



**Before the Electricity Ombudsman**  
**9/2, 6<sup>th</sup> Floor, Mahalakshmi Chambers, M.G.Road,**  
**Bangalore**

**Present: B.R.Jayaramaraje Urs, IAS (Retd.)**  
**Electricity Ombudsman**  
**Case No.OMB/M/G-197/2014/469**  
**Dated 22.01.2015**

Shri Harikrishna Rao.K,  
 Partner,  
 M/s.Radha Electrical Industries,  
 Main Road, Kulai,  
**MANGALORE-575019**

**.. Appellant**

**Vs**

1. Assistant Executive Engineer,  
 O & M No.-2 Sub Division,  
 MESCOM,  
 Kavoora,  
**MANGALORE-575015**

2. Chairperson,  
 Consumer Grievances Redressal Forum (C.G.R.F)  
 Dakshina Kannada District,  
 MESCOM,  
 Office of the Superintending Engineer,  
 O & M Circle, P.B.No.240,  
 Atthavara,  
**MANGALORE-575001**

**.. Respondents**

1. This is an appeal under Clause 22.02 of KERC (CGRF & Ombudsman) Regulations, 2004 against the order passed by the Consumer Grievance Redressal Forum, MESCOM, Dakshina Kannada District (hereinafter referred to as the 2<sup>nd</sup>

Respondent) vide order No CGRF/14-15/M-2/SK-1/6145 dated 30.09.2014 pertaining to the Appellant's complaint: (a) non-refunding of Services Line Charges (b) Non-refunding of Security Deposit (c) refusal of the Licensee to pay compensation for delay in refunding Service Line Charges and Security Deposit @ Rs.50/- per each day of delay and (d) non-payment of interest on Security Deposit and Service Line Charges held. Aggrieved by the 2<sup>nd</sup> Respondent's order, the Appellant has submitted his case as under:

2. The Appellant is an Electricity consumer of the Assistant Executive Engineer (EI), No.2 Sub Division, MESCOM, Kavur, Mangalore-575015 (hereinafter referred to as the 1<sup>st</sup> Respondent) bearing R.R No KUL 3039. The installation was serviced on 11.10.1990 with a sanctioned load of 7 HP+300 watts under LT-5 tariff schedule (industrial tariff). Later, the Appellant sought for reduction of load from 7 HP+300 watts to 1 kW and change of tariff from LT-5 to LT-3 (commercial).

On 16.11.2006 made a request for sanction of additional load that is 7 HP+ 300 watts. The 1<sup>st</sup> Respondent sanctioned additional load on 16.11.2006 and advised the Appellant to pay the following amount:

- 1) Rs.8,370/- towards additional Security Deposit.
- 2) Rs.2,600/- towards Service Line Charges
- 3) Rs.100/- being the Supervision Charges

3. The Appellant paid the above mentioned amount on 21.11.2006. Later, on 01.09.2009, the Appellant sought for reduction of load from 7HP+ 300 watt to 1 HP and approached the 1<sup>st</sup> Respondent and the 1<sup>st</sup> Respondent informed the Appellant that his office had not sanctioned additional load of 7HP+ 300 watts to the Appellant and no records were available in his office for having serviced additional load of 7 HP+300 watts and, hence, there was no need for reduction of load from 7 HP+300 watts to 1 HP. In view of this response, the Appellant, submitted refund voucher seeking refund of Additional Security Deposit and Service Line Charges from the 1<sup>st</sup> Respondent. The 1<sup>st</sup> Respondent prepared refund voucher for Rs.7,400/- deducting

Rs.3,000/- and paid the amount on 21.11.2013. The Appellant made several requests for refund of the entire Additional Security Deposit i.e. Rs.8,370/- and Service Line Charges of Rs.2,600/- but to no avail. Aggrieved by non-refunding of the full security deposit and service line charges, the Appellant filed a complaint before the 2<sup>nd</sup> Respondent and the 2<sup>nd</sup> Respondent, after hearing the matter, passed order declining to issue any directions to the 1<sup>st</sup> Respondent to refund the amount as sought by the Appellant. Hence, the Appellant filed this appeal.

