

OFFICE OF ELECTRICITY OMBUDSMAN

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

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Appeal No: 38/2025

(Against the CGRF-TPDDL's order dated 22.07.2025 in CG. No.59/2025)

IN THE MATTER OF

Shri Kuldeep Singh

Vs.

Tata Power Delhi Distribution Limited (TPDDL)

Present:

Appellant: Shri Arjun R Vachher & Shri Ramesh N Keswani, Advocates and
Shri Amit Bhatnagar, on behalf of the Appellant.

Respondent: Ms. Meenakshi Arora, DGM, Shri Jamal Nasir, Senior Manager (Legal)
Shri Chiranji Taneja, Senior Manager, and Shri Shri Manish Srivastav,
Advocate, on behalf of the TPDDL

Date of Hearing: 29.10.2025

Date of Order: 30.10.2025

ORDER

1. Appeal No. 38/2025 has been filed by Shri Kuldeep Singh (Registered Consumer), R/o Khasra No. 8/24, Ground Floor, Village Tatesar, Near Government School, Delhi - 110081, through Advocate Shri Arjun R Vaccher and the user of the electricity connection Shri Amit Bhatnagar, challenging the CGRF-TPDDL's order dated 22.07.2025 passed in CG No. 59/2025.

2. The background of the case is that the Appellant is having an electricity connection bearing CA No. 60014369940, which was energized with sanctioned load of 7 KW under the 'Agriculture Category' on 21.11.2011 at the above-mentioned address. Subsequently, on the request of the Appellant, the load was enhanced from 7 Kw to 99



Kw and with change of sanctioned load category, i.e. 'Agriculture' to 'Mushroom Cultivation'. The Appellant received a bill dated 04.04.2025 for Rs.17,20,642.95, which included an adjustment amount of Rs.15,39,873.28, in the month of April, 2025. He sent an mail to Discom on 05.04.2025 to seek clarification regarding the adjustment in the bill, and requested its reversal. In reply, the Discom vide their e-mail dated 07.04.2025 informed the Appellant that Rs.15,44,093.87 would be adjusted due to MDI exceeding the prescribed load limit in the bill, as the bill for the period from September, 2023 to October, 2024 has been revised on NDLT tariff. Consequently, the Appellant approached the CGRF-TPDDL asserting that he had been regularly paying the bills as and when issued by the Discom, and requested the reversal of an exorbitant bill along with a stay on disconnection and reclassification. The Appellant further submitted that the Maximum Demand Indicator (MDI) recorded peak above 100 KW between June to September, 2024, due to the use of air-conditioning equipment during an unexpected heat wave, and to substantiate it also placed a Technical Compliance Certificate dated 28.06.2025, which confirmed that the Load Limitation within sanctioned 100 KW threshold.

3. The Discom, before the Forum asserted that the electricity connection bearing CA No. 60014369940 was initially sanctioned for agriculture use. The Appellant requested enhancement of load from 7 KW to 99 KW and a change in category from 'Agriculture Connection' to 'Mushroom Cultivation' vide Notification No. 2025621748 which was executed and updated in the records with effect from 04.09.2021. According to the Tariff Schedule for FY 2020-21, and thereafter, the 'Mushroom Cultivation' category is available for load up to 100 KW for mushroom growing and cultivation. Furthermore, the Tariff provisions provide that NDLT (Non-Domestic Light Tariff 2(o)) is applicable to any other category of consumer not specified/covered in this Schedule. In case the consumer exceeds this load, the connection will be liable to charged under NDLT tariff. In this case, the electricity load limit of 100 KW exceeded on several occasions since 2022 onwards, as detailed given below:

Date	01.08.22	01.06.23	01.07.23	01.08.23	01.06.24	01.07.24	01.08.24	01.09.24
MDI(KW)	104	104	108	104	118.71	136.14	107.16	103.99

4. The Appellant was apprised through a communication dated 04.11.2024 that due to exceeding the permissible load in these months, the bills for the effected months have been revised under ND category and net revision of bill amount is Rs.15,44,094.00, which will be charged and added in your next bill and requested the consumer to keep the load within permissible limit as per tariff order, to avoid any further change in tariff and billing in Non-Domestic Category and if you have any query

