



# TAMIL NADU ELECTRICITY OMBUDSMAN

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## BEFORE THE TAMIL NADU ELECTRICITY OMBUDSMAN, CHENNAI

**Present: Thiru. A. Dharmaraj. Electricity Ombudsman**

**Appeal Petition No. 20 of 2016**

M/s Sharath Vasanji,  
C/o Stephen & Stephen,  
No.16, Corporation Shopping Complex,  
3rd Avenue,  
Indira Nagar, Chennai - 600 020.

. .... Appellant  
(Rep by Thiru. N. Senthil Viswaroopan, Advocate)

Vs

The Executive Engineer,  
I.T. Corridor,  
Chennai Electricity Distribution Circle/South-II,  
TANGEDCO,  
110/33 KV SS Complex, Tidal Park,  
Chennai - 600 113.

. .... Respondent  
(Rep by R. Kumaravelu, AEE/I.T. Corridor on 10.6.2016 &  
Thiru. R. Ramasubbu, EE/I.T. Corridor on 27.7.16)

**Date of hearing : 10.6.2016 & 27.7.2016**

**Date of Order : 17.11.2016**

The Petition dt. 25.2.2016 filed by M/s Sharath Vasanji was registered as Appeal Petition No.20 of 2016. The above appeal petition came up before the Electricity Ombudsman for hearing on 10.6.2016 & 27.7.2016. Upon perusing the appeal petition, counter affidavit of the Respondent and after hearing both sides, the Electricity Ombudsman passes the following order.

## **ORDER**

### **1. Prayer of the Appellant:**

It is humbly prayed that this Hon'ble TNEO may be pleased to accept our genuine appeal, and to pass an order.

- (i) Directing the respondent to properly close the accounts analyzing the data, payment details and available deposits as per the Code provisions on the lights, facts and circumstances of the issue and on the grounds of appeal raised.
- (ii) To refund the difference in amount deducted on arbitrary calculation without adhering to the rules.
- (iii) And to pass necessary & appropriate orders in this regard as this forum deems fit & proper in the ends of justice.

### **2. Brief History of the case:**

- 2.1 The service connection No.297 -002-8 was permanently dismantled as per the request of the Appellant.
- 2.2 The Appellant filed a petition before the CGRF of Chennai EDC/South for refund of the balance deposit amount available in the account of SC No.297 -002-8.
- 2.3 The CGRF has ordered to refund the balance deposit amount available with interest.
- 2.4 The Respondent has refunded a sum of Rs.2,74,726/- The Appellant aggrieved over the calculated balance amount filed a petition before the Electricity Ombudsman and the same was registered as A.P. No. 20 of 2016.

### **3.0 Orders of CGRF :**

The relevant para of the order is extracted below: -

#### **" Findings of the Forum :**

*The Petitioner is informed about the CC arrears. The account closing proposal shall be processed. The refund of deposit along with interest shall be made on or before 15.10.2015.*

#### **Order of the of the Forum.**

*"The compliance report on refund of deposit shall be furnished within 7 days from the date of settling the accounts."*

### **4.0 Contentions of the Appellant furnished in the Appeal Petition:**

4.1 The order passed by the CGRF/South is neither analytic nor specific.

4.2 The calculation arrived by the Assistant Accounts Officer/ITC Division and further revision by way of deduction by Deputy Financial Controller/South is not as per regulation 33(5) of TNE Distribution Code.

4.3 An amount of Rs.20,158/- was deducted from the calculated available deposits as less dues contrary to the fact that the consumer has paid all the dues on the date of termination of agreement.

### **5.0 Contentions of the Respondent furnished in the Counter:**

5.1 The Respondent deny all these allegations made in the appeal petition. As the petitioner approached CGRF and upon hearing it was ordered in CGRF/South with the consent of the petitioner that "The compliance report on refund of deposit shall be furnished within 7 days from the date of setting the accounts" and the petition is disposed of.

5.2 After including the 9% interest for the available deposit as on 29.8.2015 pertaining to the SC No.297-002-8 and after closing the accounts as per TNERC norms (deduct any dues due to the TANGEDCO) a sum of Rs.2,74,726/- vide cheque No.845755/7.10.15 was handed over on 7.10.15. The working sheet is submitted herewith.

5.3 Hence, it is humbly prayed to Hon'ble Tamil Nadu Electricity Ombudsman to pass orders considering all the above facts and to pass an order to dismiss the above petition.