The Appellant in the appeal memo has sought for issue of directions: (a) for payment of interest on the Security Deposit held (b) interest on the Service Line Charges held and (c) payment of compensation for delay in returning the said amounts @ Rs.50/- for each day of delay as per KERC (Licensees' Standards of Performance) Regulations, 2004.

4. The 1<sup>st</sup> Respondent's response was called vide letter OMB/M/G-197/2014/438 dated 19.11.2014. The 1<sup>st</sup> Respondent in his replies admitted Appellant having paid the Security Deposit of Rs.8,370/-, Rs.2,600/- towards Service Line Charges and Rs.100/- towards Supervision Charges. In addition, the Appellant having filed completion report and wiring diagram. Further, he stated that the Appellant, had applied for additional load, but for personal reasons, had not availed additional load. The 1<sup>st</sup> Respondent admit having not serviced the installation additionally and, hence, there is no objection from his side to refund the Security Deposit but not the Service Line Charges. As for as claim of the Appellant for payment of compensation is concerned, the same could not be considered as, the Appellant had not preferred his claim in the prescribed Form before the Competent Authorities and hence, deserves to be rejected.

5. The case was taken up for hearing on 13.01.2015 and both the Appellant and the 1<sup>st</sup> Respondent advanced their respective arguments and arguments came to be concluded on the same day.

6. The Appellant reiterated his submissions made in the appeal memo and added that he is eligible for interest for the amount collected as Service Line Charges by the 1<sup>st</sup> Respondent which is returnable if the Appellant desired not to avail such additional load. Secondly, he is eligible for interest on the Security Deposit held and, thirdly, he is eligible for compensation @ Rs.50/- per day for each day of delay in refunding the Service Line Charges and Security Deposit. The Appellant admitted that he had not made compensation claims in the prescribed manner.

7. The 1<sup>st</sup> Respondent argued that at the request of the Appellant, additional load of 7HP+300watts was sanctioned and the Appellant had even signed the power supply agreement and after signing the supply agreement, he desired not to avail the additional load for some personal reasons. Accordingly, the 1<sup>st</sup> Respondent did not service the additional load. Hence, the Appellant is eligible for refund of Security Deposit of Rs.7,400/- after deducting 10% deduction out of the total amount paid. However, the Appellant is not eligible for refund of Service Line Charges after the execution of the agreement.

8. Both parties were informed vide letter No.OMB/M/G-197/2014/459 dated 23.12.2014 regarding availability of Sub-Regulation 1 of Regulation 20 of KERC (Consumer Grievance Redressal Forum and Ombudsman) Regulations, 2004 which provides for settlement by agreement through conciliation and mediation. However, both parties have not availed this opportunity. Hence, I am proceeding to pass an order in this matter.

9. Having regard to the contending positions of the parties, the issues that arise for our consideration are:

- a) **Whether the Appellant is eligible for refund of Service Line Charges after the execution of the agreement and before servicing of the installation?**
- b) **Whether the Appellant is eligible for refund of Security Deposit after the execution of the agreement?**
- c) **Whether the Appellant is eligible for compensation as per the KERC (Licensees' Standards of Performance) Regulations, 2004?**

10. The Appellant has argued that he had applied for 7HP+300 watts of additional load paying Rs.8,370/- towards additional security deposit and Rs.2,600/- towards service line charges and for personal reasons he could not avail the additional load and, hence, eligible for refund of Security Deposit and Service Line Charges and the Licensee has refunded the Security Deposit of Rs.7,400/- but declined to refund the Service Line Charges.

The 1<sup>st</sup> Respondent has argued that the Appellant had sought for refund of Services Line Charges after he had signed the power supply agreement and before additionally servicing the installation and, hence, he is not eligible for refund of Service Line Charges.

