

THE STATE ELECTRICITY OMBUDSMAN

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**Appeal Petition No. P/077/2025
(Present A. Chandrakumaran Nair)
Dated: 25-02-2026**

Appellant : B. R. Jacob,
Managing Partner,
M/s. Simla Complex,
Manaloor, Thrissur (dt)

Respondent : 1. The Special Officer (Revenue)
Vydyuthibhavanam,
KSEBL, Pattom,
Thiruvananthapuram dt.- 695004
2. The Deputy Chief Engineer,
Electrical Circle, KSEBL,
Thrissur, Thrissur dt.

ORDER

Background of the case

The appellant Sri. B. R. Jacob is the Managing Partner of M/s. Simla Complex situated at Kanjany, Thrissur. M/s. Simla Complex is an HT Consumer (LCN/12/4611) under the Electrical Section, Kandasankadavu and the agreement authority is the Deputy Chief Engineer, Electrical Circle, Thrissur. The tariff applicable is HT IV B. The energy consumption is recorded through a CT connected energy meter. While taking the meter reading by the Licensee on 11/2024, it is observed that the meter is not readable and declared defective. The matter has been informed to the appellant by the Deputy Chief Engineer, on 14/11/2024 and informed that the meter along with CT and PT are to be replaced within 2 months failing which the meter faulty penalty as per tariff order part B. General conditions 4(d) will be applicable. The appellant had replaced the meter and CT/PT units only on 21/4/2025. Then the Licensee had issued demand notice raising the meter faulty penalty works out to Rs. 4,41,037/-. The appellant had challenged the demand issued by the licensee in

CGRF by filing the petition. CGRF accepted petition vide petition no. OP/52/2025-26 and issued order on 18/11/2025 on completing the procedure. Aggrieved with the decision of CGRF this appeal petition is filed to this Authority.

Arguments of the Appellant

The complainant is a partnership running a hotel - theater complex at Kanjany with a HT connection (Consumer No 1356890002237). We received a letter dated 14-11-2024 from Deputy Chief Engineer, Thrissur directing us to replace the Potential and Current transformers and install a new energy meter. Two months time was granted to comply with the above directions. We took immediate steps to procure a set of CT and PT and placed order with the manufacturer. Due to some internal problems the manufacturer failed to deliver the transformers in time. Besides, there was shortage of energy meters in the market. Due to these reasons we could not replace the transformers and install energy meter in time. In the demand notice for March 2025 along with the energy charges a sum of Rs 4,41,037.32/- was also shown as penalty for not replacing CT and PT and energy meter with in time. On finding this additional levy, we issued two letters dated 14-3-2025 and 17-3-2025 requesting for more time to replace CT, PT and energy meter. We did not get any reply, but received a disconnection notice to the effect that if the penalty is not remitted on or before 9-4-2025 supply would be disconnected. Since it was impossible to comply with the disconnection notice with in the time, we moved the Hon'ble High Court of Kerala in WP(C) No.14435/2025 praying for a stay of disconnection. The Hon'ble Court admitted the case and granted an interim order dated 8-4-2025 staying disconnection. The Hon'ble Court also gave us two weeks time for replacing CT and PT and energy meter, since the equipments were ready and awaiting testing by the authority. The equipments were produced before the Assistant Engineer on 29-3-2025 who forwarded the equipments for testing. After the equipments were released from the Testing Unit they were installed on 21-4-2025 under the supervision of Assistant Engineer. The writ petition was disposed of on 8-4-2025 directing us to move to Consumer Grievance Redressal Forum. Accordingly we filed a complaint before the Consumer Grievance Redressal Forum Ernakulam on 3-9-2025 which was dismissed by an order dated 18-11-2025.

