



**VIDUYUT OMBUDSMAN FOR THE STATE OF TELANGANA**  
First Floor 33/11 kV substation, Hyderabad Boats Club Lane  
Lumbini Park, Hyderabad - 500 063

:: Present:: **Smt. UDAYA GOURI**

Thursday the Tenth Day of May 2018

Appeal No. 26 of 2017

Preferred against Order Dt.10.04.2017 of CGRF in  
C.G.No.70/2017/Khammam Circle

Between

M/s. Sai Raga Biofuels, represented by Sri. K.Venkaiah, Peddagopathi Village,  
Konijerala Mandal, Khammam - Dist. Cell : 9394707228

... Appellant

**AND**

1. The AE/OP/Konijerala/TSNPDC/ Khammam Dist.9440811559.
2. The ADE/OP/Rural/Khammam/TSNPDC/ Khammam Dist.9440811531
3. The AAO/ERO/Rural/Khammam/TSNPDC/ Khammam Dist.9440211571
4. The SAO/Circle Office/Khammam/TSNPDC/ Khammam Dist.9440811567
5. The DE/OP/Khammam/TSNPDC/ Khammam Dist.9440811506

... Respondents

The above appeal filed on 07.08.2017, coming up for final hearing before the Viduyut Ombudsman, Telangana State on 02.05.2018 at Hyderabad in the presence of Sri. K. Venkaiah - Appellant and Sri. P.N.V. Vikram - AE/OP/Peddagopathi for the Respondents and having considered the record and submissions of both the parties, the Viduyut Ombudsman passed the following;

**AWARD**

The Appellant Sri. K Venkaiah who is the beneficiary of SC No. KMM 750 is the proprietor of Sri Lakshmi Saw Mills, Peddagopathi Village, Konijerala Mandal, Khammam Dist. and that he originally purchased a plot along with HT Service with the same SC No. KMM 750 which was in the name of M/s. Sai Raga Biofuels in the month of Dec,2015. Subsequently he applied for conversion of HT service to LT service duly derating the load and paid Rs 24,100/- through bankers cheque No. 568647 dt. 30.12.2015 towards dismantling charges as per the demand notice issued by the Superintending Engineer/OP/Khammam but the supply was extended from Aug,2016 by converting the service from HT to LT supply and later after the conversion received the bill in Feb,2017

for an amount of Rs 5,60,569.75 with an arrears of Rs 5,31,705/- towards minimum charges under HT category of HT SC No. KMM 750. As such requested to withdraw the minimum charges levied on his services and consider his service as LT service from the date of conversion order issued by the SE/OP/Khammam during the month of 12/2015 and thus sought to waive the surcharge amount.

2. The Respondents represented by the SAO/OP Circle/Khammam submitted report vide his letter dt.20.02.2017 received on 21.2.2007 before the CGRF wherein he submitted that M/s. Sri Sai Raga biofuels HT SC No. KMM 750, Pedda Gopathi Village, Konijerla section, Khammam was released on 10.10.2012 with CMD 70 KVA and that the said service was disconnected during the month of Dec,2014 for non payment of arrears. He further submitted that a letter was received from ADE/Rural/Khammam vide Lr.nO. ADE/OP/SD/KMM Rural/F.No.28-HT/16/D.No.1096/16-17 dt. 28.10.2016 received on 7.11.2016 duly enclosing the HT test report ADE/HT/KMM stating to arrange to change the category from HT I to LT III duly adjustment of outstanding arrears in Security Deposit and as per the report of ADE/HT/Khammam the load of service was reduced from 70 KVA to 23 HP duly changing the category from HT I to LT - Cat -III w.e.f.22.9.2016 as per the records the arrears as on 22.9.2016 (test report) was Rs 4,94,609.00 and Security Deposit available on that date was Rs 1,05,000.00 was recorded. Hence an amount of Rs 5,31,705.00 including surcharge of Rs 37,096.00 for 5 months (9/16 to 1/17) was transferred to ERO/Town/Khammam as arrears along with Security Deposit of Rs 1,05,000/- vide TCA No. 91 of 01/2017.

