



BEFORE THE VIDYUT OMBUDSMAN FOR THE STATE OF TELANGANA

First Floor 33/11 kV Substation, Beside Hyderabad Boat Club
Lumbini Park, Hyderabad - 500 063

**PRESENT : SRI MOHAMMAD NIZAMUDDIN
VIDYUT OMBUDSMAN**

TUESDAY THE FOURTEENTH DAY OF NOVEMBER
TWO THOUSAND AND TWENTY THREE

Appeal No. 34 of 2023-24

Between

M/s. KPC Projects Pvt. Ltd., [Sy.No.103 & 104](#), Appannapet Village, Gardepally
Mandal, Huzur Nagar, Suryapet District, represented by Sri K. Susheel Kumar,
Executive Director, Cell: 9849595511. **.....Appellant**

AND

1. The Assistant Divisional Engineer/Operation/Huzur Nagar/TSSPDCL/Suryapet.
2. The Assistant Accounts Officer/ERO/Huzur Nagar/TSSPDCL/Suryapet.
3. The Divisional Engineer/Operation/Huzur Nagar/TSSPDCL/Suryapet.
4. The Senior Accounts Officer/Operation/Suryapet/TSSPDCL/Suryapet.
5. The Superintending Engineer/Operation/Suryapet/TSSPDCL/Suryapet.
6. The Accounts Officer/Rev/Suryapet/TSSPDCL/Suryapet.
7. The CGM/Commercial/TSSPDCL//Corporate Office /Mint Compound /
Hyderabad.
8. The Assistant Divisional Engineer/DPE/HT V/TSSPDCL/Corporate Office/Mint
Compound/Hyderabad.

..... Respondents

This appeal is coming on before me for final hearing today in the presence of Sri K. Susheel Kumar for the appellant and Sri Sakru Naik- ADE/OP/Huzur Nagar, Sri P. Venkata Vara Prasad - ADE/DPE/HT/Huzur Nagar and Sri V. Satyanarayana - SAO/Suryapet for the respondents and having stood over for consideration, this Vidyut Ombudsman passed the following:-

AWARD

This appeal is preferred aggrieved by the common Award passed by the Consumer Grievances Redressal Forum, (in short 'the Forum') of Telangana State Southern Power Distribution Company Limited (in short 'TSSPDCL') in C.G.Nos.86 and 87 /2023-24/Suryapet Circle dt.26.08.2023, giving partial relief to the appellant herein.

2. There are four Service Connections involved in this case. They are as under:-

Sl.No.	Service Connection No.	Category
1.	SPT 1262	HT
2.	3317400670	LT
3.	3317400618	LT
4.	3317400617	LT

C.G.No.86/2023-24/Suryapet is in respect of S.C.No.SPT1262. C.G.No.87/2023-24/Suryapet is in respect of other (3) Service Connections referred to in the above table. The learned Forum has passed a common Award in respect of both complaints. This Authority has registered a single Appeal since the four Service Connections belong to the appellant and the point involved in all the Service Connections is the same.

CASE OF THE APPELLANT BEFORE THE FORUM

3. The case of the appellant, in both the complaints, is that they have obtained four Service Connections from the respondents in commercial category. The appellant is in the field of mining operation and supply of aggregators, RMC, footpath bricks, stone crusher material and fabrication since a long time. The HT Service Connection was released on 21.11.2019 for stone crushing at Appannapet Village, Gandepally Mandal, Huzur Nagar, Suryapet District. Like-wise the other three Service Connections were released under LT-Category. Since the business of the appellant did not go well the appellant was compelled to stop its business. Accordingly the appellant has applied for dismantling of all the Service Connections except one office connection. It was also requested to refund the deposits made by the appellant. At that time the respondents have raised back billing for the (4) Service Connections on the ground that the electricity was used for road construction covered under Category-VII, but the appellant obtained Service Connection under Category-II. The back billing amount claimed is as under:-

Sl.No.	Service Connection No.	Category	Notice Particulars	Indicative back billing amount
1.	SPT 1262	HT Cat-II	Lr.No.ADE/OP/Huzur Nagar/F.No.D.No.1459/23 dt.04.03.2023	Rs.84,42,428/-
2.	3317400617	LT Cat-II	Lr.No.ADE/OP/Huzur Nagar/F.No.D.No.1457/23 dt.04.03.2023	Rs.2,05,421/-

3.	3317400618	LT Cat IIIA	Lr.No.ADE/OP/Huzur Nagar/F.No.D.No.1341/23 dt.04.03.2023	Rs.7,26,464/-
4.	3317400760	LT Cat IIIA	Lr.No.ADE/OP/Huzur Nagar/F.No.D.No.1458/23 dt.04.03.2023	Rs.5,36,632/-

It was accordingly prayed to waive the back billing amount and to direct to refund the deposited amount.