I am producing herewith a copy of the complaint filed before CGRF and the order dated 18-11-2025 which was received by me on 27-11-2025 dismissing the complaint. The Forum dismissed the complaint on technical grounds without examining the factual backgrounds and the reasons under which the complainant was not able to replace the transformers and the meter in time, all necessary steps were taken to procure the transformers and the meter. Since the transformers were not available in the open market, they have to be fabricated according to the requirements of the purchaser. We placed the order without any loss of time. But due to some problems with the manufacturer, the transformers were not ready till the last week of March, 2025. There was also some delay in procuring energy meter since it was not readily available in the

market for some time. As soon as we procured the equipments, we produced them before the Asst. Engineer who sent it for testing. On receiving back the equipments after testing the same was replaced under supervision of the Assistant engineer on 21-4-2025. We produced records to substantiate our statements but the Forum did not consider any of them and dismissed my complaint on a mechanical fashion without any application of mind.

We never disputed the power of the Board to levy penalty, but our case was that the levy is unjustifiable on the facts and circumstances, since there was no latches or negligence on our part. Delay occurred due to reasons beyond our control. The statement that the existing energy meter was not legible is a fact which was never brought to our notice. On subsequent months also Board Officers read the meter and issued bills.

We are conducting a hotel cum theater complex in a small town. The electricity is mainly consumed by the theaters Everybody knows that the theater business in a small town is running at a loss and we are finding it difficult to meet even the day today expenses. The payment of the salaries to the employees have to be deferred on many occasions. Under the above circumstance if we are forced to pay such a huge amount as penalty, it would ruin us and force us to close down the business.

Therefore it is humbly prayed that this Hon'ble Authority be pleased to cancel the penalty of Rs. 4,41,037.32/- imposed on us for the delay in replacing CT, PT and energy meter within the time stipulated.

Arguments of the Respondent

M/s. Simla Complex (LCN:12/4611) is a live HT consumer under electrical section, Kandasankadavu and agreement authority is Deputy Chief Engineer, Electrical Circle, Thrissur. The billing is done under HT IV (B) commercial Tariff. The Assistant Engineer, Electrical Section, Kandasankadavu vide letter dated:06.11.2024 has reported that the readings displayed in the existing energy meter of M/s. Simla Complex (LCN:12/4611) was not legible and the matter was intimated to TMR, Shornur. The Executive Engineer, TMR, Shornur vide letter dated:12.11.2024 directed to replace the existing energy meter and the existing CT/PT unit. Hence notice was issued to consumer by Deputy Chief Engineer, Electrical Circle, Thrissur on 14.11.2024 directing to replace the existing meter and the CT/PT unit with a new one. It was also intimated that average consumption will be charged for the meter faulty time period and the meter faulty penalty will be charged as per prevailing Tariff Order- Part B General condition for HI and B consumer, Clause 4 (d), if metering unit is not replaced within two months. A copy of the above clause of Tariff order is attached.

However, the faulty meter was not replaced by the consumer even after the stipulated period of time limit, within Two months. Hence the meter faulty

penalty of Rs. 4,41,037/- (Rupees Four lakh Forty One Thousand and Thirty Seven Only) as per Part B clause 4 (d) contained in the Tariff order by Kerala State Electricity Regulatory Commission dated:31.10.2023 was imposed in the invoice dated: 11.03.2025. The consumer was being billed on the basis of the average consumption from 01.11.2024 and billed upto 21.04.2025. An amount of Rs. 4,41,037/- as meter faulty penalty has been included in the demand for March 2025 in the invoice dated 11.03.2025.

Month	Units	Demand Charge	Energy Charge	Total Current Charge
01/2025	27361	75289.04	211638.53	286927.57
02/2025	27361	79050	211638.53	290688.53
03/2025	27361	92820	211638.53	304458.53
Total	82083	247159.04	634915.59	882074.63

Penalty for non-replacement of faulty meter = $(882074.63/2)$ = Rs. 4,41,037/-
 Since the consumer has not paid the amount a disconnection notice issued to the consumer on 25.03.2025.