3. The ADE/OP/Rural/Khammam submitted a report countersigned by DE/OP/Khammam against the registered complaint vide his letter dt.4.3.2017 received on 17.3.2017 stating that the service was released on 10.10.2012 with CMD of 70 KVA as per the applied load of the consumer and the sanctioned proceedings of SE/OP/Khammam vide Lr.No.SE/OP/Khammam/DE/(T)/ADE/AE/Comml./D.No.1650/15 Dt.17.12.2015 as such the estimated cost of conversion of HT to LT was paid but the service was under disconnection from 12/2014 with KVAH FR 88183 and hence the consumer has not utilised the supply upto 09/2016 as such the ADE/HT/Meters/Khammam has tested the meter on 22.09.2016 and issued test report showing the final reading of KVAH 88183 as on 22.09.2016 mentioning that the consumer has not utilised the supply as there was no forward reading hence change of category from HT to LT III proposal was submitted vide Lr.No.ADE/OP/HT/Khammam Rural/F.No.28/HT/16 D,No.1096/16 dt.28.10.2016 and that the consumer represented that the billing be issued from 1/2016 to 8/2016 under LT Cat III based on sanctioned

order by SE/OP/Khammam.

4. On the basis of the said representations by both sides the CGRF - I concluded that the bills issued by the Respondent No. 4 from 3/2016 to 10/2016 in HT Category I is set aside and the Respondents were directed to issue the revised bill from 29.2.2016 in LT Category instead of HT Category.

5. Aggrieved by the said orders of the CGRF- I and not satisfied with the impugned orders the Appellant preferred the present Appeal stating that though the bill was issued 90 days after the orders of CGRF but still he suffered injustice as though he paid Rs 24,000/- D.D. for conversion on 30.12.2015 the electricity was not supplied to him till 10/2016 and as such his concern has suffered financial losses to an extent of Rs 5 Lakhs as there was no production without the supply of electricity and hence prayed that the bill along with surcharge may be reduced to save their firm.

6. The Respondents on the other hand submitted their written reply stating that as per the orders of the CGRF the bills were revised from 29.02.2016 in LT and an amount of Rs 2,91,131.00 was withdrawn in respect of HT SC No. KMM 750 and the surcharge was levied on the balance amount from October,2016 onwards and as such they have complied the said directions and hence filed a memo showing their calculations in accordance with the directions of the CGRF.

**Statement showing the revision of bill in respect of SC No. KMM750**

PERIOD	70KVA IN HT	LOAD IN LT	23HP	17.25			
FROM	TO	BILLING UNDER	E.C	DEM CHARG	CMC	LP	TOTAL
OB		195521.00				21506.33	217027.33
19.02.16	29.02.16	H.T	5419.35	6906.67	375	1333.607	14034.63
01.03.16	31.03.16	L.T	0	914.25	200	150	1264.25
01.04.16	30.04.16	L.T	0	914.25	200	150	1264.25
01.05.16	31.05.16	L.T	0	914.25	200	150	1264.25
01.06.16	30.06.16	L.T	0	914.25	200	150	1264.25
01.07.16	31.07.16	L.T	0	1035.00	300	150	1485.00
01.08.16	31.08.16	L.T	0	1035.00	300	150	1485.00
01.09.16	30.09.16	L.T	0	1035.00	300	150	1485.00
Total amount to be transferred to ERO			5419.35	13668.67	2075.00	23889.94	240573.96

	LP Calculation		Months
OB ON 19.02.16	195521	21506.3	7.333
29.02.2016	12701.02	1333.6	7
31.03.2016	1114.25	150.0	6
30.04.2016	1114.25	150.0	5
31.05.2016	1114.25	150.0	4
30.06.2016	1114.25	150.0	3
31.07.2016	1335	150.0	2
31.08.2016	1335	150.0	1
30.09.2016	1335	150.0	0
		23889.9	

