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Office of Electricity Ombudsman
(A Statutory Body of Govt. of NCT of Delhi Under the Electricity Act, 2003)
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(Phone No. 32506011, Fax No. 26141205)

Appeal No. F.ELECT/Ombudsman/2007/175

Appeal against Order dated 26.04.2007 passed by CGRF – BRPL in CG No.43/2007.

In the matter of:

Shri J.L. Malhotra - **Appellant**

Versus

M/s BSES Rajdhani Power Ltd. - **Respondent**

Present :

Appellant : Shri J.L. Malhotra attended in person alongwith his advocate
Shri Rakesh Khanna

Respondent : Shri Arun Tyagi, Business Manager,

Date of Hearing : 31.10.2007

Date of Order : 13.11.2007

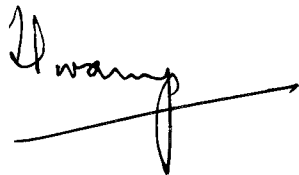
ORDER NO. OMBUDSMAN/2007/175

1. The Appellant has filed this appeal against the order of CGRF dated 26.4.07 in case no. CG No.43/07 as he could not get the relief sought. In the appeal Appellant has prayed that:-

- a) The illegal demand of Rs.51,282/- raised in the bill dated October 2006 and continuously demanded thereafter, be quashed.
- b) Compensation for harassment be given to the Appellant

2. **The Background of the case is as follows:**

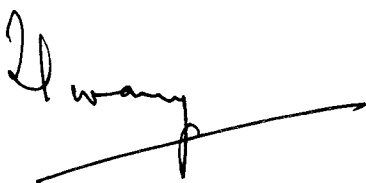
- i) The Appellant earlier had two electric connections, one for domestic power (DP) with K. No. 185848990 and another for domestic light (DL) with K. No. 185848982



- ii) On 6.4.1994, the three single phase meters of the DP connection were removed and amalgamated with the DL connection. After removal of the DP meter DESU raised a final bill against the DP connection in September 1994 for an amount of Rs.51,418.19.
 - iii) The Appellant challenged this bill in the Hon'ble High Court in August 1995 and vide order dated 21.9.1999 the case was referred to the Hon'ble Permanent Lok Adalat (PLA). The PLA ordered payment of Rs.20,000/- as full and final settlement against the arrears of Rs.51,418.19 for the DP connection. The Appellant made the payment of Rs.20,000/- which was inadvertently made against the account of the DL connection no. 185848982 as the domestic power connection was already disconnected.
 - iv) In November 2005 the Respondent raised a bill of Rs.1.68,259/- against the DP connection whose meters were removed on 6.4.1994, but a separate DP account continued to be maintained in the books of account of the Respondent. At this stage the Respondent observed that the amount of Rs.20,000/- which was paid on 1.8.2000 by the Appellant in compliance of the order of the PLA was by mistake adjusted against the account of DL connection, instead of DP connection. The balance amount of Rs.31,418.19 (Rs.51,418.19 – Rs.20,000/-) was also wrongly adjusted against the DL connection instead of the DP connection. Thus, an amount of Rs.51,418.19 was credited to the DL connection and it remained outstanding against the DP connection. To rectify the accounting error, the Respondent reversed the credit entries from the DL account to DP account and raised a demand of Rs.51,282/- in the bill of October 2006 month against the DL connection. Respondent also credited an amount of Rs.51,418.19 (Rs.20,000/- + Rs.31,418.19) against the DP connection.
 - v) The Appellant on receipt of the above bill protested and filed a complaint before the CGRF. CGRF in its order dated 26.4.07 held that the demand raised by the Respondent was payable.
 - vi) Not satisfied with the CGRF's orders the Appellant has filed this appeal.
3. After scrutiny of the appeal, the record of the CGRF and further written submissions of the parties, the case was fixed for hearing on 31.10.07.

On 31.10.07 the Appellant was present through Shri Rakesh Khanna, Advocate. On behalf of Respondent Shri Arun Tyagi, Business Manager was present.

