

Office of Electricity Ombudsman

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

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Appeal No. F. ELECT/Ombudsman/2007/135

Appeal against Order dated 19.10.2006 passed by CGRF – NDPL on Complaint No. :
CG.No. 0797/07/06/CVL

In the matter of:

M/s DCM Limited

- Appellant

Versus

M/s NDPL

- Respondent

Present:-

Appellant

Shri Naveen Chawla, Advocate along with
Shri Ravi Thakur and Shri Saurabh Sodi
on behalf of appellant company.

Respondent

Shri Rajiv Khareyal, AGM (KCG)
Shri Shishir, Manager (KCG) along with
Shri K. K. Jain and
Shri Suraj Das Guru, Executive (Legal) on behalf of NDPL

Date of Hearing : 1.2.2007, 23.2.2007, 20.3.2007, 1.5.2007

Date of Order : 9.5.2007

ORDER NO. OMBUDSMAN/2007/135

M/S DCM Limited, the appellant, filed this appeal against CGRF-NDPL order dated 19.10.06 in CG No. 0797/07/06/CVL in which the complaint of the appellant was dismissed.

In its appeal to the Ombudsman, the appellant has prayed:

To direct NDPL to initiate the process of supplying electricity at single point through a 33 KV sub-station at 11 KV load by setting up a 33 KV sub-station in the DCM complex and the cost of 33 KV sub-station to be borne by DVB/NDPL in accordance with the terms and conditions mutually settled between DESU and DCM

Perusal of the appeal, the CGRF order and the submissions made by the respondent consequent to the queries raised by the Ombudsman show that:-

1. Appellant is the owner of a plot of free hold land measuring about 52 acres situated at Bara Hindu Rao/ Kishanganj, Delhi.

2. Appellant vide its letter dated 8.7.96 applied to the predecessor of NDPL, namely Delhi Electric Supply Undertaking for 'Single Point Power Supply at 11 KV' for 16.610 MVA and setting up 33 KV grid sub-station to meet the requirement of the complex and also to meet the demand of adjoining areas.
3. DESU informed the appellant vide its letter dated 9.9.1996 that land offered for the proposed 33/11 KV grid sub-station of DCM complex had been examined for suitability and approved by competent authority. Appellant was asked to establish contact with Additional Chief Engineer (Commercial) for associated terms and conditions relevant to the project i.e. for proposed 33/11 KV grid sub-station.
4. Delhi Vidyut Board (successor of DESU) vide letter dated 24.2.98 asked the appellant to handover the land. Possession of the said land was given to the authorized representative of DVB on 27.3.98. The drawings for the construction of the building were approved by DVB on 26.7.2000.
5. Vide its letter dated 21.3.01, the DCM submitted its detailed plans of sub-stations for the project and deposited Rs.10,000/- towards processing charges. However, the work on the project was stalled because of dispute between the builders which was finally settled by the order of Hon'ble High Court of Delhi.
6. The appellant while referring to the DVB's internal note dated 7.2.2000 claimed that DCM was to construct a sub-station building free of cost and that cost of 33 KV sub-station was to be borne by the DVB.
7. After the Delhi High Court's decision in favour of DCM, the work which was held up earlier on the project site was started. In January 2006, the appellant again made a request for electric connection to NDPL. It deposited a fresh processing fee of Rs.10,000/- vide pay order dated 19.1.06.
8. According to the appellant, he was surprised and shocked to receive a letter dated 21.4.06 from NDPL raising a new demand as the cost of the grid sub-station was to be apportioned on pro-rata load sharing basis between DCM load and NDPL load.
9. Appellant vide its letters dated 10.5.06 and 12.6.06 informed NDPL that its predecessor DVB had made some commitments with DCM, and NDPL was obliged to honour these commitments in terms of the provisions of the Delhi Electricity Reforms Act 2000.
10. However, NDPL vide its letter dated 14.6.06 reconfirmed its demand as aforesaid. The appellant stated that the demand raised by NDPL is totally illegal, unlawful, arbitrary and above all, in breach of the commitment between DCM Ltd. and DVB as referred to above.

The appellant filed a complaint before the CGRF on 29.6.06.

The CGRF after hearing both parties passed an order dated 19.10.06. In its order the CGRF observed that in the absence of any formal written/ oral agreement having been entered into between the two parties particularly with respect to sharing of the cost of establishment of grid sub-station, it cannot be said that even the predecessor of the present licensee had agreed to bear the cost. Also there is nothing on record to suggest that any correspondence was exchanged between the two parties after March 2001 and the issue was taken up afresh by the complainant that the present licensee in the month of January 2006 i.e. after a gap of five years that too revising the load requirement to 20.75 MVA instead of 16.610 MVA indicated initially. The number of 11 KV feeders required has also been increased to 9 from 4 contemplated earlier which also alters the scope of planning in terms of installed capacity of the proposed grid.

CGRF further observed that no conclusive agreement was entered into between the erstwhile DVB and the complainant. As such it absolves the respondent from the stated obligation as provisions of the section 15 (7) of the Act 2000 are to be restricted to the extent specified in the transfer scheme.

CGRF, therefore, decided that the requisition made by the complainant in the month of January 2006 on making a fresh payment of processing fee of Rs.10,000/- for sanction of enhanced load of 20.750 MVA has to be considered afresh and be governed by the present rules/practice regarding sharing of the cost for establishment of grid sub-station. Not satisfied with the order of the CGRF, the appellant filed a representation before the Ombudsman.