Present ledger balance : 0  
Amount transferred to ERO through, TCA 01-2017 : 531705  
Amount to be collected from the consumer as per CGRF orders : 240574  
Credit amount to be transferred to ERO Town Now (531705-240574): 291131

7. The Appellant again submitted a rejoinder on 24.10.2017 to his earlier appeal stating that they have purchased land bearing HT service with HT SC No. KMM 750 for an amount of Rs 20 Lakhs. As part of their internal agreement between them (Sri. Lakshmi Saw Mills) and previous owners, M/s. Sai Raga Bio Fuels. The sanction order for conversion from HT category I to LT category III was handed over to the Appellant by M/s. Sai Raga Bio Fuels.

8. The Appellant further stated that M/s. Sai Raga Bio Fuels had given the application for conversion from HT to LT on 30.12.2015, the work was not executed and due to non availability of supply they could not start their business until extension of LT supply in the month of August,2016. Since they received the requested LT supply in the month of August,2016, it was claimed that they are liable to pay bills from August,2016 only.

9. Based on the material on record and rival contentions the following issues arise for determination:

1. Whether a further direction for revision of the bills can be awarded W.e.f extension of derated LT supply i.e from August,2016?
2. Whether the impugned orders are liable to be set aside?

10. The Appellant has requested for revision of bills from the date of extension of LT supply i.e after conversion from HT Category (I) to LT Category (III) from the month of August, 2016.

11. Appellant stated that they have applied for conversion of category from HT Category I to LT Category III, in terms of load deration from 70 KVA to 23 HP, in the month of December,2015. His request was considered through approval order vide Lr.No.SE/OP/KMM(DE(T)/ADE/AAE/Comml/D.No.1650/15, dt.17.12.2015. Subsequently the Appellant had paid the requisite charges demanded, for the work Rs 24,100/- on 30.12.2015.

12. As per the ADE/OP//Rural/Khammam, the ADE/HT Meters tested the meter on 22.09.2016. Subsequently proposal for conversion was submitted to the Accounts wing vide Lr.No.ADE/OP/SD/KMM(R)/F.No.28/HT/16/D.No.1096/16 dt.28.10.2016, for initiation of changes in the billing of the service connection of the Appellant.

13. The AAO/ERO/Town/Khammam stated that as per the proposal of ADE/OP/Rural/Khammam change of category/conversion from HT to LT was carried out w.e.f. 22.09.2016.

14. When the Appellant had paid the demanded amount for conversion during the month of 12/2015, the conversion of supply got delayed until the month of 9/2016. Until release of LT supply, HT billing was carried out in terms of monthly minimum charges until 8/2016 and an amount of Rs 5,31,705/- including surcharge of Rs 37,096/- for the months (09/2016 to 01/2017) was shown as arrears to be paid by the Appellant.

15. The Appellant pleaded that amount so levied was unjustified and requested for bill revision in the CGRF. The CGRF based on the Regulation 5 of 2016 directed the Respondents to revise the bills from 29.02.2016 under LT category instead of HT Category. Further stated that there was lack of official diligence in conversion of service from, HT to LT within stipulated time limit prescribed in Regulation No. 5 of 2016. If any loss sustain by TSNPDCL due to conversion of service from HT to LT w.e.f. 29.2.2016

instead of 22.9.2016 the same may be recovered from those officials responsible for not acting in stipulated time limit as prescribed by Regulation No. 5 of 2016.

16. As per the directions of the CGRF, an amount of Rs 2,91,131/- was withdrawn from the arrears amount demanded and issued fresh demand of Rs 2,40,574/- by the Respondents, to be paid by the Appellant.