WRITTEN SUBMISSIONS OF THE RESPONDENTS

4. In the written reply filed by respondent No.4, in C.G.No.86/2023-24, it is submitted that Service Connection No. SPT 1262 was released on 21.11.2019 with Contracted Maximum Demand of 700 KVA at 11 KV voltage. Respondent No.8 inspected the service on 07.01.2023 and found that the consumer was not utilising power supply at that time. One Mr. P. Adinarayana Reddy, Asst.Manager of the appellant has informed that road construction work was entrusted to VNCPL-KPCPL joint venture in which the appellant is a party. Thus in view of the usage of the power the applicable Category is Temporary supply but not Category-II. However a notice was issued to the appellant on 10.01.2023 to clarify about the activity of the appellant and purpose of utilisation of service etc., but no reply was received. Finally respondent No.1 issued a notice to the appellant on 04.03.2023 demanding to pay back billing amount of Rs.84,42,428/- on Service Connection No. SPT1262.

5. Respondent No.2 filed his written reply in C.G.No.87/2023-24 stating that Service Connection No.3371200618 was released on 18.01.2019 with contracted load of 95 HP under Category-III at Abbireddy Gudem (V) in the name of the appellant. The back billing amount demanded is Rs.7,26,464/-. The Service Connection No. 3317400670 was released on 08/06/2020 with a contracted load of 123 HP under Category-III at Appannapet (V) in the name of the appellant. The back billing amount demanded is Rs.5,36,632/-. The Service Connection No.3317400617 was released on 05/01/2019 with a contracted load of 56 KW under Category -II at Appannapet (V) in the name of the appellant. The back billing amount demanded is Rs.2,05,421/-.

AWARD OF THE FORUM

6. After considering the material on record and after hearing both sides the learned Forum has allowed the complaint in part and revised the back billing amount of HT Service Connection to Rs.72,24,171/- while confirming the back billing amount claimed by the respondents in respect of the other three Service Connections.

7. Aggrieved by the Common Award passed by the learned Forum, the present single appeal is preferred, contending among other things, that there was no source of operation of mines and the business was not viable as such the appellant has stopped the business and requested the respondents to disconnect the three Service Connections keeping them under commercial

category only except Service Connection No.3317400617 which was taken for office. It is prayed to waive the back billing and to direct to refund the deposited amount.

WRITTEN SUBMISSION OF THE RESPONDENTS

8. In the written reply filed by respondent No.5 before this Authority, it is, inter-alia, submitted that since the utilisation of power was for road construction work, it is liable to be billed under Temporary Supply (Category-VII) as per Tariff Order 2018-19. Accordingly the back billing was proposed.

9. In the written reply filed by respondent No.7, it is submitted that the appellant is a part of joint venture which executed the road construction work, for which electricity was utilised. The services were back billed under Category applicable as per Tariff Order correctly.

10. It is argued on behalf of the appellant that all of a sudden the respondents have issued back billing notice to pay the huge amount; that had they informed the appellant initially the appellant would have made alternative arrangement of using generator to reduce the cost of electricity instead of paying huge electricity bill and that they closed the business as it was not viable. It is accordingly prayed to waive the entire back billing amount and to direct for refund of the deposited amount to the appellant.

11. On the other hand, it is argued on behalf of the respondents, that on inspection it was noticed that the appellant used the electricity for construction of the road. Hence the appellant is liable to pay the electricity bill under Temporary Supply Category and as such back billing was proposed.

POINTS

12. The points that arise for consideration are:-

- i) Whether the appellant is entitled for waiver of the balance amount on HT Service Connection and entire amount on other three LT Service Connections as prayed for?
- ii) Whether the Award of the learned Forum is liable to be set aside? and
- iii) To what relief?

