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Appeal Petition No. P/031/2026
(Present A. Chandrakumaran Nair)
Dated: 20-07-2026

Appellant	:	Smt. Shije Thankachan Thattaruparambil, Kudapuram Road, Eramalloor P.O., Cherthala, Alappuzha dt- 688537
Respondent	:	The Assistant Executive Engineer, Electrical Sub Division, KSE Board Ltd, Poochakkal, Alappuzha (dt)

ORDER

Background of the case

The appellant Smt. Shije Thankachan is a registered consumer of the licensee, KSEBL with Consumer No. 1155156023986 under the Electrical Section, Aroor. The connected load of the connection is 5.273 kW. The power is availed for mushroom culture and the purpose of use of electricity mentioned in the application was also as mushroom culture. The licensee had given the Service Connection wrongly under the tariff LT 5A. The connection was effected on 13/01/2017. The APTS unit of Alappuzha had conducted an inspection on 23/10/2025 and found that the correct tariff applicable is LT 5B and not LT 5A. The licensee had issued a short assessment as the difference in current changes of these two tariffs and raised a demand notice to the appellant for Rs. 2,38,289/-. The appellant had approached the licensee with a request to withdraw the demand. Though the hearing was conducted, no favourable decision was taken by the licensee. Accordingly the petition have been filed to CGRF (Central Region) which was numbered as OP/108/25-26. The CGRF had issued the order dated 27/04/2026 on completing the procedural formalities which states that the appellant is liable to pay the short assessment for 24 months as per Regulations 152 of the Supply Code, 2014. Aggrieved with the decision of CGRF, this appeal petition is filed to this Authority.

Arguments of the Appellant

The Petitioner, Shije Thankachan, operates a mushroom farm bearing Consumer No. 1155156023986 under the Electrical Section, Aroor. The electricity connection was provided on 13/01/2017 and was classified under LT-V(A) tariff (Agriculture) by KSEB at the time of granting the connection. KSEB's own officials visited and inspected the premises before assigning this tariff. The Petitioner accepted the classification without question, as it was made by KSEB itself, and has been paying all electricity bills promptly and without default for nearly nine years. Following an inspection by the APTS (Anti-Power Theft Squad), KSEB identified what it described as a "mistake" in the initial tariff allotment and issued a notice vide Ref. No. AE/ARR/APTS/23986 dated 10/11/2025 (copy attached) communicating its intention to reclassify the connection to LT-V(B) under Regulation 97 of the Kerala Electricity Supply Code, 2014, with retrospective effect.

The Petitioner does not contest the prospective reclassification of the connection to LT-V(B). However, KSEB, Electrical Section, Aroor issued a short assessment bill vide Ref. No. BB/ARR/Short Assessment Bill/2025-26/8 dated 19/12/2025 (copy attached), confirming reclassification under Regulation 97 of the Supply Code and demanding retrospective arrears from 13/01/2017 to December 2025 a period of nearly nine years. The Petitioner approached the Deputy Chief Engineer, Alappuzha and thereafter the Assistant Executive Engineer, Poochakkal, representing that the retrospective demand for nine years was unjust and illegal. Despite these representations, KSEB insisted on full payment. The Petitioner then filed a complaint before the CGRF stating that it is illegal to apply the retrospective effect for the reclassification. The CGRF, while partially acknowledging the Licensee's error, directed the Petitioner to pay 24 months of arrears under Regulation 152 contrary to the Petitioner's specific contention during the hearing to apply regulation 97(4) for arriving the arrears period of 12 months. The Petitioner maintains that this is legally unsustainable.