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regarding the bill revision or need further assistance, please contact at their Help Line at 19124, visit our customer care centre OR reach to your Client Manger. A copy of Delhi Postal Department's Speed Post invoice No. ED534366640IN dated 04.11.2024, was also placed before the Forum, as a proof of dispatch of notice. Further, the Discom relied upon Point 2 & 5 of Tariff Order FY 2020-21 together with Regulation 17(6) of DERC's Supply Code, 2017, allowing suo-moto reclassification of consumer categories and the revision of previous twelve (12) months' bill. Accordingly, a revised bill on Commercial Tariff of Rs.15,39,873.28 was added in Bill No. 10512204766 dated 04.04.2025, due to exceeded MDI recorded in June, July, August and September, 2024. Furthermore, the Discom submitted that on 29.07.2024, the complainant requested for meter test and, a Notification No. 20238286709 generated on 30.07.2024. The meter was tested on 30.08.2024, and the result was 1.24%, which falls within the permissible limit of accuracy. Moreover, on 15.04.2025, the complainant visited the Discom's office, where he was apprised about the data, relevant regulations, tariff order and the basis of the calculation. The Discom submitted a timeline of events showing that the Discom adhered to the process as per Regulation 17(6) by giving ample oppourtunities to the Appellant to keep the MDI within the specified limits.

5. A notice in line with clause 17(4) of the DERC's Supply Code & Performance Standards) Regulations, 2017, for the upward revision of the sanctioned load against CA No. xxxx69940 for enhancement of load from 99 KW to 116 KW was issued to the Appellant on 08.05.2025 and 30.05.2025, elaborating details of additional amount towards security deposit.

6. The CGRF-TPDDL, in its order dated 22.07.2025, opined that (a) the levy of NDLT Tariff is correct/acceptable, as the 'Mushroom Cultivation' category is specifically defined in the Tariff Schedule to provide the electricity to the mushroom cultivators at subsidized rates, which are limited to 100 KW and not beyond that limit. Once the limit/threshold of 100 KW is exhausted, as per Schedule 2, NDTL Tariff is applicable. Since the Schedule provides for subsidized electricity rates in 'Mushroom Cultivation Category', a duty has cast upon both the cultivator and Discom to ensure there is no breach in the load utilization limits. Also, there have been regular breaches of the sanctioned load, resulting in cascading effect on the distribution network. Therefore, levy of NDLT Tariff by the Discom was appropriate, (b) regarding the period to be charged under NDLT Tariff, the complainant raised an objection that the Discom failed to provide the required 30 days' notice, under Regulation 17(6). The Forum considered the issue of notice dated 04.11.2024, which clearly falls under Regulation 17(6) of the DERC's Supply Code, 2017, allowing the Discom to suo-motu reclassify the consumers' categories under various conditions, (c) since the sanctioned load was violated for four consecutive months in the year 2024 (from June 2024 to September, 2024), and the



Discom issued a notice on 08.05.2025, therefore, as per Regulation 17(4)(i) & (iv), the sanctioned load of the complainant needs to be revised w.e.f. 01.07.2025.

7. In view of above, the Forum directed the Discom to revise the bill on the basis of NDLT Tariff, after adjustment of 30% surcharges (already charged) for only four months, i.e. June, July, August and September, 2024, and this adjustment amount shall be received in four equal monthly installments. The first installment be paid on or before 20.08.2025, and remaining three installments on or before of 20th of the subsequent months along with the current demand. The Forum further directed the Discom to revise the sanctioned load in accordance with the Regulation 17(4)(i) & (iv) effective from 01.07.2025 and vacated the stay that was granted on 03.06.2025.

