the application of proviso to Regulation 152 (3) of the Electricity Supply Code, 2014.

The Assistant Engineer has relied on Regulation 134(1) of The Supply Code, 2014 in order to justify the demand. The Regulation 134(1) has no application in the present case since the dispute pertains to wrong application of multiple factor and in such circumstance; the relevant provision is the proviso to Regulation 152 (3) of The Supply Code, 2014. The complainant submitted his reply dated 15.05.2025 without disputing the amount demanded in the short assessment bill. He has given such a statement solely for the reason that the Assistant Engineer told him that there are no anomalies in the bill and the petitioner had trusted him. In fact, the explanation given by the Assistant Engineer has no legal footing and he was willfully suppressing the application of proviso to Regulation 152(3) of The Supply Code, 2014. In said circumstance, the stand taken by the complainant in his reply dated 15.05.2025 shall not stand in the way of the contentions raised by him before CGRF or Ombudsman.

Set aside Order No. CGRF-CR/OPNo.37/2025-26/98 passed by CGRF, Central Region, Kalamassery, Ernakulam dated 27.08.2025. Set aside Invoice No.DB34/Short Assessment Bill/25-26/05 issued by the Assistant Engineer dated 22.04.2025 and Order N. DB 34/Inspection Bill/25-26/23 issued by the Assistant Engineer dated 06.06.2025. Pass an order directing the Assistant Engineer to issue fresh short assessment bill strictly in compliance of the proviso to Regulation 152(3) of The Kerala Electricity Supply Code, 2014 by way of limiting the period of demand to two years (24 months) only. Pass an order directing the Assistant Engineer to grant 12 months time to clear the aforesaid liability, as prescribed in Regulation 152(4).

Arguments of the Respondent

The electric connection bearing consumer No. 1155911023616 was given on 03.05.2011 in the name of Sri Roy Abraham, Managing Partner, M/s Royal Coir Products, Varakappillil House, Muvattupuzha with tariff IV (A) under Electrical Section, Muvattupuzha No.1. Routine inspection at the metering point of the said consumer was conducted by Assistant Executive Engineer, Electrical Sub-division, Muvattupuzha on 24.03.2025 and found that the ratio of the current transformer (CT) used is 150/5 i.e. multiplication factor (MF) is 30. Checked the consumer and billing details in Orumanet software after the site inspection and confirmed that billing has been done as per the MF as 20 instead of the actual MF 30. Informed the matter to Assistant Engineer, Electrical Section, Muvattupuzha No.1.

The authorized staff of Electrical Section, Muvattupuzha No.1 inspected the consumer premises on 28.03.2024 and prepared site mahazar. The connected load at the premises of the consumer at the time of inspection is within the limits of the connected load in Orumanet software. Accordingly on verification with Orumanet software details and considering regulation

134(1),152 of supply code 2014 and its amendments, Assistant Engineer, Electrical Section, Muvattupuzha No.1 issued short assessment bill to the consumer on 22.04.2025. On verification with the Orumanet software after conducting APTS inspection, service is initiated for "section initiated meter unit change 22.08.2020 and metering unit is changed accordingly. This date is considered date for the assessment bill.

Hearing was conducted by Assistant Engineer, Electrical Section, Muvattupuzha No.1 as per the request of the consumer dt 15/05/2025 and finalised the bill amount as Rs 16,06,501 as per 06.06.2025. The consumer requested 60 installments for paying the amount on 15/05/2025 itself and the same was forwarded as the assessed amount is above the delegation limit .Letter no.DB 2 /Inspection bill /Instalment/2025-26/24 dated 06.06.2025 from the office of Assistant Engineer, Electrical Section, Muvattupuzha No.1 to the office of The Executive Engineer, Electrical division Muvattupuzha. Letter no.RB/Instalment/2025-26/372 dated 16.06.2025 from the office of The Executive Engineer, Electrical division Muvattupuzha to The office of The Deputy Chief Engineer, Electrical Circle, Perumbavoor. Letter no.ECP/PBVR/GB/Instalment/2025-26/860 dated 18.06.2025 from the office of The Deputy Chief Engineer, Electrical Circle, Perumbavoor to The office of The Chief Engineer (Distribution Central), Ernakulam.