Regulation 97(4) is the only applicable provision not Regulation 152 KSEB's own notices dated 10/11/2025 and 19/12/2025 expressly state that the reclassification is being carried out under Regulation 97 of the Kerala Electricity Supply Code, 2014. It is a settled principle of law that when a specific regulation governs an action, all its sub-clauses must be followed in their entirety. Regulation 97(4) of the Supply Code (as amended in 2020, copy attached) states: "If the licensee finds that a consumer has been classified in a particular category erroneously... the licensee shall be entitled to realize the difference... for a period of actual period of error or twelve months whichever is less." KSEB cannot selectively invoke Regulation 97 to reclassify the connection while ignoring Regulation 97(4) to escape the 12-month cap on recovery. The power to reclassify and the limitation on recovery both flow from the same section and must be applied together.

Specific provision prevails over general provision - Lex specialis derogat legi generali. Regulation 152 is a general provision dealing with short assessment due to billing or metering errors. Regulation 97(4) is the specific provision that deals exclusively with excess charges arising from tariff reclassification. It is a well-settled principle of law - lex specialis derogat legi generali - that a specific provision always overrides a general provision. The CGRF's application of Regulation 152 in place of Regulation 97(4) is therefore legally erroneous and inconsistent with the Supply Code. The mistake was entirely KSEB's doctrine of estoppel applies. It was KSEB's own officials who visited the mushroom farm premises in January 2017, inspected the connection, and assigned the LT-V(A) tariff. The Petitioner made no misrepresentation and played no role in the classification decision. Having itself made the classification, KSEB is estopped from now placing the financial burden of that mistake upon the Petitioner. The doctrine of estoppel prevents a party from taking a position contrary to its own earlier conduct on which another party has relied to their detriment.

No fraud or suppression 12-month cap is the only applicable limit. There is absolutely no allegation of fraud, misrepresentation, or suppression of facts by the Petitioner. The Petitioner disclosed all facts about the mushroom farm at the time the connection was given. The 12-month limitation in Regulation 97(4) was designed precisely for cases such as this where the wrong classification was the Licensee's own error and the consumer acted in complete good faith throughout. Gross negligence by KSEB - almost nine years of inaction. KSEB is a large public utility with technical inspection staff, APTS squads, audit wings, and supervisory officers. Despite all these mechanisms, the misclassification of this connection went undetected or uncorrected for almost nine years from 2017 to 2025. This reflects gross negligence on the part of the Licensee. It is wholly inequitable to now impose the entire accumulated financial consequence of nine years of KSEB'S own inaction upon a small-scale mushroom farmer who has paid every bill on time without default.

Mental agony, harassment and financial hardship suffered by the Petitioner
The sudden demand for nine years of accumulated tariff difference has caused enormous stress and financial hardship to the Petitioner and family. The Petitioner has been compelled to approach multiple authorities the Assistant Engineer, Section Office, the Deputy Chief Engineer (Alappuzha), the AEE (Poochakkal), the CGRF, and now this Hon'ble Ombudsman over a period of several months, spending considerable time and money to obtain justice for a mistake that was entirely KSEB's. The mental agony of facing a large unexpected demand despite almost nine years of faithful bill payment is immense. The Petitioner is entitled to compensation for this harassment and mental agony caused by the Licensee's negligence.

The Petitioner humbly prays that this Hon'ble Ombudsman may be pleased to:

(1) Set aside the CGRF Order No. CGRF-CR/OP No.108/2025-26 dated 27/04/2026 to the extent it directs payment of 24 months of arrears;

(2) Hold that Regulation 97(4) of the Kerala Electricity Supply Code, 2014 is the applicable provision governing the period of recovery in this reclassification case, and direct KSEB to limit the recovery of arrears to a maximum of 12 months;

(3) In view of the Petitioner being a small-scale mushroom farmer for whom this is an unforeseen liability, grant permission to pay the 12 months' arrears amount in 24 equal monthly instalments in the interest of justice and to ensure the sustainability of the livelihood unit; and

(4) Award reasonable compensation to the Petitioner for the gross negligence of KSEB in misclassifying the connection for nine years, and for the mental agony, harassment, administrative expenses and financial hardship caused to the Petitioner and family as a consequence of the Licensee's own error.