The case was fixed for hearing on 1.2.07.

Shri Naveen Chawla, Advocate attended along with Shri Ravi Thakur and Shri Saurabh Sodi on behalf of appellant company.

Shri Rajiv Khareyal, AGM (KCG) attended along with Shri Shishir, Manager (KCG) and Shri Suraj Das Guru, Executive (Legal) on behalf of respondent.

The case was discussed at length. Appellant relied on a photocopy of an internal note of DVB dated 7.2.2000 but could not produce any agreement between DCM and DVB to substantiate its claim that the erstwhile DVB had agreed to bear the entire cost of the 33 KV sub-station. Attention of appellant was drawn to the letter of Executive (Engineer's) DESU dated 9.9.96 vide which appellant was directed to establish contact with Additional Chief Engineer (Commercial) for the associated terms and conditions relevant to the project under reference i.e. establishment of 33 /11 KV electric grid sub-station at DCM commercial complex at Bara Hindurao, Delhi.

Appellant was asked to produce any document /letter received from the commercial department in this regard but no communication from the Commercial Department regarding the terms and conditions finalized by it for this project was produced.

It was observed that appellant had applied for 'Single Point Power Supply at 11 KV' for 20.750 MVA with 9 numbers 11 KV feeders. If the requirement is of 9 number 11 KV feeders then it cannot be termed as a Single Point Power Supply at 11 KV voltage level. Normally single 11KV feeder is meant to meet a load below 5MVA and for a load above this limit the supply is given at 33 KV level.

Appellant was asked to decide whether Single Point Power Supply at 33 KV is required or it would like the respondent to carryout complete electrification of the complex. This was stated without prejudice to its appeal and the appellant asked for time to enable it to consider the above proposal. The case was fixed for further hearing on 23.2.07 at 11.30 AM.

On 23.2.07 appellant's advocate produced a copy of DVB's Commercial Officer's letter dated 15.10.01 informing DCM that the power supply to DCM's projects would be made on single point delivery basis at 11 KV from DVB's 33 KV sub-station located in DCM's complex. In the letter it is further stated that the metering will be carried out for the supply from the 33 KV complex and the entire electrification works beyond the metering point including sub-stations are to be installed, maintained and operated by DCM at its own cost. Thus nowhere in DVB's Commercial Department's letter it is stated that DVB will construct 33 KV grid sub-station free of cost.

The appellant also informed that talks were being held between the appellant and the respondent at the highest level to work out some scheme which would be acceptable to both the parties. Appellant's advocate again sought four weeks time to file a rejoinder to the respondent as it had been given different schemes with details of

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electrification required by the appellant and the costs thereof. Since discussions were in progress between the two parties, the case was adjourned to 20.3.07 at 11.30 AM at the appellant's request.

On 20.3.07, Shri Naveen Chawla, appellant's advocate again asked for one month's time. Shri Rajiv Khareyal and Shri K.K. Jain who attended on behalf of respondent had no objection to the adjournment of one month period. Further hearing was fixed for 1.5.07 at 11.30 AM. Shri Naveen Chawla was advised that if he needed further adjournment he may ask for it before the next date of hearing to avoid wastage of time of all concerned.

On 1.5.07 Shri Rajiv Khareyal (KCG) attended along with Shri K. K. Jain on behalf of respondent. Nobody attended on behalf of the appellant. No adjournment was also sought by the appellant. It appears that appellant has nothing further to add or submit. Even in the last two hearings it was stated by him that different schemes of electrification have been offered by the respondent and the senior officers of DCM and NDPL are discussing/trying to work out a suitable arrangement.

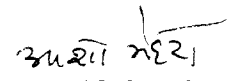
To conclude:-

- (i) No agreement is produced by the appellant substantiating its claim that the Respondent will construct 33/11 KV grid sub-station free of cost.
It is relying only on a photocopy of an internal noting of DVB which is not evidence of a commitment that the DESU agreed to construct grid sub-station free of cost.
- (ii) In fact, letter dated 9.9.96 of the Executive Engineer, DESU has clearly asked DCM to get in touch with its Commercial Department in regard to the terms and conditions of the project.
- (iii) No document is produced by the appellant to show what were the terms and conditions laid down by the Commercial Department of DESU for DCM's above project.
- (iv) Letter dated 15.10.01 of Commercial Officer (III) of DVB to DCM clearly shows that the metering will be carried out for supply from 33 KV complex and the entire electrification works beyond the metering point including sub-stations are to be installed, maintained and operated by DCM at its own cost. Thus nowhere in DVB's Commercial Department's letter it is stated that DVB will construct 33 KV grid sub-station free of cost.

Apart from the above, the appellant and the respondent stated that negotiations are being carried out between the two companies at the highest level so as to work out some arrangement to the satisfaction of both.

In view of the above, the appellant has not been able to establish its claim, that the DVB/NDPL will construct 33 KV grid sub-station free of cost. The conclusion of the CGRF is upheld, that in the absence of any formal agreement between the two parties with respect to sharing of the cost of 33 KV grid sub-station, it cannot be said that the DVB had agreed to bear the full cost.

The order of the CGRF is upheld and the appeal is rejected.


(Asha Mehra)
Ombudsman