During the hearing the Appellant stated that a bill for Rs.51,282/- as arrears was raised in October 2006 for the first time and from July /August 2000 onwards no arrears were shown in the bills received by him. All current charges had been paid regularly and suddenly the impugned bill was received. Representations against the bill raised in October 2006 were made, but no



reply was received in writing. Details of how the demand was suddenly raised nor the period to which it pertained was clarified.

The demand for payment of arrear of Rs.51,282/- was challenged before the CGRF on the plea that the demand was illegal and wrong. The demand was wrong and unjustified as it pertained to 1992-94 and was raised in 2006, and none of the electricity bills received by the consumer since 2000, reflected any arrears. The claim of BSES was also clearly time barred in view of section 56 (2) of Electricity Act 2003. It is the contention of Appellant that both these issues were not discussed or adjudicated upon by the CGRF.

4. On behalf of Respondent, Business Manager Sh. Arun Tyagi explained that the demand of Rs.51,418.19 as arrears against the DP connection was decided upon by the Hon'ble Permanent Lok Adalat, requiring the Appellant to make a final payment of Rs.20,000/-. This amount was paid by the Appellant on 1.8.2000 in compliance of the PLA's order. However, this payment was made against the DL connection instead of the DP connection. A further credit of Rs.31,418/- was also given under DL connection to settle the arrear claim of Rs.51,418.19 in compliance of the PLA's orders. The Respondent admitted the mistake made inadvertently which was detected while reconciling the accounts. From the Statement of Account produced for the D.P. connection, it is confirmed that provisional billing continued even after the meter was removed on 06.04.1994 and dues accumulated to Rs.1,68,759/- as reflected in the erroneous bill raised in November 2005. The Respondent also stated that the demand for payment of arrears under the DP connection had already been raised in 1995 and is therefore not a fresh demand for payment of arrears. So this is a case where accounting errors have to be rectified.

5. After hearing both the parties and on scrutiny of the Ledger and Statements of Account for the DP and DL connections produced by the Respondent and were shown to the Appellant, It is clear that there have been serious accounting lapses on the part of the Respondent.

Firstly, Respondent continued to maintain a separate account for the domestic power connection, even though it was disconnected on 6.4.1994. This account should have been closed after recovery of outstanding dues in 1994 itself.

Secondly if a separate account was maintained for the DP connection, it should have been properly reconciled on the basis of the order of the PLA and the amount of Rs.20,000/- paid by the Appellant credited to this account instead of against the DL Account. The remaining amount of Rs.31,418.19/- which was to be waived as per the PLA's order should also have been credited to the DP account and this account should have been closed in 2000 itself.

Sh. Arun Tyagi

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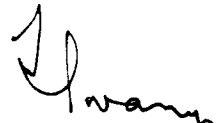
Thirdly, there was a serious lapse in continuing provisional billing and in raising a bill of Rs.1,68,759/- against the DP connection in November 2005, when the connection was removed on 6.4.1994 and the arrears against this connection had been cleared as per the PLA's order in September 2000.

Fourthly, credit for Rs.51,418/- was wrongly given against the DL connection, instead of the DP connection, in the books of Account. It is also seen that Respondent had not clearly explained to the Appellant that the arrears of Rs.51,282/- shown in the bill of October 2006 pertained to arrears against the DP connection and were now payable due to rectification of accounting errors.

6. The Appellant has prayed that the demand of Rs.51,282/- being illegal and wrong, be quashed. After hearing both the parties and after scrutiny of the Ledger and Statement of Account produced at the hearing, it is clear that this amount is payable by the Appellant, as credit for this amount was wrongly given to the Appellant under the domestic light connection in 2000. It is also stated by Respondent that after reconciliation of account, the amount due is Rs.51,282/- and not Rs.51,418/-

The Appellant has also prayed for relief on the ground that the claim for payment of arrears of Rs.51,282/- in November 2006 is time barred, as the arrears pertained to the year 1992-94. I am of the view that the CGRF has rightly held that the provisions of Section 56(2) of the Electricity Act are not attracted in this case, as this is a case of transfer of the arrears payable from the DL to the DP account, as a result of rectification of accounting errors.

The Appellant has also prayed for compensation for harassment caused to him. It is directed that a sum of Rs.2000/- be paid by Respondent as compensation to the Appellant for harassment caused due to the accounting errors of Respondent.


(Suman Swarup)
Ombudsman