#### **6.0 Hearing held by the Electricity Ombudsman:**

6.1 To enable the Appellant and the Respondents to putforth their arguments in person, a hearing was proposed on 27.5.2016. But it was postponed to 10.6.2016 as requested by the Advocate representing the Appellant. Further hearing on the subject matter was also conducted on 27.7.2016.

6.2 Thiru N. Senthil Viswaroopan, Advocate attended the hearing on behalf of the Appellant and putforth his side arguments on both the days.

6.3 On 10.6.2016 Thiru. R. Kumaravelu, Assistant Executive Engineer/I.T.Corridor attended the hearing on behalf of the Respondent. On 27.7.2016 Thiru. R. Ramasubbu, Executive Engineer/I.T. Corridor, the Respondent herein has attended the hearing and putforth his arguments.

#### **7.0 Findings of the Electricity Ombudsman :**

7.1 Thiru. Senthil Viswaroopan, learned advocate argued that the licensee has

deducted a sum of Rs.20,158/- towards the pending dues to be paid by the consumer from the deposit amount. As the consumer has paid all the dues while terminating the agreement he argued that the deduction is wrong.

7.2 The licensee argued that the monthly minimum for six months arrears of the CC charges if any, Disconnection charges, Dismantling charges, Testing charges etc have been deducted in the available deposit.

7.3 As it is termination of agreement as per the request of the consumer, I would like to refer regulation 33(3) & 33(5) of the Distribution Code which are extracted below :

**33 AGREEMENTS :**

*xxx xxx xxx*

*(3) The agreement can be terminated by the consumer at any time by giving one month's notice in writing to the Licensee expressing his/her intention to do so.*

*(4) xxxx xxx xxxx*

*(5) In the case of termination of the agreement either by the consumer under sub – regulation (3) or by the licensee under sub – regulation (4), as the case may be, the licensee shall recover the dues if any due from the consumer after making such adjustment of the dues, due to him by the consumer as may be necessary to clear the dues from the consumer against the security deposit or additional security deposit or any other deposit made by the consumer and after making such adjustment, refund the balance deposit, if any, to the consumer within three months from the date of termination of the agreement.*

*xxx xxx xxx ”*

7.4 On a careful reading of regulation 33(3) , the agreement can be terminated by the consumer at any time by giving one month's notice in writing to the licensee.

7.5 As per regulation 33(5) of the Distribution Code, the licensee shall recover the dues if any from the consumer after making adjustments of the dues from the security deposit available and the balance deposit amount available has to be refunded within three month, from the date of termination of agreement.

- 7.6 As the service was closed as per the request of the consumer only one month notice is required for termination of agreement as per regulation 33(3) of the Distribution Code. Accordingly, the licensee agreed that the monthly minimum calculation for six months will be reduced to one month and furnish a revised statement of account closure.
- 7.7 In respect of the date of notice for termination of agreement and the charges that are to be deducted from the deposit amount such as "arrears if any on the date of disconnection, monthly minimum charges for one month towards notice period, testing fee, disconnection charges, dismantling charges, etc there is no dispute between the Appellant and the Respondent.
- 7.8 Accordingly, the Respondent has furnished the revised working sheet on 21.6.2016. During the hearing held on 27.7.2016, the revised statement was analysed and based on the discussion, the EE/I.T. Corridor agreed to correct the statement.
- 7.9 After taking into account of the corrections suggested in the hearing held on 27.7.2016, the EE/I.T. Corridor, reworked the balance amount to be refunded and furnished the revised statement on 9.8.2016, showing the Income Tax deducted as refundable. However, the EE/I.T. Corridor furnished a revised statement on 24.10.2016 excluding the Income Tax deducted stating that the I.T amount has already been remitted to the Income Tax Department. He has also informed that the TDS form will be issued to the consumer separately. The statement dt.24.10.2016 is extracted below :