POINT Nos. (i) & (ii)

ADMITTED FACTS

13. It is an admitted fact that the respondents have released (4) Service Connections to the appellant on the respective dates as under:-

SI.No.	Service Connection No.	Category	CMD	Date of release of supply
1.	SPT 1262	HT Cat-II	750 kVA	21.11.2019
2.	3317400617	LT Cat-II	56 KW	05.01.2019
3.	3317400618	LT Cat-III A	95 HP	18.01.2019
4.	3317400670	LT Cat-III A	123 HP	08.06.2020

SETTLEMENT BY MUTUAL AGREEMENT

14. Both the parties have appeared before this Authority on different dates physically and virtually. Efforts were made to reach a settlement between the parties through the process of conciliation and mediation. However, no settlement could be reached. The hearing, therefore, continued to provide reasonable opportunity to both the parties to put-forth their case and they were heard.

REASONS FOR DELAY IN DISPOSING OF THE APPEAL

15. The present appeal was filed on 21.09.2023. This appeal is being disposed of within the period of (60) days as required.

CRUX OF THE MATTER

16. The learned Forum has granted partial relief to the appellant in respect of HT Service Connection. Hence in this appeal it is to be considered as to whether the appellant is entitled for the balance relief also in respect of the said HT Service Connection and also the relief in respect of the other three LT-Service Connections.

17. The appellant has applied for dismantling the three Service Connections intending to retain the Service Connection of their office. Then the officials of the respondents have visited the spot and enquired with the staff of

the appellant. According to the respondents, one Mr.P. Adinarayanya Reddy, Asst.Manager of the appellant has orally informed them that the services were taken for road construction work. However the respondents contend that there is no written document to that effect and, in fact, the appellant has utilised the Service Connections for road construction. The appellant in response to the letter of respondent No.1 dt.04.02.203 informed to respondent No.1 under letter dt.06.02.2023 that the appellant got major order from VNCPL-KPCLP(JV) and others for supply of aggregates, RMC, footpath bricks etc., but due to non availability of required products, the appellant purchased the material from outside and they wanted to stop their business. The material on record including the correspondence between the parties goes to show that, in fact, the appellant utilised the power supply for road construction work. Admittedly the road construction is under Temporary Supply Category-VII for HT and Temporary supply Category-VIII for LT. The respondents released one Service Connection under HT Category-II, one Service Connection under LT Category-II and other two Service Connections under LT-Category IIIA.

18. The main argument of the appellant is that the respondents have visited the spot and thereafter released the Service Connections under commercial Category; that when the appellant applied for dismantling the Service Connections, suddenly respondent No.1 issued the impugned back billing notices demanding the appellant to pay the said amount on the ground

that the Service Connections were utilised for road construction and that had the respondents informed the same to the appellant initially, the appellant would have made alternative arrangements like using generators etc., to reduce the electricity bill. There is sufficient force in the said argument of the appellant. The record shows that on 16.11.2019 the HT Service Connection was released in Category-I. On 19.11.2019 the officials of the respondents have visited the spot and then converted the Service Connection to HT Category-II. The respondents are supposed to make frequent visits to the premises of the appellant in view of huge quantum of electricity consumed by it so as to verify for what purpose the power was being utilised. This was not done. There is, prima-facie, laxity on the part of the respondents also in issuing the subject back billing notices after a long lapse of time. The Licensee is liable for the acts of its employees.

19. In this case the respondents have filed a copy of HT agreement between the appellant and the Licensee. It is dated 16.11.2019 containing (4) pages. The purpose of the power supply mentioned therein is stone crusher. The Non-Judicial Stamp Paper number is R 954201 dated 02.11.2019. It is copied as under:-



తెలంగాణ తెలంగాణ TELANGANA
 S.L. No 2543 Date 2/11/19
 Sold to K. Susheel Kumar S/o K.C. Pullaiah No. 6432222
 For whom K.C. Project Limited

P. Kavitha R 954201
POLISHETTY KAVITHA
 Licenced Stamp Seller
 L.No. 23-03-2017-17,
 H.No. 1-63/3/2/2/A, Chaitanya Hotel Bazar
 HUZURNAGAR, Cell:9912147482

Susheel Kumar
 KPC PROJECTS LTD
 HUZURNAGAR

Agreement for Supply of Electricity at High Tension

Agreement executed this 16th day of November 2019 by M/s KPC Projects Ltd (SPT New) under HT-II at Abbi Reddy Gudem Village in Garidepally (M) of Suryapet District represented by its Sri. K. Susheel Kumar S/o K K Pullaiah for themselves / himself / itself and for their / his / its/hers assigns and successors in favour of the SOUTHERN POWER DISTRIBUTION COMPANY OF TG LIMITED a statutory company constituted under section 23 of AP Electricity Reforms Act. 98. Hence forth referred to as the Company.