Arguments of the Respondent

An LT service connection with consumer number 1155156023986 is registered in the name of Smt. Shije Thankachan under Electrical Section, Aroor on 13.01.2017. As per the section records, the connection was issued in LT 5A tariff with a sanctioned load of 5273 watts in three phase. A site inspection was conducted in this premise by the APTS Unit, Alappuzha along with section staff on 23.10.2025. In the inspection, it was found that the said connection was being used for the purpose of mushroom culture for which the proper tariff would be LT 5B. Also the total connected load in the premises was 14718 watts. On verification of the consumer profile in Orumanet, in the address of the consumer it was mentioned that it was a mushroom spawn. A letter was issued to the consumer on 10.11.2025 by the Assistant Engineer, Electrical Section, Aroor intimating that the tariff of the above connection will be reclassified to LT 5B with effect from the date of connection. The consumer vide his reply dated 05.12.2025 informed that he had originally applied for a connection for mushroom culture and the tariff was wrongly assigned by the licensee. So a short assessment bill from the date of connection for Rs. 2,38,289/- was issued to the consumer on 19.12.2025. The consumer filed a complaint before the Deputy Chief Engineer, Electrical Circle, Alappuzha on 06.01.2026. The Deputy Chief Engineer directed the undersgined to conduct a hearing, explain the genuineness and factual aspects of the case and dispose the matter in accordance with the prevailing rules and regulations. A hearing was conducted on 19.01.2026. Smt. Shije Thankachan and Sri. Thankachan attended the hearing. A proceeding dated 18.02.2026 was issued to the consumer by the undersigned directing to remit the short assessment amount within 15 days. The petitioner then filed a petition before the CGRF against the short assessment bill of Rs. 2,38,289/-. The CGRF, Central

Region vide its order dated 27.04.2026, directed to revise the short assessment bill by limiting the recovery to a maximum period of twenty four months preceding the date of detection of anomaly as per Regulation 152 of Kerala Electricity Supply Code 2014. The petitioner has filed the representation against this order of CGRF.

The electric onnection with consumer number 1155156023986 was issued to Smt. Shije Thankchan on 13.01.2017 in LT 5A tariff with a sanctioned load of 5273 watts. In the inspection conducted by APTS Unit, Alappuzha along with section staff, it was found that the above connection was being used for the purpose of mushroom culture. Later on verification of the section records it. was found that the connection was wrongly issued in LT 5A tariff whereas the connection was requested for the purpose of mushroom culture which was classified under LT 5B tariff.

The consumer was intimated about the error in tariff classification vide letter dated 10.11.2025. It was also intimated to file any objection regarding reclassification of tariff to LT 5B. The consumer in his letter dated 05.12.2025, informed that he had requested electricity connection for the purpose of mushroom culture. The licensee had wrongly classified the connection in LT 5A tariff. So a short assessment bill for Rs. 2,38,289/- was issued to the consumer on 19.12.2025.

The consumer filed a complaint to the Deputy Chief Engineer, Electrical Circle, Alappuzha. As per the direction from the Deputy Chief Engineer a personal hearing was conducted by the undersigned on 19.01.2026. A proceeding was issued addressing all the complaints of the petitioner on 18.02.2026.

It is clear that the consumer was wrongly billed in LT 5A tariff instead of LT 5B tariff from the date of connection. The consumer was undercharged during this period. This mistake was detected in the inspection conducted by APTS Unit, Alappuzha on 23.10.2025. As per Regulation 134 of Kerala Electricity Supply Code 2014, the licensee may recover the amount so undercharged by issuing a bill and in such cases at least thirty days shall be given to the consumer for making payment of the bill. Although Regulation 152 of Kerala Electricity Supply Code 2014 limited the period of short assessment to a maximum period of twenty four months, the Hon'ble Supreme Court in Civil Appeal No. 1672 of 2020 (Assistant Engineer, Ajmer Vidyut Vitran Nigam Ltd. Vs. Rahamatullah Khan) and Civil Appeal No. 7235 of 2009 (judgment dated 05.10.2021) held that when electricity is actually consumed by the consumer but undercharged due to a mistake of the licensee, the consumer is bound to pay for the entire period of undercharge. In this context, the verdict of Hon'ble supreme Court supersedes the supply code. As the mistake was detected in the inspection conducted by APTS Unit, Alappuzha on 23.10.2025, the consumer is liable to pay the short assessment amount for the entire period. The short assessment bill was issued as per the rules and regulations in force.