8. The Appellant, not satisfied by the order passed by the CGRF-TPDDL on 22.07.2025, has filed this appeal reiterating the submissions made before the Forum. In addition, the Appellant contends that mushroom farming is an agricultural activity that requires controlled indoor environment, continuous power for humidification, cooling and ventilation, and is energy-intensive. The DERC created a concessional tariff category for "Mushroom Cultivation" (Tariff Order FY 2020-21 and subsequent orders), which applies to loads upto 100 KW. To operate a mushroom cultivation unit he has carefully structured his mushroom cultivation to remain within the 100 KW threshold in order to avail the benefit of concessional tariff. The cost of electricity constitutes a significant proportion of the production cost in mushroom farming, any shift to a commercial tariff would make the business economically unfeasible. The Maximum Demand Indicator (MDI) recorded peak above 100 KW from June to September, 2024, due to the use of air-conditioning equipment during an unanticipated heat wave. These peaks were temporary and do not reflect sustained load. There has never been any allegation of meter tampering or unauthorized usage, and filed this appeal on the following grounds:

- (a) A valid notice of reclassification was never issued to him for filing objections, as mandated by Regulation 17(6)(ii). The letters dated 04.11.2024, 08.05.2025 and 30.05.2025, issued by the Discom, do not mention reclassification or Regulation 17(6), and are only advisory or relate to load revision under Regulation 17(4).
- (b) No speaking order was issued under Regulation 17(6)(iii), which obligates the licensee to issue a reasoned speaking order after considering the consumer's objections.
- (c) There has been a misapplication of Regulation 17(4), which deals with reviewing sanctioned load within the same category and does not authorize a change in the tariff category.

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- (d) The load intentionally maintained below 100 KW to remain within the mushroom category. Occasionally, MDI spikes, even if sustained over four months, do not warrant reclassification, rather than they should call for a temporary surcharge.
 - (e) The demand of arrears amounting to Rs.15,44,094/- relates to alleged MDI exceedance during June-September, 2024, and the retrospective application of the NDLT Tariff. According to Regulation 42(2) of DERC's Supply Code, 2017, outstanding dues should be reflected continuously in the bills for the next two billing cycles and thereafter until recovery. The proviso states that failure to comply, results in the forfeiture of the licensee's right to recover.
 - (f) The Discom levied a 30% surcharge for the temporary MDI exceedance, which the Appellant paid. Therefore, the Discom cannot retrospectively apply the NDLT tariff without a formal reclassification.
 - (g) Discom's communication dated 04.11.2024 clearly indicated that the Appellant should "review usage" to avoid tariff change and did not mention any reclassification. Since that date, there has been no exceedance of sanctioned load. The Discom is estoppel from reneging on its representation that compliance would preclude tariff change. The doctrine of promissory estoppel precludes retrospective reclassification. The subsequent letters dated 08.05.2025 and 30.05.2025, only refer load revision and cannot justify a tariff change effective from June, 2024.
 - (h) The Forum failed to consider the Technical Compliance Report, Affidavit-cum-Undertaking and evidence regarding the installation of the load controller.
 - (i) The Appellant is in the process of applying for a separate connection for any auxiliary operations in order to segregate different agricultural activities.
9. The Appellant has requested the followings:
- i. To quash the reclassification and subsequent demand for Rs.15,44,094.00, along with any other amounts computed on the basis of NDLT Tariff.
 - ii. To restore the sanctioned load of 99 KW and the tariff category for Mushroom Cultivation w.e.f. 01.07.2025 or any other date that may be arbitrarily determined by the Discom.



- iii. To direct the Discom that any future enhancement of loads or reclassifications shall be undertaken strictly in accordance with Regulation 17(6) of the DERC's Supply Code, 2017, including issuance for a formal notice and grant of 30 days time for objections.

10. The Discom, in its written submission to appeal vide letter dated 22.09.2025 reiterated the facts as placed before the CGRF-TPDDL. In addition, the Discom submitted that the Appellant admitted receiving a communication/intimation dated 04.11.2024, which instructed him to limit the sanctioned load as per the Tariff Order/Schedule, otherwise connection would be changed to NDLT due to load violation. Therefore, the interpretation sought by the Appellant regarding Regulation 17(4) or 17(6) or the Notice is misconceived. The Appellant is aware that he is breaching the sanctioned load, as evidence by the bills from June 2024 to September, 2024, which clearly reflect such load violation. However, the Appellant did not raise any objections and rather paid these bills without any protest. Further, the demand of Rs.15,39,873.28 was only raised in the bill dated 04.04.2025, which is beyond the 30 days period, thus the Appellant had more than 30 days to object or file response from 04.11.2024. Concerning the Notices dated 08.05.2025 and 30.05.2024, they were issued prior to 31.05.2025, as stipulated in Regulation 17(4)(iv) of DERC's Supply Code, effective from 01.07.2025.

