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Office of the Electricity Ombudsman

(A Statutory Body of Govt. of NCT of Delhi under the Electricity Act, 2003)

B-53, Paschimi Marg, Vasant Vihar, New Delhi – 110 057

(Phone No.: 32506011, Fax No.26141205)

Appeal No. F. ELECT/Ombudsman/2014/597

Appeal against the Order dated 12.12.2013 passed by CGRF–
TPDDL in CG.No.5478/09/13/PPR.

In the matter of:

M/s Uttam Builders - Appellant

Versus

M/s Tata Power Delhi Distribution Ltd. - Respondent

Present:-

Appellant: Shri H. B. Jha, advocate, attended on behalf of the
Appellant.

Respondent: Shri Vivek, Sr. Manager (Legal), attended on behalf
of the TPDDL.

Date of Hearing: 01.04.2014, 15.04.2014, 30.04.2014, 20.05.2014

Date of Order : 13.06.2014

ORDER NO. OMBUDSMAN/2014/597

This is an appeal filed by M/s Uttam Builders, through Proprietor Shri Manoj, S/o Shri Prabhati Lal, R/o H. No.3462, Narang Colony, Tri Nagar, New Delhi, against the order of the Consumer Grievance Redressal Forum – Tata Power Delhi Distribution Ltd. (CGRF-TPDDL) dated 12.12.2013 rejecting his request for payment of interest on the amount deposited by him with the DISCOM for electrification of E & F Block, Mangolpuri, the location of his industrial plot No.43, for which he wanted an electric connection. The deposit was made by him to expedite release of the connection as DDA had failed to deposit their share of the amount required for electrification. The CGRF found that there was no provision in

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the DERC Supply Code and Performance Standards Regulations, 2007 for payment of interest on such deposited amount and hence rejected his issue.

The grounds advanced by him in his appeal was that the TPDDL (DISCOM) had retained the amount of deposit taken as OWO (Outside Work Order) since 23.11.2009, which is when the DDA had released the amount to the DISCOM. No refund was made to the Appellant and the DISCOM used the money for commercial purposes and made profit on this account. His contention was that the DISCOM had undertaken to refund the deposited money as soon as the DDA had paid their share. The Complainant said that the CGRF did not take into account the fact that interest/penalty/late payment charges are levied by them in case payments are not made to them on time but, on their part, the DISCOM failed to repay anything to him against the money deposited for a specific purpose especially as there was a commitment that it will be repaid on receiving the money from the DDA. He contended that this was a deficiency in service on behalf of the DISCOM.

A hearing was held on 15.04.2014. The DISCOM was asked if there was any documentation regarding reasons for delay in repayment of money to the Complainant from 23.11.2009 till 12.11.2013, the date of payment. This payment was made only after a legal notice was served to the DISCOM on 25.05.2013.

The DISCOM was not able to provide any such documentation. The DISCOM was, further, asked to clarify the terms and conditions under which money is accepted by them under the category of Outside Work Order (OWO) (indicated in DISCOM letter 07.10.2008) and as Consumption

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Security Deposit (CSD) (indicated in Affidavit dated 07.03.2013. But in the reply provided on 15.05.2014, the terms and conditions were not listed/indicated with all the details required, except to indicate that a letter had been issued by the DISCOM that the amount given for the work shall be refunded subject to payment of DDA. The DISCOM indicated that there is no procedure for refunding of OWO amount on suo-moto basis due to system limitations and refund is processed as and when applied for.

The Complainant could not point out the specific section of the Electricity Act, 2003, or the relevant clause of the Regulations of DERC, under which he is claiming his interest on the amount now refunded. His claim is based entirely on the commonsense argument that money which was promised to be returned to him on receipt of payment from DDA had not been so returned from 2009 till November, 2013. This is not an unreasonable request and stands the test of logic as well as being based on the written commitment of the DISCOM. Since the entire purpose of all the actions such as deposit of funds, upgradation of infrastructure, release of connection, and subsequent refund to the depositors is linked to the single purpose of providing electricity, thus, by extension, all the transactions and commitments are covered under the Act and Regulations. Section 47 (4) of the Electricity Act, 2003 provides for interest at the bank rate on security deposits. In this case the affidavit shows the amount being treated as a Consumption Security Deposit (CSD). This fact was not noticed by the CGRF. Even if no specific rate of interest has been laid down by DERC for such special advances to DISCOMs, as in this case, it would be in the fitness of things if the rate of interest paid by banks to money deposited in Saving Accounts should be paid by the DISCOM to the consumer from the date of receipt of money from the DDA till the date of actual refund. The

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payment should be made directly to the Consumer and not through the electricity bill.

Further, an amount of Rs.5,000/- should be paid by the DISCOM to the Consumer to compensate him for the inconvenience caused by having to go through this legal effort to obtain an interest amount on the refund due to him.

The above orders may be complied with within 21 days. A written intimation should be furnished in this matter.


(PRADEEP SINGH)
Ombudsman



 June, 2014