1. **SUPPLY OF POWER:**

Susheel Kumar
 KPC PROJECTS LTD
 HUZURNAGAR

We the above mentioned have requested the company to supply electricity at specified voltage of supply as per tariffs for the purpose of Stone Crusher and the company agreed to afford such supply on the General Terms & Conditions notified by them from time to time under Section. 21 of the Distribution and Retail Supply License Conditions and these hereinafter mentioned.

Susheel Kumar
 KPC PROJECTS LTD
 HUZURNAGAR

[Signature]
 Divisional Engineer Etecl.
 Operation/TSSPOCL
 HUZURNAGAR

LOAD / MAXIMUM DEMAND. :

I/We agree to take from the company, electric power for a maximum load not exceeding 700 KVA which shall be taken to be my/our contracted demand for our exclusive use for the purpose above mentioned, at our Mills/Factory/Premises situated at Abbi Reddy Gudem Village in Garidepally (M) of Suryapet District My/our contracted load shall be 950HP+20KW I/we shall not effect any change in the maximum demand or contracted load without prior intimation to the Company.

3. RE-SALE OF ELECTRIC POWER:

I/We undertake that, I/we shall not sell electrical energy obtained under this Agreement without the sanction in writing of the company.

4. OBLIGATION TO COMPLY WITH REQUIREMENT OF ACTS, GENERAL TERMS AND CONDITIONS OF SUPPLY:

I/we further undertake to comply with all the requirements of the Indian Electricity Act, 2003, the Rules and Regulations framed there under, provisions of the tariffs scale of Miscellaneous and General Charges and the General Terms and Conditions of supply prescribed by the company with approval of the AP Electricity Regulatory Commission herein after called as Commission from time to time and agree not to dispute the same.

5. DATE OF COMING INTO FORCE OF THE AGREEMENT:

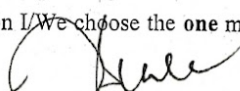
I/We shall begin/take electrical energy from the Company under the conditions of this Agreement within three months from date of issue of intimation in writing to me/us by the Designated Officer of the company that supply of electrical energy is available. The provisions of this Agreement shall be deemed to come into force from the date of commencement of supply of energy or the date of expiry of three months notice above referred to whichever is earlier.

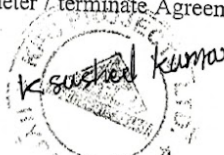
6. PERIOD OF AGREEMENT:

I/We undertake to avail supply for a minimum period of 2 years from the date of this Agreement comes into force.

DETERMINATION OF THE AGREEMENT:

I/We shall be at liberty to determine the Agreement by giving in writing three months notice expressing such intention at any time after the period of two years. If for any reason I/We choose the one month to deter / terminate Agreement before the expiry


Divisional Engineer Elecl.
Operation/TSSPDCL
HUZURNAGAR


K. Sushel Kumar

of the minimum two year period of the Agreement, the duration / termination will be done with effect from the date of expiry of the one month notice period or expiry of the initial two year period whichever is later. I/We agree that the Company may terminate this Agreement at any time giving one month notice, if, I/We violate the terms of this Agreement or the General Terms and Conditions of Supply notified by the company with the approval of the Commission from time to time or the provisions of any law touching this Agreement including the Electricity act, 2003, the Rules and Regulations framed there under. This Agreement shall remain in force until it is terminated as above indicated. In computing the period of 2 years referred to above the period or periods for which the annual minimum guarantee has or have been waived or reduced shall be excluded.

OBLIGATION OF CONSUMER TO PAY ALL CHARGES LEVIED BY SPDC OF TG LTD:

From the date this Agreement comes into force I/we shall be bound by the shall pay the company maximum demand charges, energy charges, surcharges, meter rents and other charges, if any, in accordance with the tariffs applicable and the General Terms and Conditions of supply prescribed by the company from time to time for the particular class of consumers to which I/we belong.