11. Furthermore, the Discom contended that non-mentioning of a specific provision does not make a notice void or illegal. It is a principle of law that non-mentioning or wrong mentioning a provision of law does not invalidate an order, if it is found that the power/authority to act exists. It is settled law that once it is found that such power exists, exercise of power under a wrong provision will not render the order unlawful or invalid. To substantiate their claims the Discom cited several judgements, viz; (i) P K Palanisamy Vs. N. Arumughm, 2009(77) ALR 122(SC), (ii) T Nagappa Vs. Y.R. Muralidhar, (2008) 5 SCC 633, (iii) M . T. Khan & Others Vs. Govt. of Andhra Pradesh & Others, AIR 2004 SC 2934 (para 16), (iv) High Court of Gujrat Vs. Gujarat Kisan Mazdoor Panchayat, (2003) 4 SCC 712 and (v) Kishun Singh Vs. State of Bihar (1993), 2 SCC 16.

12. Regarding violation of Regulation 42 is concerned, the Discom asserts that it does not apply in the present case since the bill was raised/issued for the first time on 04.04.2025, thus, question of continuous billing does not arise. Therefore, the Appellant's reliance on the Regulation 42 is entirely misconceived. The Discom denied the assertion that a breach of sanctioned load does not warrant reclassification, as alleged by the Appellant, stating that the Appellant is liable to pay the amount in terms of the Regulation. Moreover, on perusal of the Affidavit-cum-Undertaking filed before the Ombudsman is dated 06.08.2025, i.e. on the date of filing the present appeal and

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was not filed before the Forum. Therefore, cannot be permitted to be filed before the Ombudsman.

13. The appeal was admitted and fixed for hearing on 29.10.2025. During the hearing, the Appellant was represented by Shri Arjun R Vachher & Shri Ramesh N Keswani, Advocates & Shri Amit Bhatnagar. The Respondent was represented by their authorized representatives/advocates. An opportunity was given to both the parties to plead their respective cases at length and relevant questions were asked by Ombudsman, Advisor and Secretary, to elicit more information on the issue.

14. During the hearing, the Advocate representing the Appellant reiterated the arguments and requests made in the appeal. He argued that the Respondent did not follow the due process specified under Regulation 17 (6) (ii) of the DERC Supply Code, 2017 when reclassifying the category from 'Mushroom Cultivation' to 'Non-domestic light', which resulted in the imposition of a higher tariff under the NDLT category. Consequently, an amount of Rs.15,44,094/- was levied to his electricity account based on this unilateral reclassification. The Respondent neither served a formal notice of the 30-day period for the proposed reclassification nor provided him an opportunity to raise objections, as stipulated under Regulation 17 (6) (ii) supra. However, a communication, rather than a notice, regarding exceeding of the sanctioned load of 99 KW was received for the first time on 04.11.2024. The Respondent could not arbitrarily change the category without considering his objections. Furthermore, he argued that Regulation 42 of the DERC Supply Code, 2017, in conjunction with Section 56 (2) of the Electricity Act, 2003, is applicable to this case which prohibits the recovery of the impugned demand/arrear from him. In response to a query by the Ombudsman regarding whether the relevant bills, which include details such as MDI and Power Factor etc. for the months in question, from June 2024 to September 2024, had been received by the Appellant, the Co-Appellant (Shri Amit Bhatnagar) stated that upon receiving the bill dated June 2024, which mentioned exceeding MDI, efforts made to maintain the load within the sanctioned limit of 99 KW but remained unsuccessful, indicating a possible current leakage in the electrical transformer or a fault in the meter's accuracy. However, the Advisor (Engineering) clarified the Appellant that if there were any leakage in the transformer, the system would not function properly. It is possible that there are several other multiple factors. Furthermore, the communication dated 04.11.2024, itself indicates the necessary assistance that could be availed in a timely manner. Appellant contended that despite request for meter testing made on 29.07.2024, the Respondent conducted the test on 30.08.2024, finding the accuracy within permissible limits. Whereas, it remains unclear how the MDI has been controlled since that time. Moreover, he admitted that the MDI has been exceeded for four consecutive months from June to September 2024. Previously, it was exceeded on two occasions, but only for one month in 2022 and for three months in 2023, respectively. When further asked