The consumer approached The Honourable High Court of Kerala as WP(C) No. 23941 of 2025 and as per the Judgement dated 1 st day of July 2025 the consumer approached CGRF. The bill issued by The Assistant Engineer for the entire period can be considered by analysing the Judgement of the Hon'ble Supreme Court of India in Civil Appeal No. 1672 of 2020 dated 18.02.2020 - Assistant Engineer (DI), Ajmer Vidyut, Vitran Nigam Limited & Anr. Versus Rahamatullah Khan alias Rahamjulla and civil appeal no.7235 of 2009 Judgement dt October 05, 2021 .Hence the period limited to twenty four months as per regulation 152 is not applicable in this case.

The Redressal Forum consumer approached Consumer Grievance (CGRF), Central Region and accordingly a hearing was conducted on 08.08.2025. The CGRF finalized the short assessment bill already given as per Order no. CGRF-CR/OP No.37/2025-26/198 dt 27.08.2025. The consumer approached the Hon'ble High Court of Kerala as WP©No.34758/2025 and the case is admitted on 22/09/2025. Hearing is scheduled on 07.10.2025

Counter Argument of the Appellant

It has pleaded in para.8 of the counter statement regarding the request made by the petitioner asking 60 monthly installments to clear the dues. The aforesaid contention has no relevance in the peculiar facts of the present case. The factual scenario that led to making such a statement is

already pleaded and hence, the aforesaid request has no binding effect upon the petitioner, as far as the dispute raised before the Ombudsman is concerned.

In the present case, the petitioner has submitted reply dated 15.05.2025, without disputing the amount demanded in the short assessment bill dated 22.04.2025 and asking 60 monthly installments to clear the dues. The petitioner has given such a statement solely for the reason that the Assistant Engineer told him that there are no anomalies in short assessment bill and the petitioner trusted him. In fact, the explanation given by the Assistant Engineer had no legal footing and he was willfully suppressing the application of proviso to Regulation 152 (3) of The Supply Code, 2014. In said circumstance, the petitioner respectfully submits that he has given the reply dated 15.05.2025 in the aforesaid peculiar circumstances only and the stand taken in said reply shall not stand in the way of the contentions raised by him before the CGRF and Ombudsman the relief sought herein.

It has also pleaded in para. 10 that the Board has followed the judgments of Supreme Court in *Assistant Engineer Vs Rahamatulla Khan (Civil Appeal No. 1672/2020)* and *M/s Prem Cottex Vs Utter Haryana Bijli Vitran Nigam Ltd. (Civil Appeal No. 7235/2009)* to issue the short assessment bill and hence Regulation 152 is not applicable in the present case. The aforesaid contention is faulty in law and it is liable to be rejected. These judgments have no application in the present dispute. The legal provision which is applicable in the present dispute is nothing but Regulation 152 (3) of The Kerala Electricity Supply Code, 2014.

In the aforesaid Civil Appeals, the subject matter of dispute was with respect to the short assessment bills alleging wrong multiple factor, which are occurred during the period from 2006 to 2009. During said period, the Kerala Electricity Supply Code, 2014 was not at all framed. Hence the Apex Court had no occasion to consider the impact of the proviso to Regulation 152 (3) of The Supply Code, 2014 in the matter of issuing short assessment bills alleging wrong multiple factor. In said circumstance, the finding by Apex Court has no application in the facts and circumstance of the present case. It is therefore prayed that this Hon'ble Ombudsman may be pleased to reject the contentions raised by the Assistant Executive Engineer and the present Petition may be allowed by granting the relief sought therein.

Analysis and findings

The hearing of the appeal petition was conducted on 27/11/2025 at 11:30 am in the office of the State Electricity Ombudsman, DH Road & Foreshore Road Junction, near Gandhi Square, Ernakulam south. The hearing was attended by the appellant's representative Adv. Jeswin Varghese and the respondent Sri. Pradeep K.A, Assistant Executive Engineer, Electrical Sub Division, KSE Board Ltd., Muvattupuzha, Ernakulam(DT).