Counter Arguments of the Appellant

At the outset, we wish to point out that the judgments of the Hon'ble Supreme Court in Civil Appeal No. 1672 of 2020 (Assistant Engineer, Ajmer Vidyut Vitran Nigam Ltd. v. Rahamatullah Khan) and Civil Appeal No. 7235 of 2009 (judgment dated 05.10.2021), relied upon by the respondent, are irrelevant and inapplicable to the present case. The issue involved herein pertains to tariff reclassification carried out under Regulation 97 of the Kerala Electricity Supply Code, 2014, and not to circumstances governed by the principles laid down in the aforesaid judgments.

We further submit that the Statement of Facts filed by the Assistant Executive Engineer is conspicuously silent on our principal contention regarding the applicability of Regulation 97(4). Since the entire dispute arises from the tariff reclassification effected under Regulation 97, the respondent has failed to address or contest our specific submissions relating to Regulation 97(4).

We have also clearly explained in our petition the reasons why Regulation 152 has been wrongly invoked in the present case. Regulation 152 is a general provision, whereas Regulation 97(4) is a specific provision dealing exclusively with excess charges arising from tariff reclassification necessitated by a mistake committed entirely by the licensee. It is a settled principle of interpretation that a specific provision prevails over a general provision in matters covered by the specific provision.

In the above circumstances, and for the reasons elaborately stated in our appeal petition, we respectfully request your goodself to:

(a) permit payment of the arrear amount relating to the preceding 12 months in 24 equal monthly instalments; and

(b) award reasonable compensation for the hardship, inconvenience, and financial distress caused to us on account of the mistake committed by the Electricity Board.

Analysis and findings

The hearing of the appeal petition was conducted on 14/07/2026 at 11.00am 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 Smt. Shije Thankachan and Sri. T. J. Thankachan and the respondent Sri. Bimal Joseph, Asst. Executive Engineer, Electrical Sub Division, KSEBL, Poochakkal, Alappuzha (dt).

The appellant had applied for an LT 3 phase Service Connection with connected load 5.273 kW for a mushroom culture/mushroom cultivation.

The Electrical Section, Aroor had connected the Service Connection on 13/01/2017 under the tariff LT 5A. The purpose of use specified in the application form was mushroom cultivation. As per the tariff order published by the Hon'ble Kerala State Electricity Regulatory commission, the applicable tariff for the mushroom cultivation was LT 5B. The licensee had wrongly applied the Agriculture Tariff LT 5A to the appellant. It is the responsibility of the officials of the Licensee to inspect the premises and convince the purpose of use of electricity and to decide the proper tariff applicable. This seem to be major lapse from the officials of the Licensee. The mistake in the application of tariff was detected by the APTS during the inspection on 23/10/2025. Accordingly the difference in current change between LT 5B and LT 5A has been worked out as the short assessment amount to Rs. 2,38,289/-. the short assessment was calculated for a period from 02/2017 to 12/2025 which is 54 billing cycle which means 108 months. The licensee has raised the demand as per the Regulation 97 of the Supply Code, 2014 which describes about the Suo motu reclassification of Consumer category by the licensee.