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by the Ombudsman about whether the MDI in 2023 and 2025 has also been exceeded or remained within the sanctioned limit. The Appellant admitted that the Discom informed him in 2023 regarding load breaching, and he has given an undertaking to avoid any category change. Furthermore, the Appellant confirmed that since July, 2025 onwards, they have consistently kept their consumption within 99 KW by installing an automatic load controller which helps in load reduction.

15. In rebuttal, the Advocate representing the Respondent argued that the breach of the sanctioned load is an admitted fact and that the Appellant was fully cognizant of this. The Appellant cited Regulation 17 (6) (ii) of the DERC Regulations, 2017. He asserted that it is correct that the communication/letter dated 04.11.2024 did not specify a 30-day period, whereas the revised bill under reclassified category was issued to the Appellant on 04.04.2025. Therefore, the Appellant had sufficient time to submit his objections but he failed to do so. In support, regarding the definition of Notice, reference was made to Paragraphs 15 and 16 of a judgment dated 17.02.2003 passed by the Hon'ble Supreme Court in the case of Commissioner of Sales Tax & Others vs. Subhash & Co., vide Civil Appeal No.1374 of 2003. The same was taken on record.

16. Having taken all factors, written submissions and arguments into consideration, the following aspects emerge:

- (a) It is evident from the record that the threshold of 100 KW was exceeded four times during the financial year 2023-24 on 01.06.2024, 01.07.2024, 01.08.2024 and 01.09.2024, in consecutive four calendar months.
- (b) The Appellant claimed that neither any notice or nor any opportunity was given to him to raise objection. While Discom had issued a letter dated 04.11.2024 informing the Appellant to review his usage and ensure that it remains within the permissible load limits to avoid any further changes in tariff and billing. Subsequently, two more notices/letters regarding load revision were sent on 08.05.2025 and 30.05.2024, which were found on record.
- (c) The Appellant met with the Respondent's officer/officials for review of raised demand on account of category change from 'Mushroom Cultivating' to 'Non-Domestic (in relevant months) and accepted breaching of sanction load due to peak summer season, which is on record.
- (d) There were also violations of the sanctioned load in 2022, specifically in August, 2022 and again from June 2023 to August, 2023.

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- (e) To promote mushroom cultivation, the government provides electricity at competitive rates to promote small mushroom cultivators, as electricity is a significant input for this type of farming. However, in the Tariff Schedule 2021-22 and 2021-22, the mushroom cultivation is classified separately.
- (f) Clause 5.30 of the DERC's Tariff Schedule 2021-22 dated 30.09.2021 states that 'Mushroom Cultivation Category applies to consumers who are engaged in mushroom cultivation and processing having sanctioned load up to 100 KW.
- (g) Respondent has charged 'Non-Domestic Tariff' of relevant four months, in line with Tariff Order 2021-22 under 2(o) of DERC.

17. In the light of the above, this court directs as under:

- (i) CGRF's order dated 22.07.2025 is upheld.
- (ii) The Appellant will make payment of first installment on 08.11.2025 and subsequent on 08.12.2025, 08.01.2026 and 08.02.2026, along with current demand.
- (iii) In case of non-payment, the Respondent is free to take action as per Regulation 50 & 51 of the DERC' Supply Code, 2017.
- (iv) The Respondent to take suo-moto action for category change and load reduction, treating request in Appeal in line with Regulation 17(4)(vii) of DERC's Supply Code, 2017.

18. This order of settlement of grievance in the appeal shall be complied within 15 days of the receipt of the certified copy or from the date it is uploaded on the website of this Court, whichever is earlier. The parties are informed that this order is final and binding, as per Regulation 65 of DERC's Notification dated 24.06.2024.

The case is disposed off accordingly.


(P.K. Bhardwaj)
Electricity Ombudsman
30.10.2025