The appellant is an industrial consumer of the Licensee KSEBL at their Electrical Section, Muvattupuzha. The service connection was availed for the purpose of an industry named as M/s. Royal Coir Products which is manufacturing Beds. The tariff applicable was LT IV A. CT connected energy meter is installed in this connection for recording the energy consumption. The data entered in the Oruma net record is that the CT multiplication factor is 20 and the monthly bills are raised considering the multiplication factor as 20. The Orumanet profile shows that the Date of connection is 03/05/2011 and a Section initiated meter unit change was done on 22/08/2020. It is presumed that the CT unit also would have changed in this day. The details of the previous CT was not available and the respondent mentioned that the multiplication factor of previous CT was 20 only.

An inspection was conducted on 24/03//2025 by the Assistant Executive Engineer and found that the CT ratio is 150/5 and informed the AE, of the Electrical Section, Muvattupuzha. Then the Section officials conducted inspection on 28/03/2024 and confirmed the CT ratio and a Site Mahazar was prepared. The Licensee has issued a short assessment bill for Rs. 16,06,501/- for a period from 09/2020 to 04/2025. The appellant was regular in making the payments as per the bills raised and hence the appellant challenged the short assessment bill. The appellant filed petition to Hon'ble High Court of Kerala Vide WP©/2394/2025. The Hon'ble Court has disposed the petition directing that the appellant to approach the CGRF. CGRF ordered that the appellant is liable to pay the short assessment bill. Again approached HC of Kerala for challenging the order of CGRF vide WP©/34758/25 and the Court disposed the case and permitted the appellant to file the appeal to Electricity Ombudsman. Here in this case the Licensee has billed for difference for about 56 months. It is to be examined, whether this is reasonable? There are various regulation to avoid such type of mistakes and then to arrest the revenue leakage of the Licensee. There are serious violations and lapses from the officials of the Licensee which resulted to this mistake and then the short assessment. The regulation 109 of the Kerala Electricity Supply Code 2014 states about the procedures to be followed for installation of meter.

109. Supply and installation of meters and circuit breakers.

(10) Initial installation as well as replacement of the meter shall be done by a qualified employee of the licensee duly authorised for this purpose, in the presence of the consumer or his representative.

(11) The licensee shall adopt a format of meter particulars sheet for recording the particulars of the meter at the time of initial installation or replacement.

(12) The licensee shall retain one copy of the meter particulars sheet and its second copy, duly signed by the authorised representative of the licensee, shall be given to the consumer under proper acknowledgment.

(13) The consumer or his authorised representative shall also sign the meter particulars sheet.

(14) Subsequently, details of any faults in the meter, repairs, replacements etc. shall be entered in the meter particulars sheet by the licensee or his authorised representative.

In the above regulation it is clearly mentioned that the Licensee has to adopt a format to record the meter particulars, and format is to be updated when repairs or replacement of meter is happened. The Licensee has not maintained any format. The Orumanet data is to updated or revised by referring this data sheet. As the data sheet was not prepared, the orumanet data updation has not done properly.

The regulation 113 of the Supply Code 2014 is described about the periodical testing of meters.

113. Testing of meter.-

(1) It shall be the responsibility of the licensee to satisfy itself regarding the accuracy of the meter before it is installed and the licensee shall test them or get them tested in an accredited laboratory or in an approved laboratory.

(2) The licensee shall also conduct periodical inspection or testing or both and calibration of the meters, as specified in the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as amended from time to time.

(3) The periodical testing of consumer meters shall normally be done at site

(6) The licensee shall conduct periodical inspection or testing or both of the meters as per the following schedule:-

Single phase meters	Once in every five years
LT 3 phase meters	Once in every three years
HT or EHT meters including maximum demand indicator (MDI)HT	Once in every year

(7) Wherever applicable, Current Transformer (CT) and Potential Transformer (PT) and the wiring connections shall also be tested along with meters.

