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REPRESENTATION No: P37/09

Appellant : Thottakam Karshaka Seva Samithy,
Manikkamangalam, KALADY 683574

Respondent: Kerala State Electricity Board
Represented by
The Assistant Executive Engineer
Electrical Sub Division KALADY 683574

ORDER

Thottakam Karshaka Seva Samithy, Manikkamangalam (represented by The Convenor – Vicar, St Rocky’s Church, Manikkamanagalam KALADY 683574) submitted a representation on 01.01.2009 seeking the following relief :

Set aside the demand for Rs 112641/- issued by the KSE Board and the connected orders of KSEB

The Karshaka Seva Samithy has an agricultural connection with Consumer Number 6425 and Connected Load of 25 HP Motor. The connection was effected in March 1990. The current charge was fixed at Rs 392/- under the then prevailing Provisional Invoice System corresponding to 500 units consumption per month. The payment was made upto 3/92 according to KSEB . It was found out that the Consumer had not paid any current charges since then , nor have KSEB taken any follow up action until 2006. On locating the consumer in 2006, the Meter was found to be faulty and hence was replaced on 7.2.2006. The KSEB built up arrear demand as per the details given below:

1. From 4/92 to 5/2000: Monthly demand as per the PIC card issued earlier @ Rs 392/- per month.
2. From 6/2000 to 2/2006 : Spot bill demand taking the average of 786 units per month (Considering the average consumption after changing the Meter) .
3. Interest @24% was taken for the period of PIC (4/92 to 5/2000) since the demand had already been raised during the period. No interest was charged for the arrear for the period 6/2000 to 2/2006 since there was no demand raised for the period.

The total arrear as per calculation of KSEB was 1,12,641/-
The Appellant pleaded to cancel the above demand . Regular payments are being paid after 2/2006.

Counter statements of the Respondent was obtained and hearing of both the parties conducted on 27.2.2009.

I. The contentions/arguments/points raised by the Appellant in the representation and during the hearing are summarized below:

The Appellant had taken the connection to irrigate the agricultural crops of the area under the Kerala Government Social Irrigation Scheme. Since it is Government aided scheme the Appellant was under the impression that electricity is supplied free. The KSEB had never issued bills to the consumer from March 1990 onwards. The demand to pay the arrears after 16 years is not justifiable. The finding of the KSEB that current charges were paid before 3/92 is not true. The Appellant had approached all the authorities including the officials of KSEB and CGRF to get the demand withdrawn.

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

As per the records of KSEB the consumer had paid current charges upto 3/1992 at PIC rates. The consumer had not produced any documents to prove that they are exempted by the Government or other authorities from payment of current charges during the period from 4/92 to this date. More over there were no exemptions for the Social Irrigation Scheme during the period. Hence the KSEB has a legitimate right to assess and demand the arrears. It is true that there was lapse on the part of KSEB in locating the consumer and taking appropriate action in time. Interest had not been demanded for the period under spot billing system since demand was not raised earlier.

III. Discussion and Findings:

The most important issue to be decided in this case is whether the contention of the Appellant that current charges are not payable by them is correct or not. Even though the agricultural consumers are exempted from payment of current charges by the Government, the exemption is allowed subject to certain conditions and fulfillment of procedural formalities from time to time. The Appellant has not claimed that they had obtained orders from the appropriate authorities for exemption during any period. As such there is no reason for the Respondent not collecting the current charges from them. The action of the Respondent in raising the demand for the whole period is in order. The methodology adopted by the

Respondent for calculating the arrears also seems to be fair in view of the consumption pattern and average consumption figures presented.

But the lapse in leaving the consumer un-noticed for more than 16 years is a very serious issue. It was not a small pump in very remote paddy field. It was a 25 HP Motor with a large number of agriculturalists depending on the functioning of the Pump. That KSEB field staff did not care to check whether the readings are taken or invoices are issued etc in respect of a 25 HP Pump-set-connection reflects a very sorry state of affairs.

In any case it is not fair to penalize the consumer with 24% interest for the arrears. The Consumer is only partially responsible for the non-payment of current charges. The other part of the responsibility lies squarely with the employees of the KSEB. Under the above circumstances the matter shall be settled as given below. The Respondent shall reassess the arrears based on the following guide lines:

1. *The methodology of assessing the current charges from 4/1992 to 2/2006 adopted by the Respondent is fair and shall be followed.*
2. *As a relief to the Agriculturists, interest for the arrears for the period from 4/92 to 5/2000 (PIC period) shall be charged at 6% (SIX percent) per annum only.*
3. *No interest for the arrears from 6/2000 to 2/2006 (Spot Bill period)*
4. *A revised demand may be issued with new DUE DATE for payment.*
5. *The Appellant may be allowed Six Monthly installments to remit the same if applied for.*

IV. Orders:

Under the circumstances 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 representation submitted by the appellant is dismissed with the partial relief allowed as detailed above.*
2. *No order on costs.*

Dated this the 31st day of March 2009,

P.PARAMESWARAN
Electricity Ombudsman

No P 37 /09/ 210 / dated 20.4.2009

- Forwarded to: 1. The Convenor –Vicar, St Rocky’s Church,
Thottakam Karshaka Seva Samithy,
Manikkamangalam KALADY 683574)
2. The Assistant Executive Engineer
Electrical Sub Division KALADY 683574

Copy to :

The Secretary,
Kerala State Electricity Regulatory Commission
KPFC Bhavanam, Vellayambalam, Thiruvananthapuram 695010

The Secretary ,KSE Board,
VaidyuthiBhavanam ,Thiruvananthapuram 695004

The Chairman
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