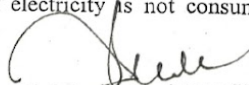
9. SPDC OF TG LTD. RIGHT TO VARY TERMS OF AGREEMENT:

I/we agree that the company shall have the unilateral right to vary, from time to time, tariffs, scale of general and miscellaneous charges and the General Terms and Conditions of supply under this Agreement by special or general proceedings. In particular, the Company shall have the right to enhance the rates chargeable for supply of electricity according to exigencies.

- 9 (a). In case any dispute or difference that may arise in future on supply of electricity or on the other terms and conditions of agreement between the company and the consumer, such disputes / differences may be referred to or file in the appropriate court of Law within the state of Telangana only or tried by competent Court within the jurisdiction of **The High Court of judicature at Hyderabad.**

10. MONTHLY MINIMUM CHARGES:

I/We shall pay minimum charges every month as prescribed in prescribed tariff, and General Terms and Conditions of Supply even if no electricity is consumed for any reason whatsoever and also if the charges for electricity actually consumed are less than the minimum charges. The minimum charges shall also be payable by me/us even if electricity is not consumed because supply has been disconnected by the


Divisional Engineer Elect. K. Sushheel Kumar
Operation/TSSPDCL
HUZURNAGAR

company because of non-payment of Electricity Charges, Theft Of Electricity Or Unauthorized Use Of Electricity or for any other valid reason.

11. **SPECIAL ANNUAL MINIMUM GUARANTEE: (Not applicable when the consumer contributes the full expenses as per Section 46 to the Act).**

S. Kumar

In consideration of the company making arrangements for supplying electrical energy to me/us, I/we agree with effect from the date of commencement of this Agreement for the period of **Two years** to guarantee a minimum payment Rs. _____/- (Rupees _____) every year towards demand and energy charges only, exclusive of payments toward surcharge, or other payments by whatever name they may be called. If the amounts actually paid towards demand energy charges during any year fall short of the guaranteed minimum, the amount of deficit shall be deemed to be arrear of electricity charges and recovered accordingly.

S. Kumar

I/we hereby agree that if I/We, am/are found indulging in theft of Electricity or Unauthorized Use of Electricity in respect of use of electrical energy I/We shall pay additional charges as may be levied by the company. I/We also agree that in such an event the company shall in addition to levy of the additional charges have right to disconnect supply of electricity to my/our premises for such period as may be decided by the Company.

S. Kumar

I/We requested the company to provide the meter for measuring the electricity supplied to me and the company has agreed for the same. Accordingly, I / We agree to pay the monthly meter rentals, as may be fixed by the Commission from time to time.

Signature of the Consumer.

Date: *15/11/19*

Signed by the consumer in my presence.

WITNESS :I

Signature: *S. Kumar*

Name and Address Date:

*P. Aditi Narayan Dety
Asst. Manager
Garedepalli Serjapet*

K. Sushel Kumar



[Signature]
Divisional Engineer Elect.
Operation/TSSPDCL
HUZURNAGAR

WITNESS :II

Signature: *Gopi Nayab*
15/11

Name and Address Date:

*B. Gopi Nayab
Garedepalli*

K. P. C projects

[Signature]
Asst. Divisional Engineer
Operation T.S.SPDCL
HUZURNAGAR

But the appellant filed another copy of agreement before this Authority on 14.11.2023. The contents of the agreement show that it was executed on 16.11.2019 but Non-Judicial Stamp Paper number is R954345 dated 31.12.2019. Only one page is filed. It is copied as under:-

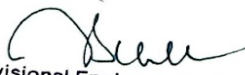


Agreement for Supply of Electricity at High Tension

Agreement executed this 16th day of November 2019 by M/s KPC Project Ltd (SPT NE) under EHT at Abbi Reddy Gudem Village in Garidepally (M) of Suryapet District represented by its Sri. K.Susheel Kumar S/o K K Pullaiah for themselves / himself / itself and for their / his / its/hers assigns and successors in favour of the SOUTHERN POWER DISTRIBUTION COMPANY OF TG LIMITED a statutory company constituted under section 23 of AP Electricity Reforms Act. 98. Hence forth referred to as the Company.