<b>S.No.</b>	<b>Description</b>	<b>297-002-8</b>	<b>Details</b>
1.	<i>Date of last Assessment</i>	27.11.2013	
2.	<i>Date of Application</i>	17.12.2013	
3.	<i>Amount to be paid as on last assessment</i>	0	
4.	<i>Date of Disconnection</i>	19.12.2013	
5.	<i>Amount to be paid on date of Disconnection</i>	0	
6.	<i>E. Tax %</i>	0	
7.	<i>Monthly Minimum for 1 Month</i>	3210	
8.	<i>E. Tax %</i>	161	
9.	<i>CC Arrears if any</i>	0	
10.	<i>Testing Fees</i>	2000	<i>MRT Testing fees since LTCT service</i>
11.	<i>½ Disconnection fees</i>	30	
12.	<i>Dismantling charges</i>	250	
13.	<i>BPSC</i>	0	
14.	<b><i>Total Amount to be paid by the consumer</i></b>	5651	
15.	<i>ASD as on 31.3.2013</i>	248463	
16.	<i>Interest for ASD as on date of Disconnection</i>	15840	<i>=284463x9 % per year x 8.5 months from 1.4.2013 to 17.12.2013).</i>
17.	<i>ASD as on 17.12.2013 including interest</i>	264303	
18.	<i>Total ASD as on date of application of permanent dismantling</i>	264303	
19.	<i>MCD</i>	2500	
20.	<b><i>Total Amount available</i></b>	266803	
21.	<b><i>Amount to be refunded</i></b>	261152	
22.	<i>Amount already refunded</i>	274726	
23.	<b><i>Balance to be recovered from the consumer</i></b>	13574	
24.	<b><i>Remaks</i></b>	<i>ASD Income Tax amount have been deducted and remitted to the IT Department. The TDS form will be issued to the consumer separately.</i>	

Sd/xxx xxxx  
Executive Engineer  
O&M/ITC. Chennai – 113”

7.10 On a scrutiny of the statement, it is noted that the licensee has charged Rs.2000/- as MRT testing fee since the service to be dismantled is LTCT service.

7.11 In this connection, I would like to refer the miscellaneous charges approved by the Hon'ble Commission in M.P.No.41 of 2003 dt.31.8.2004. The clause 3.4 meter related charges of the said order is extracted below :

**3.4 Meter Related Charges :** *The charges covered under this are (i) Charges for changing of meter board (ii) Charges for changing the meter at the request of the consumer (iii) Testing of meter and (iv) Installation testing.*

*Reduction and rationalization on the main representation on these charges Commission has taken note of the Demand and decides that,*

- *The charges for changing of meter board for LT single phase and three phase can be same*
- *The charges for changing of meter at the request of the consumer can be fixed as a single rate for all LT service categories and a separate single rate for HT services.*
- *The charges for challenge test can be separate for single and three phase The same rate will apply irrespective of the rating .*
- *Charges for testing of time switches is dropped.*
- *For installation testing, the first test at the time of extending supply shall be free and subsequent tests as per statutory or consumer's request shall be charged at a single rate for all LT and services and a separate single rate for all HT services.*

7.12 On a careful reading, it is noted that Hon'ble Commission has decided that for installation testing, the first test at the time of extending supply shall be free and for subsequent tests as per statutory or consumer request shall be charged at a single rate for all LT services and a separate single rate for all HT service.

7.13 In the statements showing Miscellaneous charges, in statemet-2 the meters charges was given. In serial No.(v) charges for installation testing was given which is extracted below :-



**“ MISCELLANEOUS CHARGES :  
2.0 Meters**

Sl.No.	Category	Existing & Proposal		Approved by TNERC	
		Single Phase	Three phase	Single Phase	Three phase
XXX XXX XXX XXX XXX XXX					
<b>(v) Installation Testing :</b>					
1. LT Services					
a	First test and Inspection	Free	Free	Free	Free
b	Further test on inspection due to faults in installation(if needed as per statutory requirement)	Rs.50	Rs.75	Rs.75	Rs.75
2 HT services					
	For the first and subsequent test and inspections	--	Rs.150	--	Rs.75
3	Attending faults by officials of TNEB	Rs.1000/- Visit		Rs.2000/- Visit	

7.14 On a careful reading of the above, it is noted that Rs.75/- only charged for testing the installation of LT & HT services. There is no category as MRT testing fees in the Miscellaneous charges order. As the Respondent argued that Rs.2000/- is the MRT testing fees, I would like to refer order no. M.P.No.41 of 2003 dt.14.12.2006 which is extracted below :

*“(1) The charges to attend to faults in the consumers premises through a visit by the Licensee's official at the request of the consumer, specified under para 3.4 (Meter Related charges) of the order on NonTariff related Miscellaneous Charges is amended as Rs.2,000/- in line with the charges mentioned in the schedule of charges in Statement 2 (item V – 3).*

*(2) Whenever the officials of the licensee visit consumer premises at the request the consumer for opening and closing of AB switches, the licensee shall collect a charge of Rs.2000/ per visit”*

7.15 It could seen from the above that a sum of Rs.2000/- is the charges for attending the faults in the consumer premises or for opening and closing of AB switches only. As the charges claimed in the permanent dismantling is not for the above, I am of the view that the charges of Rs.2000/- claimed as testing charges in

respect of the LT CT services is not as per the charges fixed in M.P.No.41 of 2003. In this regard, it is to be pointed out that in respect of LTSC No.297-011-1211, the Respondent has charged only Rs.75/- towards testing fee as it is a non CT service. As per the charges approved by the Hon'ble Commission, the installation testing charges for HT service is also Rs.75/- only. As the services to be dismantled is only a LT service and as there is no separate charges for LTCT services, I am of the view only Rs.75/- has to be collected towards testing fee in respect of LTCT services also like the other LT services.

