



# TAMIL NADU ELECTRICITY OMBUDSMAN

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## BEFORE THE TAMIL NADU ELECTRICITY OMBUDSMAN, CHENNAI

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

**Appeal Petition No. 23 of 2016**

M/s Kingsly,  
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 : 18.11.2016**

The Petition dt. 25.2.2016 filed by M/s Kingsly was registered as Appeal Petition No.23 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 -001-1211 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 -001-1211.
- 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.92,464/- The Appellant aggrieved over the calculated balance amount filed a petition before the Electricity Ombudsman and the same was registered as A.P. No. 23 of 2016.

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

The relevant para of the order is extracted below: -

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

*The account closing proposal may be processed.*

*The refund of deposit along with interest shall be made on or before 15.10.2015.*

#### **Order 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.19,156/- 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 settling 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.297-002-1211 and after closing the accounts as per TNERC norms (deduct any dues due to the TANGEDCO) a sum of Rs.92,464/- vide cheque No.845754/7.10.15 was handed over on 7.10.15. The working sheet is enclosed and 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. Kumaravelu, Assistant Engineer/I.T.Corridor attended the hearing on behalf of the Respondent. On 27.7.2016 Thiru. 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.19,156/- 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 Respondent argued that the monthly minimum for six months, arrears of CC charges if any Disconnection charges, Dismantling charges, testing charges etc have to be 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) xxx xxx xxx*

*(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 months, 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 Respondent 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 the EE/I.T. Corridor agreed to correct the statement based on the discussions.
- 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 on the interest accrued for the security deposit also as refundable. However, the EE/I.T. Corridor furnished a statement on 24.10.2016 excluding the Income Tax deducted on the interest of the security deposit stating that the IT amount deducted have been remitted to the IT department. He has also informed that TDS form will be issued to the consumer separately. The above statement is extracted below :

<b>S.No.</b>	<b>Description</b>	<b>297-002-1211</b>	<b>Details</b>
1.	<i>Date of last Assessment</i>	13.11.2013	
2.	<i>Date of Application</i>	17.12.2013	
3.	<i>Amount to be paid as on last assessment</i>	-	
4.	<i>Date of Disconnection</i>	19.12.2013	
5.	<i>Amount to be paid on date of Disconnection</i>	1914	<i>=(3180/60)x36 Days ( from 13.11.2013 to 17.12.2013)</i>
6.	<i>E. Tax %</i>	96	
7.	<i>Monthly Minimum for 1 Month</i>	3180	
8.	<i>E. Tax %</i>	1590	
9.	<i>CC Arrears if any</i>	0	
10.	<i>Testing Fees</i>	75	<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>	4034	
15.	<i>ASD as on 31.3.2013</i>	93619	
16.	<i>Interest for ASD as on date of Disconnection</i>	5968	<i>=93619x9 % 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>	99587	
18.	<i>Total ASD as on date of application of permanent dismantling</i>	99587	
19.	<i>MCD</i>	2500	
20.	<b><i>Total Amount available</i></b>	102087	
21.	<b><i>Amount to be refunded</i></b>	98053	
22.	<i>Amount already refunded</i>	92464	
23.	<b><i>Balance to be refunded</i></b>	5589	
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, against SI.No 5 of the statement it is noted that the Respondent has calculated the minimum charges from 13.11.2013 (last

assessment date) to 17.12.13 (date of termination notice) for 36 days. The actual days works out to 33 only. Therefore, the amount to be paid on date of disconnection against SI.No.5 has to be corrected as Rs.1749/- and the corresponding E.tax against sl.no.6 shall be Rs.87/-

- 7.11 Further, it is noted that the amount noted against column 7 & 8 wrongly noted as 3180 & 1590 instead of Rs.1590/- & Rs.80/- respectively.
- 7.12 Taking into account of the corrections discussed in para 7.10 & 7.11 above, the total amount to be paid by the consumer noted in SI.No.14 works out to Rs.3861/- only.
- 7.13 Against SI.No.16 of the statement, the interest on security deposit for the period from 1.4.2013 to 17.12.2013 was worked out for 8.5 months. As per regulation 35(4) of the Distribution Code, full calendar months only will be taken into account for calculating the interest on security deposit. Hence, the interest has to be calculated for 8 months only instead of 8.5 months shown in the statement.
- 7.14 The Respondent is directed to rework the amount to be refunded furnished against SI.No.21 of the statement taking into account of the corrections discussed in para 7.10, 7.11 & 7.13.
- 7.15 In the statement furnished by the Appellant in SI.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.92,464/- 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.

7.16 In the Security Deposit statement, a sum of Rs.1685/- and Rs.1806/- have been shown as Income Tax deduction for the year 2013-14 and 2014-15 respectively. Since, the Respondent has informed that the IT deduction of the consumer 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 after 17.12.13 has to be deducted from the balance amount to be refunded.

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

- (i) Corrections discussed in paras 7.10, 7.11 & 7.13.
- (ii) Interest for the period from 17.12.2013 to 29.8.2015 on the amount available for refund arrived in Sl.No.21 of the statement.
- (iii) Income Tax recovered and paid to income tax department after 17.12.13 on the interest accrued on security deposit.

and

- (iv) The amount already refunded.

7.20 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.
- 8.3 With the above findings, the A.P.No.23 of 2016 is finally disposed of by the Electricity Ombudsman. No Costs.

**(A. Dharmaraj)**  
Electricity Ombudsman

To

1) M/s Kingsly,  
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,  
19A, Rukmini Lakshmi pathy Salai,  
Egmore,  
Chennai – 600 008.

6) The Assistant Director (Computer) - **For Hosting in the TNEO Website please.**  
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