

**Delhi Electricity Regulatory Commission**  
**Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 17**

**CG/69/2005/**

Shri H.B.S. Thukral,  
Hony. Secretary,  
Philips Co-op. Group Housing Society Ltd.  
Plot No. 3, Sector –23,  
Dwarka,  
New Delhi-110075.

.....Complainant

**VERSUS**

BSES RAJDHANI POWER LTD.  
Through its : **CEO**  
BSES Bhawan, Nehru Place,  
New Delhi-110019.

.....Respondent

**Coram :**

**Sh. K. Venugopal, Member & Sh. R. Krishnamoorthy, Member.**

**Appearance :**

1. Sh. H.S. Thukral, Secretary, Complainant
2. Sh. R.C. Mehta, DGM, BSES,
3. Sh. L.C. Bhat, Head (P&E).

**ORDER**

(Date of Hearing: 17.01.2006)  
(Date of Order : 18.4.2006)

1. This Commission has taken cognisance of this complaint, which was earlier filed before the Consumer Grievance Redressal Forum of BSES Rajdhani Power Ltd. The Forum, aforementioned, made a reference to this Commission stating that this is a fit case for imposition of penalty upon the Licensee for violation of provisions of the Act and Regulations.

2. The brief facts which has been brought to the notice of this Commission are that the Complainant i.e. M/s Philips Co-op Group Housing Society Ltd. had applied for electrification of the Society on 16.2.2001. It is evident from the letter of the Respondent dated 30.06.2006 that the Applicant had deposited the processing fee of Rs.10,000/-, which was acknowledged vide DVB's letter of 5.3.2001.

3. After finalization of the location of the ESS plot, it was taken over by the Respondent through JE (Civil), confirmation, whereof, was made by the Respondent vide their letter of 13.5.2003. On the completion of commercial

formalities, the electrification scheme was prepared on multipoint system. The Respondent, vide their letter dated 23.6.2003, tendered the total estimated cost of Rs.60 lakh approximately out of which the Applicant was to bear Rs.32,28,539/- only.

4. The Respondent raised a demand note to the Applicant for a sum of Rs.32,28,539 on 14.7.2003. In response to the said demand letter, the Applicant deposited the payment, which was acknowledged by the Respondent on 30.7.2003.

5. It is borne out of the records that the work order for electrification work, was issued by AFO (D) JKP vide letter of 7.11.2003. Further, the Respondent made a revision in the estimate and the Applicant was asked, through a letter of 27.1.2004, to deposit an additional amount of Rs.50,611/- towards construction of ESS. In response to this demand, the Applicant deposited a sum of Rs.50,611/- by a demand draft dated 31.1.2004. Thereafter, it is stated by the Respondent that the work for the construction of ESS was started by the Civil Department on 27.2.2004 and further, that the construction of ESS was completed by the Respondent on 30.3.2004.

6. It is stated by the Respondent before the Forum that after completion of ESS construction, the case was transferred to Key Consumer Cell (KCC) for execution of electrification on 1.2.2005.

7. The Respondent, however, is unable to explain why it took 11 months for them to transfer the case to KCC for the execution of work for which "in-principle" approval was accorded and necessary deposits were promptly made. The Respondent has stated that the work was completed by the KCC and that the system was energised on 27.4.2005 and the system was handed over to the AM (P&C) KCC.

8. The Applicant has brought a case that the Society has suffered immensely due to default of the Licensee for not providing power connection in time, despite the fact that the Society had made all payments promptly. The Society has submitted that on account of the delay in executing the work, the Members of the Society could not occupy their houses immediately.

9. Sh. H.B.S. Thukral appearing on behalf of the Applicant Society submits that besides the delay in completion of the project, which is evident on the face of the record, they have also come across certain estimates prepared and delivered by BSES to other similar societies. It is stated that the Applicant has discovered that the estimate served to the Applicant Society are over-estimated and has been inflated beyond reasonable limits. Shri Thukral also states that the

Respondent was also informed about the glaring discrepancies in the estimates given to their society vis-à-vis those given to others.

10. It is submitted by Sh. Thukral that the Society had also provided the calculations to the Respondent, which exhibited that an excess amount of Rs. 8,57,409/- was charged from them, when compared with the estimate given to Chinar Group Housing Society. It was also highlighted that a sum of Rs.3,73,000/- as 'enhanced charges' were added to the estimate and Rs.2,05,150/- as handling charges and Rs.1,07,705/- as contingency charges were irrationally added to the estimate. It is also submitted that the Respondent has arbitrarily charged a sum of Rs. 5,71,000/- as departmental expenses alongwith Rs.60,000/- towards 'watch and ward' and Rs.64,315/- towards the cost of petty materials.