1. SUPPLY OF POWER:

I/We the above mentioned have requested the company to supply electricity at specified voltage of supply as per tariffs for the purpose of **Road Construction** and the company agreed to afford such supply on the General Terms & Conditions notified by them from time to time under Section. 21 of the Distribution and Retail Supply License Conditions and these hereinafter mentioned.


 Divisional Engineer Elect.
 Operation/TSSPDCL
 HUZURNAGAR

For KPC PROJECTS LTD.

 K. Susheel Kumar
 Authorised Signature

No agreement can be executed on a stamp paper prior to the date of purchasing the stamp paper. In this stamp paper the purpose of power supply is mentioned as "Road Construction". What has happened exactly under these two agreements is not clear. No doubt the power supply was utilised prima-facie, for road construction, since the respondents are also at fault in not detecting the usage of the appellant and since the appellant lost the opportunity of making alternative arrangements at the initial stage itself, to meet the ends of justice, it is desirable to reduce the back billing period. This apart having regard to the facts of the present case it is necessary to refer to the relevant Clauses of Tariff Order 2018-19 applicable to 2019-20 which are as under:-

HT-VII: Temporary supply

Clause 7.152. (a):- Temporary supply can be given initially for a period upto one year as per the tariff applicable under the temporary supply category. After the expiry of one year, the consumer is at liberty to seek further extension.

LT-VIII: Temporary Supply

Clause 7.70 :- Temporary supply can be given on the request of a consumer initially for a period of upto one year as per the tariff applicable under the temporary supply category. After the expiry of one year, the consumer is at liberty to seek further extension.

These Clauses restrict the release of power supply for one year under temporary supply category. After one year as per these Clauses consumer has an option either to continue or he may discontinue from the said Category. The appellant lost this opportunity due to absence of frequent

checking of usage of power supply by the respondents. In view of these factors, to meet the ends of justice, it is necessary to limit the back billing period for one year only for all the four Service Connections. Accordingly, I hold that the appellant is not entitled for waiver of the entire balance amount but it is entitled for limiting the back billing amount to initial one year. To this extent the Award of the learned Forum is liable to be set aside and the appeal is liable to be allowed. These points are decided partly in favour of the appellant and partly in favour of the respondents.

POINT No.(iii)

20. In view of the findings on point Nos. (i) and (ii), the appeal is liable to be allowed in part to the extent indicated above.

RESULT

21. In the result, the appeal is allowed in part. The respondents are directed to limit the assessment notice period for short billing for initial one year only from the date of release of Service Connection out of the amount of Rs.72,24,171/- as arrived at by the learned Forum in respect of HT Service Connection. Like-wise the respondents shall limit the assessment notice period for short billing for initial one year from the date of release of Service Connections in respect of other three LT Service Connections and realise the said amounts from the appellant. The respondents shall adjust the available

Security Deposits. The respondents shall file compliance within (15) days from the date of receipt of copy of this Award.

A copy of this Award is made available at <https://vidyutombudsman-tserc.gov.in>.

Typed to my dictation by Office Executive cum Computer Operator, corrected and pronounced by me on the 14th day of November 2023.

**Sd/-
Vidyut Ombudsman**

1. M/s. KPC Projects Pvt. Ltd., [Sy.No.](#) 103 & 104, Appannapet Village, Gardepally Mandal, Huzur Nagar, Suryapet District, represented by Sri K. Susheel Kumar, Executive Director, Cell: 9849595511.
2. The Assistant Divisional Engineer/Operation/Huzur Nagar / TSSPDCL /Suryapet.
3. The Assistant Accounts Officer/ERO/Huzur Nagar/TSSPDCL/Suryapet.
4. The Divisional Engineer/Operation/Huzur Nagar/TSSPDCL/Suryapet.
5. The Senior Accounts Officer/Operation/Suryapet/TSSPDCL/Suryapet.
6. The Superintending Engineer/Operation/Suryapet/TSSPDCL/Suryapet.
7. The Accounts Officer/Rev/Suryapet/TSSPDCL/Suryapet.
8. The CGM/Commercial/TSSPDCL//Corporate Office /Mint Compound / Hyderabad.
9. The Assistant Divisional Engineer/DPE/HT V/TSSPDCL/Corporate Office/Mint Compound/Hyderabad.

Copy to

10. The Chairperson, Consumer Grievances Redressal Forum -I(Rural) TSSPDCL,H.No:8-03-167/14, GTS Colony, Yousufguda,Hyderabad-500045.