97. Suo motu reclassification of consumer category by the licensee. -

> ***(1)*** *If it is found that a consumer has been wrongly classified in a particular category or the purpose of supply as mentioned in the agreement has changed or the consumption of power has exceeded the limit of that category as per the tariff order of the Commission or the category has changed consequent to a revision of tariff order, the licensee may suo motu reclassify the consumer under appropriate category.*
>
> ***(2)*** *The consumer shall be informed of the proposed reclassification through a notice with a notice period of thirty days to file objections, if any.*
>
> ***(3)*** *The licensee after due consideration of the reply of the consumer, if any, may reclassify the consumer appropriately.*
>
> ***(4)*** *Arrear or excess charges shall be determined based on the actual period of reclassification or a period of twelve months whichever is lesser.*
>
> ***(5)*** *Twelve monthly installments for the payment of the arrear charges determined under sub Regulation (4) above may be allowed on the request of the consumer without interest.*

Which clearly states that the licnesee is authorized to charge only for 12 months.

The CGRF had considered this case as per Regulation 152 of Supply Code, 2014.

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.*

Provided that a site mahazar detailing the anomalies shall be prepared by the Inspecting Officer and the provisional bill for the short collected period shall be issued to the consumer. The licensee shall follow the due procedures for ensuring natural justice such as; hearing the consumer, issuance of provisional bill before finalization of the assessment bill etc., following the procedures specified in Regulation 157 of the Code:

Provided further that the provisional bill shall only be finalized by the licensee after giving a reasonable opportunity of hearing of the consumer:

Provided also that the licensee may finalize the final assessment bill through the appropriate IGRC, if necessary.

(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 while assessing the period of such short collection the factors as specified in subregulation (8) of regulation 155 shall be considered:

Provided further 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.*

Accordingly the CGRF has limited the short assessment for 24 months as per the Regulation 152(3).

The licensee has suffered revenue loss due to the wrong tariff application. Here in this case the consumer has rightly mentioned their purpose of use. The official who had sanctioned connection had wrongly assigned the tariff. For these there are regulations to periodically check the installation and to find out and arrest any such revenue leakages. The licensee would have conducted the periodical inspection once in three years as per the regulations 113(6) by which this anomaly would have been identified and this revenue leakage would have been arrested. There is no record of periodical inspection conducted by the licensee. The Regulation 97 also clearly mentioned that the Suo motu classification would have been done for 12 months or from the last date of inspection which ever is shorter. These regulations mandated that the licensee would have inspected the installations regularly.

The licensee had referred about the order of Hon'ble Supreme Court in the cases civil appeal no. 1672/2020 and civil appeal no. 7235/2009. In these cases the Hon'ble Court had defined the term "when such become first due". This term is in the section 56(2) of the Electricity Act, 2003 which states as below.

Section 56. (Disconnection of supply in default of payment): --

> ***(2)*** *Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not cut off the supply of the electricity.*

The case 7235/2009 had been filed during 2009, and the Supply Codes would have been not implemented by the states. The Kerala Electricity Supply Code is implemented on 2014 and the latest amendment was on 2024. The Regulation 97 of the Supply Code was not amended if this verdict was applicable in such cases. In the Regulation 97 the term "when such sum become first due" is not mentioned. What ever be the period the arrears the licensee could levy only for 12 months.

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 demand issued on 19/12/2025 for Rs.2,38,289/- is quashed herewith.
2. The licensee has to revise the short assessment bill for a period of 12 months as per the Regulation 97 and the revised demand note is to be issued.
3. The appellant is liable to pay the amount as per the revised demand note.
4. The licensee shall grant 12 monthly installments without interest for clearing this payment.
5. The above decisions are to be implemented within 30 days of receipt of this order and a compliance report is to be submitted.
6. No other costs ordered.

ELECTRICITY OMBUDSMAN

No. P/031/2026/ dated: 20-07-2026

Delivered to:

1. Smt. Shije Thankachan, Thattaruparambil, Kudapuram Road, Eramalloor P.O., Cherthala, Alappuzha dt- 688537

2. The Assistant Executive Engineer, Electrical Sub Division, KSE Board Ltd, Poochakkal, Alappuzha (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.