The consumer submitted the test report of meter and CT/PT unit to the Assistant Engineer, Electrical Section, Kandasankadavu on 17.04.2025. The request was forwarded to Executive Engineer, TMR on 19.04.2025 for replacing the metering unit and the metering unit was replaced by HT meter testing unit Shornur on 21.04.2025. The delay to replace the CT/PT unit and meter has been attributed to the consumer only and no delay from the part of KSEBL. In the mean time, the consumer filed WP(C) No. 14435/2025 before the Hon'ble High Court against the disconnection notice issued to consumer on 25.03.2025 for not remitting the meter faulty penalty amount. The Hon'ble High Court, vide interim order dated:08.04.2025 has ordered that the CT/PT and meter will be replaced within a period of two weeks. After hearing both sides, the Hon'ble High Court, vide judgement dated:07.08.2025 disposed the case by directing the petitioner to challenge the penalty before the CGRF.

The consumer filed petition OP No.52/2025-26 before the CGRF, Ernakulam for the cancellation of penalty levied by KSEBL. The Hon'ble CGRF, Ernakulam on 18/11/2025 has dismissed the case and ordered that the penalty levied by the licensee is legally valid and justified as per the provisions of the Kerala Electricity Supply Code, 2014 and KSERC Tariff Order 2023.

KSEBL is a Public sector undertaking and it functions as per rules and regulations as established by the statutes. Considering the fact that the contentions of the petitioner are challenging the Regulations of Kerala Electricity Supply Code 2014 and the conditions of the prevailing Tariff Order, the petition No. P/077/2025 filed by Sri. B.R Jacob, Managing Partner, M/s. Simla Complex (LCN:12/4611) may be dismissed with cost and KSEBL may be allowed to take action against the petitioner in pursuant to regulation 136(4) of the Kerala Electricity Supply Code- 2014.

Counter Arguments filed by the Appellant

The allegation that during the month of November 2025 while taking meter reading it was found that the display of the Energy Meter was blurred is baseless and incorrect. Even on subsequent months the Board Officers have inspected the meter and taken the readings and issued bills accordingly. Further, in order to ensure that the consumption did not exceed 30000 units per month, we used to take meter reading every day and noted the same in a book. I will produce this book at the time of hearing. All the facts show that there was no defect to the meter reading and it was clear and readable. I am producing herewith a statement containing the energy charges from March 2024 to December 2025. This statement shows that there was no variation in the meter reading before the replacement of the meter and after. This shows that the Board did not suffer any financial loss due to the delay in replacing the Energy Meter and CT and PT. This statement may be treated as part of my appeal memorandum and considered along with it.

Analysis and findings

The hearing of this appeal petition was conducted on 10/02/2026 at 11:00 a.m. in the O/o State Electricity Ombudsman. The hearing was attended by the appellant Sri. B. R. Jacob and the respondents Sri. Mohammedali Manu F. (SS, Office of SOR) Trivandrum (Dist.), and Smt. Sunitha Jose, Deputy Chief Engineer, Electrical Circle, Thrissur, Thrissur (dt).

The appellant is the managing partner of the partnership firm running a hotel and theatre complex named as M/s. Simla Complex situated at Kanjani, Manaloor Village, Thrissur dt. Simla Complex is an HT consumer of the Licensee KSEBL bearing consumer number 1356890002237 (LCN 12/4611) under the Kandasankadavu Electrical Section with contract demand 190kVA and connected load 157.365kW. The tariff applicable is HT IV B Commercial. While taking the reading during 11/2024, the meter display was not visible and hence not readable. Then the meter was declared defective and the same has been informed the consumer. On 14/11/2024, the Deputy Chief Engineer, Electrical Circle Thrissur who is the signatory to the HT agreement initiated vide letter to the consumer or appellant that the meter along with CT and PT units are to be replaced within 2 months, the meter penalty will be charged as per the terms and condition of the tariff order issued by the KSERC. The CT and PT units are of the appropriate accuracy Class suitable to the meter.