The periodical testing of the meters are mandated to ensure the accuracy and thus to bill the actual consumption which will avoid revenue leakage of the Licensee. As this is an LT three phase meter it would have been tested once in every three years. If this periodical testing would have happened this mistake would have been noticed many years before and the actual revenue could have been realized. There is a circular issued by the Licensee which states that the major consumption variations are noticed the section officials have to inspect the installation to ascertain the reason for the same. Here the variations after the meter replacement would have been more than 33% then why the section officials responsible for the billing have not been noticed. This is a mere lapse from the officials. The regulation 152 of the

Supply Code spells about the Anomalies attributable to the Licensee which are detected at the premises of the consumer.

152. Anomalies attributable to the licensee which are detected at the premises of the consumer.-

(1) Anomalies attributable to the licensee which are detected on inspection at the premises of the consumer, such as wrong application of multiplication factor, incorrect application of tariff by the licensee even while there is no change in the purpose of use of electricity by the consumer and inaccuracies in metering shall not attract provisions of Section 126 of the Act or of Section 135 of the Act.

(2) In such cases, the amount of electricity charges short collected by the licensee, if any, shall only be realised from the consumer under normal tariff applicable to the period during which such anomalies persisted.

(3) The amount of electricity charges short collected for the entire period during which such anomalies persisted, may be realised by the licensee without any interest: Provided that, if the period of such short collection due to the anomalies is not known or cannot be reliably assessed, the period of assessment of such short collection of electricity charges shall be limited to twelve months: Provided further that while assessing the period of such short collection the factors as specified in sub regulation (8) of regulation 155 shall be considered: Provided also that realisation of electricity charges short collected shall be limited for a maximum period of twenty four months, even if the period during which such anomaly persisted is found to be more than twenty four months

(4) The consumer may be given installment facility by the licensee for a maximum period of twelve months without interest for the remittance of such amount of short collection.

In this wrong multiplication factor is the issue which is coming under this regulation. As per this the Licensee cannot charge the interest and installment facility is to given. If the period of anomaly persisted is found to be more than 24 months , then the short assessment is to applied for maximum for a period of 24 months only.

Then the respondent has argued based on the order of Hon'ble Supreme Court in two cases. CA/7235/2009 of M/s. Prem Cottex Vs Uttar Haryana Biji Vitram Nigam Ltd and the case between AE, Ajmer Vidyuth Vitran Nigam Ltd Vs Rahmathulla Khan. In these cases the court has defined the words "when such sum became first due" of the Section 56(2) of the Electricity Act 2003. The issue of these cases are happened during 2006 and 2009. When the Supply Code were not implemented in the states. Further Supply Code 2014, regulation 136 specify about the Recovery of arrears and Limitation in which the limitation period of two years is applicable from the " date when such sum became first due". But in the case of regulation 152, the period is unconditionally limited to two years. And this period is not from " the date when such sum became first due". No amendments to Supply Code has happened to incorporate the order of Hon'ble Supreme Court. As such the demand of the appellant to limit for two years is to be justifiable.

Decision

On verifying the documents submitted and hearing both the petitioner and respondent and also from the analysis as mentioned above, the following decision are hereby taken.

1. The short assessment bill issued by the Licensee for Rs. 16,06,501/- is quashed herewith.
2. The Licensee has to revise the short assessment for 24 months and issue the new demand to the appellant.
3. Appellant is liable to pay the amount as per the revised short assessment.
4. The Licensee shall permit the appellant to remit the amount in 12 monthly installments without interest.
5. The Licensee may take necessary action against the officials who had defaulted in complying with the regulation which resulted in revenue loss.
6. No other costs ordered.

ELECTRICITY OMBUDSMAN

No. P/061/2025/_____ dated: 03/12/2025.

Delivered to:

1. Sri. Roy Abraham, Managing Partner, M/s.Royal Coir Products, Varakkappillil (H), Mannathoor Post, Muvattupuzha, Ernakulam dt - 686667.
2. The Assistant Executive Engineer, Electrical Sub Division, KSE Board Ltd, Muvattupuzha, Ernakulam (dt)

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, 220 kV Substation Compound, HMT Colony P.O., Kalamassery, Pin- 683503.