

BEFORE THE VIDYUT OMBUDSMAN

Present

**K.Sanjeeva Rao Naidu
Vidyut Ombudsman**

Dated: 29-03-2010

Appeal No. 24 of 2009

Between

M/s. Veera Associates
D. No. 5-60-1/99, 4/4,
Ashok Nagar,
Guntur – 522 002.

... Appellant

And

Superintending Engineer/Op/SPDCL/Guntur
Chief General Manager/Finance/APSPDCL/Tirupati
Senior Accounts Officer /Op/Guntur
Divisional Engineer/Op/Rural/Guntur

....Respondents

The appeal / representation dated 22.05.2009 received on 26.05.2009 of the appellant has come up for final hearing before the Vidyut Ombudsman on 26.03.2010 in the presence of Sri K.V.Prasad S/o.Verraiah, the appellant, and Sri A.Murali Krishna Yadav, DE/O/Rural/Guntur present for respondents and having stood over for consideration till this day, the Vidyut Ombudsman passed / issued the following:

AWARD

Aggrieved by the order passed by the Forum in C.G.No.61/2008-09 of Guntur Circle dated 15.04.2009, the appellant preferred this appeal dated 22.05.2009 received on 26.05.2009.

2. The appellant has submitted a complaint before the Forum that he purchased the assets of a sick spinning mill of M/s.Satyadeva Mills (P) Ltd Ganapavaram in the auction and the sick unit having a power connection of HT SC No. 605 with a CMD of 280 kVA. The sick unit was disconnected on 23.01.2008 but not dismantled as all the electrical apparatus and the arrears available as on the date of disconnection was adjusted from the deposit available. When he represented to reconnect the old SC No. 605 duly collecting the dues if any, but the respondents did not consider the same and represented to the CMD to consider the request to waive the development charges as was exempted in the case of M/s. DPM textiles ordered in Memo No. CGM / Proj/SPDCL/TPT/Coml/F.DOC/D.No.305/05, dt.22.03.2005. Finally approached the Forum to consider the genuine request and provide with the relief by directing the respondents to waive the development charges and adjust the development charges already paid by the appellant towards the payment of energy bills.

3. The respondents submitted their counter mainly contending that the service was disconnected on 23.01.2008. The consumer did not come forward to pay the CC bills arrears from February 2008 and the service is bill stopped with effect from 6/08. In 7/08 by giving one month notice and after the expiry of 3 months notice, the agreement was terminated by SE/O/Guntur on 23.05.2008. The available security deposit was adjusted against the CC bills arrears. An amount of Rs.58454/- was available with the department after adjustment of arrears.

4. On the representation made by M/s. Veera Associates, the CMD, SPDCL instructed the SE to release supply treating it as a new HT service in place of old SC No. GNT 605 as the old HT service was terminated. Again a letter was submitted by the appellant stating that all the structures for reconnection were intact and requested to reconnect the service by exempting the payment of development charges and by collecting balance security deposits. Ultimately, the

service connection was given after collecting development charges since the service was released prior to 1992 without collecting development charges.

5. After hearing both sides and after considering the material placed before the Forum, the Forum observed that

(i) the action of the respondents in collecting the development charges for release of new service is sustained and it does not require any further directions to the respondents.

(ii) the complainant is liable to pay the development charges as demanded by the respondents for release of new service in the premises.

(iii) since the agreement of the old disconnected HT SC No. 605 was terminated w.e.f 23.05.2008, there is no possibility of restoration of the supply to the HT SC No. 605 as requested by the complainant.

(iv) Further, Forum finds no deficiency of service on the part of the respondents.

6. Aggrieved by the said order, the appellant preferred this appeal questioning the same. When the CGM has exempted M/s. DPM textiles Ltd from paying development charges and also filed a memo of the same along with grounds of appeal. Similarly, M/s. The Rajahmundry co-operative Spinning Mill Ltd was also provided the reconnection without any development charges. Similar with the case of unit like M/s. Sri Rajarajeswari Co-operative Spinning Mill Ltd, Siricilla and the connected orders may also be examined. In spite of repeated requests, they have insisted for development charges and the development charges paid by them are liable to be refunded as they have already collected at the time of sanctioning the service connection at the earliest point of time and they have not removed the structures like meters and other equipment and the appeal preferred by them is to be allowed by setting aside the impugned order.

7. Now, the point for consideration is, "whether the impugned order, dated 15.04.2009, is liable to be set aside? If so, on what grounds?"

8. The appellant is represented by Sri K.V.Prasad, S/o.Veeraiah, Managing Partner of the appellant and represented that they have collected development charges and they have already collected the same from the previous owner and they are entitled for refund of the same as the structures at the premises are intact and they have not dismantled and they are exempted from paying the same and the appeal is to be allowed by setting aside the impugned order.

9. The respondent is represented by Sri A.Murali Krishna Yadav, DE/O/Guntur and submitted that as per clause 5.9.6 of GTCS which clearly discloses that they have to pay the development charges when once contract is terminated of the earlier sanction and the appeal preferred by the appellant is devoid of merits and liable to be dismissed.

Clause 5.9.6 of GTCS reads as follows:

“Dismantlement of Service Line after Termination of Agreement: On the termination of the LT or HT agreement, the company is entitled to dismantle the service line and remove the materials, meter, cut out etc. After termination of the Agreement, the consumer shall be treated as a fresh applicant for the purpose of giving supply to the same premises when applied for by him provided there are no dues against the previous service connection.”

10. As per the above said clause, dismantling of service after termination of the agreement is sufficient to treat the consumer as fresh case for giving supply to the same premises when applied by him, provided there are no dues from the previous service connection. Dismantling of service line and removal of line meter is to be provided on payment of the material costs. Non-removal of the same may not revive the contract in force, nor exempting from paying development charges. He has submitted a memo pertaining to DPM Mills Ltd. In this case, a liquidator was appointed to take the assets. There is no stipulation about the dismantling of service connection nor removal of the material and also about the termination of the contract, etc in the above said memo. So it may not be said that the above said M/s. DPM Mill Ltd is on par with the appellant's case

herein. So it cannot be said there is a discrimination among the consumers. When there is no discrimination among the consumers and when the same is in accordance with the rules, there is no question of deficiency of service and when there is no deficiency of service and when the contract itself is a fresh contract, he has to pay the development charges.

11. The Forum has rightly considered the said aspects and I do not find any reason to interfere with the same, and the appeal is liable to be dismissed.

12. In the result, the appeal is dismissed. No order as to costs.

This order is corrected and signed on this day of 29th March 2010

VIDYUT OMBUDSMAN