Here the meter and CT/PT units were supplied by the consumer and tested and installed by the Licensee. The regulation 105 specifies about the option of consumer to purchase the meter.

105. Option of the consumer to purchase the meter. -

- (1) At the time of seeking a new connection the consumer shall have the option to either; (a) purchase the meter and associated equipment himself from a vendor; or (b) require that the meter and associated equipment be supplied by the licensee:***

Provided that the meter and associated equipment purchased by the consumer shall be of a make and specification approved by the licensee from time to time.

(3) *Once the consumer has procured the meter, the licensee shall test, install and seal the meter.*

(5) *The testing shall be got completed by the licensee so as to effect service connection within the time line specified.*

Here this option was availed by the consumer and then the metering system has procured. As the meter owned by the consumer is found defective, it is the responsibility of the consumer to replace the meter. The tariff order issued by the Hon'ble KSERC, the Part B, General Conditions for HT and EHT tariff clause 4(d) is as below.

General Conditions for HT and EHT tariff

4(d) *"If any existing consumer, having elected to purchase and supply the meter for replacement of the defective meter in his premises, fails to do so within 2 months, such consumer will be charged 50% extra over the prevailing rates applicable to him for both demand and energy, for the said 2 months and one month thereafter."*

In this case consumer had failed to comply with regulation that the defective meter is to be replaced within 2 months and hence the meter faulty penalty is applicable to him @50% over the demand charges and energy charges for 3 months. Accordingly the Licensee has calculated this penalty as Rs.4,41,037/-. This charges are liable to be paid by the consumer as per tariff order.

The consumer's argument is that the supply of meters and CT/PT units were delayed by the supplier. The appellant has failed to produce any document to justify the argument. The copy of the order dated 24/11/2024 has attached which does not tell about the delivery time. The letter dated 27/11/2024 of one agency states they require extension of time but does not specify the time required or the definite time to supply the meter. The appellant has not requested to the Licensee either for the time extension/ non availability of meter and also not requested the Licensee to replace the meter. If the consumer has requested the Licensee would have a possibility to exercise the option as per the regulation 117.

117. Cost of replacement of defective meters. -

(2) *If it is established that the meter was rendered defective or damaged due to reasons attributable to the consumer, such as defect in installation of the consumer and connection of unauthorised load by the consumer, the cost of replacement of the meter shall be borne by the consumer as specified below: -*

(a) *If the meter was owned by the licensee, the licensee shall replace the meter with a correct meter within seven working days and recover from the consumer, the residual cost after deducting the cumulative depreciation from the original cost of the meter;*

(b) If the cost of such meter was borne by the consumer, the licensee shall require the consumer to replace the meter and associated equipment at the cost of the consumer within seven working days;

(c) If the consumer fails to replace the meter and associated equipment, the licensee shall install a correct meter and require the consumer to furnish security and start charging meter rent as per the relevant provisions in the Code.

The regulation states about meter alone, here the entire metering system have to be replaced. The CT/PT units are to be suitable for installing in the power distribution panel. This units are to be made as per the Order.

In this case, the total delay in procurement of meter is attributable to the appelland and the levy of penalty is as per the tariff order issued by the KSERC.

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 appelland is liable to pay the amount calculated as meter faulty penalty which works out to Rs. 4,41,037/-.
2. The Licensee shall not charge any interest or surcharge for this amount.
3. The Licensee shall grant 12 installments for clearing the payment if the appelland request for the same.
4. No Other Costs ordered.

ELECTRICITY OMBUDSMAN

No. P/077/2025/ _____ dated: 25.02.2026

Delivered to:

- 1) Sri. B. R. Jacob, Managing Partner, M/s. Simla Complex, Manaloor, Thrissur (dt)
- 2) The SOR, Vyduthibhavanam, KSEB Ltd., Pattom, Thiruvananthapuram dt.
- 3) The Deputy Chief Engineer, Electrical Circle, KSE Board Ltd., Thrissur, Thrissur 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 - 683503