In order answer question No.1, we have to refer to Note under Clause 32.06 of the Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka which states that ***"the consumer shall be eligible for refund of deposits as per Clause 30.05 i.e ISD, ASD & MSD & not the cost paid towards Service Line under Clause 30.06, 30.07 & 30.08."***

The above note clearly says that the eligibility for refund comes only when the agreement is terminated by any one of the parties during the agreement period. In the instant case, neither of the parties is found to have given any notice for termination of the agreement even after the Appellant desired not to avail the additional load. As per Note under Clause 32.06 of Conditions of Supply of Electricity of Distribution Licensees in the State of Karnataka, "the consumer shall be eligible

for refund of deposits as per Clause 30.05 i.e, ISD, ASD & MSD & not the cost paid towards Service Line Charges under Clause 30.06, 30.07 & 30.08." Examined in the light of the note under Clause 32.06 of the Conditions of Supply of Electricity of

Distribution Licensees in the State of Karnataka, the Appellant will become ineligible for refund of Service Line Charges.

11. The second question relates to refund of Security Deposit. In order to answer this question, we will have to refer to clause 9 of KERC (Security Deposits) Regulations, 2007 which states that ***"Refund of security deposits - The licensee on termination of the agreement by either party shall refund ISD, ASD and meter security deposits, if any, after adjustment of dues, if any, within two months from the date of termination failing which interest @ 1% per month shall be payable on the ISD, ASD and meter security deposits for the actual days of delay."*** In the present case, after the Appellant desired not to utilise additional load, the 1<sup>st</sup> Respondent ought to have taken steps to terminate the agreement and refunded the deposits. The 1<sup>st</sup> Respondent is found to have not taken any steps to terminate the agreement and to refund the deposits. Without termination of the agreement, the 1<sup>st</sup> Respondent cannot refund the deposits. It is a pre-requisite for refund of deposits. Hence, it is advisable that the 1<sup>st</sup> Respondent takes steps immediately for termination of agreement.

12. As regards payment of compensation, the Appellant is found to have not preferred his claims, in proper form nor found to have submitted his claims before the Competent Authorities as per KERC (Licensees' Standards of Performance) Regulations, 2004 and, hence, no orders could be passed by this Authority on such flawed claims. However, the Appellant is at liberty to file Form A before the Competent Authority and the Competent Authority will pass necessary orders on such claims on merits within the prescribed time frame under the law.

In the light of the above discussions, the following orders are passed:

ORDER

13. The Appellant is not eligible for refund of service line charges and, hence, his plea for refund of Service Line Charge **is dismissed**.

14. The 1<sup>st</sup> Respondent is directed to examine the claims of the Appellant regarding refund of Security Deposits under Clause 9 of KERC (Security Deposit) Regulations, 2007 within 30 days from the passing of this Order. If the Appellant is found eligible for refund of the entire additional Security Deposit, the 1<sup>st</sup> Respondent shall refund such amounts immediately and in case found ineligible, the 1<sup>st</sup> Respondent shall intimate the same to the Appellant within a reasonable period.

15. The claims of the Appellant for payment of compensation for delay in refunding certain amount by the 1<sup>st</sup> Respondent is hereby dismissed as claims are not made in proper form and also on the ground that the Appellant not exhausted the legal remedies available under the law.



(B.R. Jayaramaraje Urs)  
Electricity Ombudsman

1. Shri Harikrishna Rao.K, Partner, M/s.Radha Electrical Industries, Main Road, Kulai, Mangalore-575019

2. Assistant Executive Engineer, O & M No.2 Sub Division, MESCOM, Kavour, Mangalore-575015

3. Chairperson, Consumer Grievance Redressal Forum, Dakshina Kannada District, MESCOM, Office of the Superintending Engineer, O & M Circle, Post Box No.240, Attavara, Mangalore-575001.

4. Managing Directors of all ESCOMs.

5. PS to Hon. Chairman, KERC

6. PS to Hon. Member(A), KERC

7. PS to Hon. Member(M), KERC

8. PS to Secretary, KERC