11. Sh. Thukral also indicates that due to delay in the completion of electrification of their Society, the Society had to resort for a temporary connection for a load of 50 KVA to run their common services like lifts, fire pumps and streetlights. The Society, for the purpose of getting temporary connection, had to incur expenses amounting to Rs.2 lakh for laying cables, panel box etc and had to pay higher tariff on the consumption of electricity. The Society had to make an excess payment of Rs.50,000/- over and above the normal tariff during the period of 8 months till the normal electricity was restored by the Licensee.

12. The Applicant has prayed that in view of the above situation, the Licensee be imposed a suitable penalty for the delay in the electrification of their Society and that suitable compensation may also be provided to the Society for the undue harassment caused by the indifference of the Licensee in executing the entire project.

13. The Licensee, while appearing before the Consumer Grievance Redressal Forum of BSES Rajdhani Power Ltd., had submitted that after clearance from all concerned and after completing all other formalities, the case file for electrification of the Applicant was handed over to the KCC Department for further execution. In turn, the KCC had taken up the case for execution of the project. The said Society was energised on 27.4.2005. The project was formally handed over to the concerned Business manager (O&M) Dwarka vide letter-dated 3.5.2005.

14. The Licensee had also stated that the issue raised by the Applicant for refunding of excess charges was under process. It is stated that the estimates, at the initial stage of preparing the project cost for the HT 11KV 350 MVA VCB Type 4 panel Board, was prepared at the cost of Rs. 16 lakh per panel. The base cost of the panel was taken as Rs.16 lakh on the basis of the rate list, as approved by the Competent Authority. It was stated that there was reduction in the cost of 4

panel Board. The Licensee had at the time of installing opted for the Schnieder make RMU type SF-6/VCB HT 4 Panel board, which had a cost of only Rs.6,35,000/-. It is further stated that the revision in the estimate can be done only after the completion of the scheme and finalization of the accounts.

15. Sh. R.C. Mehta appearing on behalf of the BSES Rajdhani Power Ltd. submits that it is the Applicant who is responsible for the delay in energising of the said society because even as on today, less than 40% of the Society has been occupied by the members and in such a situation fixed cost of the investment is being shared by other consumers.

16. Sh. C.L. Bhat appearing on behalf of the Respondent states that they had still not closed the accounts so far and that they will take another month for finalizing the accounts in the instant scheme and in all probabilities, the Applicant would get their refund.

17. The matter has been heard in detail and the records placed before the Commission have been perused. It is evident from the records that the Licensee has taken up the entire scheme very casually. The manner in which the estimates for the scheme have been prepared is not convincing. It is obvious from the records that there has been a delay of around 11 months in initialisation of the scheme and no cogent reasons have been forwarded by the Licensee.

18. It is established from the record that the Applicant society has made all payments promptly. The same zeal, however, was not shown by the Licensee. It is seen from the records that the Society had deposited their share of demand charges on July 2003 and thereafter, they had also promptly paid the additional demand on 1.1.2004. As per the admission of the Licensee, the work was completed only in April 2005. There has been unusual delay in completion of the work and this is not how the Licensee is expected to discharge its obligations under the Act and under the provisions of the License.

19. The Respondent Licensee, during the pendency of this complaint has filed a letter stating that they have issued a cheque dated 18.2.2006 for Rs.3,87,480/- in favour of M/s Philips Co-op Group Housing Society Ltd. towards the refund amount against the electrification scheme. The Philips Co-op Group Housing Society Ltd. has contested that they are not satisfied since it is not accompanied by any details thereof. In such a case, the Society is still in the dark as to the manner in which the Licensee has spent the amount towards the electrification scheme.

20. In view of the facts of this case, the Licensee is directed that they shall give a statement of accounts within 15 days of issue of this Order to the Philips

Co-op Group Housing Society indicating the details of expenditure incurred by them. The said statement shall be duly authenticated by a responsible officer of the Licensee. In case there is any further dispute on the said accounts, the matter may be taken up by the Society with the Licensee.

21. Considering the entire gamut of circumstances, there is a clear liability made out against the Licensee for the delay in energising the connection and the Licensee is liable for a penalty under Section 43(3) of the Electricity Act, 2003.

22. In view of the facts placed before this Commission, a penalty of Rs. 50,000/- is imposed on the Licensee for the delay in energising the connection and in addition the Applicant is awarded a lump sum compensation of Rs.50,000/- for the unnecessary harassment caused to him by the delay in energising the connection. The Licensee shall submit a compliance report of this Order within 20 days from the date of issue of this Order.

23. Ordered accordingly.

Sd/-  
(K. Venugopal)  
MEMBER

Sd/-  
(R. Krishnamoorthy)  
MEMBER