- 7.16 In the statement testing charges was levied as Rs.2000/- instead of Rs.75/- Therefore, the Respondent is directed to adopt Rs.75/- as testing charges in sl.no.10 of the statement and accordingly revise the total amount to be paid by the consumer against sl.no.14 of the statement.
- 7.17 In the statement against item No.16, the interest on security deposit from 1.4.13 to 17.12.13 was worked out considering interest rate as 9% per annum for 8.5 months. As per regulation 35(4) of the Distribution Code, full calendar months only will be taken into account for the purpose of calculating the interest on security deposit. Therefore, the interest has to be calculated for 8 months only.
- 7.18 In the statement furnished by the Appellant in Sl.no.21, the amount available for refund has been arrived. The above is the amount available for refund as on 17.12.2013. But, it is noted that the Respondent has refunded a sum of Rs.2,74,726/- taking into account of the interest accrued upto 29.8.2015 on the security deposit available. Therefore, the interest for the amount available for refund as on 17.12.2013 (sl.no.21 of the statement) has to be worked out upto

29.8.2015 and added to the amount available for refund as on 17.12.2013 to arrive at the amount available for refund as on 29.8.2015. Only from the above amount the amount already refunded has to be deducted to arrive at the balance amount.

7.19 In the Security Deposit statement, a sum of Rs.4472/- and Rs.4794/- have been shown as Income Tax deduction for the year 2013-14 and 2014-15 respectively. Since, the Respondent has informed that the I.T deducted has already been remitted into Income Tax Department and agreed to issue the TDS form for the above deduction, the same has to be taken into account while reworking the balance amount to be refunded to the consumer (ie) the TDS amount deducted and paid to Income Tax department has to be deducted from the balance amount to be refunded.

7.20 In view of the findings discussed above, the Respondent is directed to rework the amount to be refunded duly taking into account of

- (i) Testing charges as Rs.75/-
- (ii) Interest on security deposit calculated for full calendar months
- (iii) Interest for the period from 17.12.2013 to 29.8.15 on the amount available for refund arrived in Sl. No.21 of their statement.
- (iv) Income Tax recovered and paid to income tax department after 17.12.13 on the interest accrued on security deposit

and (v) the amount already refunded.

7.21 The balance deposit amount available shall be refunded with interest as applicable to security deposit upto date of refund.

**8. Conclusion:**

- 8.1 In view of my findings in para 7 above, the Respondent is directed to rework the amount to be refunded within 15 days from the date of receipt of the order and refund the same with interest as applicable to security deposit till the date of refund within 45 days from the date of receipt of this order.
- 8.2 A compliance report shall be sent within 60 days from the date of receipt of this order.
- 8.2 With the above findings, the A.P.No.20 of 2016 is finally disposed of by the Electricity Ombudsman. No Costs.

**(A. Dharmaraj)**  
Electricity Ombudsman

To

1) Sharath Vasanji,  
C/o Stephen & Stephen,  
No.16, Corporation Shopping Complex,  
3rd Avenue,  
Indira Nagar, Chennai - 600 020.

2) The Executive Engineer,  
I.T. Corridor,  
Chennai Electricity Distribution Circle/South-II,  
TANGEDCO,  
110/33 KV SS Complex, Tidal Park,  
Chennai - 600 113.

3) The Chairman,  
(Superintending Engineer),  
Consumer Grievance Redressal Forum,  
Chennai Electricity Distribution Circle/South-II,  
TANGEDCO,  
110 KV SS Complex, K.K. Nagar,  
Chennai 600 078.

4) The Chairman & Managing Director,  
TANGEDCO,  
NPKRR Maaligai,  
144, Anna Salai,  
Chennai – 600 002.

5) The Secretary,  
Tamil Nadu Electricity Regulatory Commission,  
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6) The Assistant Director (Computer) - **For Hosting in the TNEO Website Please**  
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