17. Now, the Appellant contended that due to delay in extending supply after payment of requisite amount for conversion from HT-cat-I to LT-Cat III, they have sustained losses to an amount of Rs 5,00,000/-. Though the CGRF has directed to revise the bills in LT billing from 3/2016, not satisfied by the order, it was stated that injustice was occurred upon them, as they have paid the required amount for conversion of Rs 24,000 on 30.12.2015. The Respondents revised the bills based on the CGRF directions, but the Appellant urged for further revision of bills (including surcharge) from the date of extension of derated LT supply i.e August,2016.

18. The Appellant submitted an rejoinder dt.24.10.2017 to his earlier appeal stating that they have purchased land bearing HT service with HT SC No. KMM 750 for an amount of Rs 20 Lakhs. As part of their internal agreement between them ( Sri. Lakshmi Saw Mills) and previous owners, M/s. Sai Raga Bio Fuels. The sanction order for conversion from HT category I to LT category III was handed over to the Appellant by M/s. Sai Raga Bio Fuels.

19. The Appellant further stated that M/s. Sai Raga Bio Fuels had given the application for conversion from HT to LT on 30.12.2015, yet the said request was considered only in the month of August,2016 and hence they did not have the supply till August,2016 as such they could not start their business till the said date and hence suffered a loss to an extent of Rs 5 Lakhs as such contended that they are liable to pay the bills only from the month of August,2016. Hence in view of the said contentions of the Appellant Regulations guiding the conversion of services was perused and found that Regulation No. 5 of 2016 as follows and hence reproduced as under:

**Schedule - II**

**Clause X. Transfer of Ownership & Conversion of Services:**

iv	Conversion from LT to HT vice versa	Within 60 days of payment of charges by the consumer	Rs 400/- for each day of default
----	--	--	-------------------------------------

20. As per the Regulation 5 of 2016, Schedule -II, Clause X, the Respondents are bound to execute the conversion from HT to LT within 60 days from the date of payments made by the Appellant and if not the consumer is entitled for Rs 400/- for each day of default. Hence in view of the said provisions, the CGRF has rightly directed the Respondents to revise the bills from 29.02.2016 i.e, 60 days after payment made by the Appellant and consequently an amount of Rs 2,91,131/- was withdrawn and the Appellant was directed to pay the balance amount of Rs 2,40,574/- along with surcharge of Rs 39,303/-. As such this office does not find any further provision for revision of the bills. And hence concludes that on the pretext that the Appellants are the new occupants of the premises, the Appellants cannot claim that they are not liable to pay the previous arrears, particularly in view of the fact that HT service connection was disconnected in December,2014 for non payment of arrears. As as per the GTCS Clause 8.4

*“The seller of the property should clear all the dues to the Company before selling such property. If the seller did not clear the dues as mentioned above, the Company may refuse to supply electricity to the premises through the already existing connection or refuse to give a new connection to the premises till all dues to the Company are cleared.”*

In view of the above, the Appellant is liable to pay the previous arrears along with the monthly minimum charges under LT category from 3/2016. Hence in view of the above, minimum charges under LT Category from 29.02.2016 is liable to be paid, but in view of the fact that the Appellant has suffered hardships in view of the delay in execution of the conversion from HT to LT, the Appellant is granted 10 monthly instalments as per the amended/substituted Clause 9 of Regulation 7/2013, to pay Rs 2,40,574/- + Rs 39,303/- = 2,79,877/- from the CC bill of June,2018 at Rs 27,994/- being the 1st instalment and Rs 27,987/- for the rest of 9 months. Failure to pay even one instalment shall make the entire amount becoming due with its consequences. The issues are answered accordingly.

21. In the result, the Appeal is disposed of as follows:

1. The request of the Appellant for payment of the bills from the month of August,2016 i.e. date of extension of derated LT supply without payment of previous arrears is not tenable.
2. The Appellant is granted 10 monthly instalments to pay Rs 2,40,574/- along with surcharge Rs 39,303/- = Rs 2,79,877/- from the CC bill of June,2018 at Rs 27,994/- being the 1st instalment and Rs 27,987/- for

the rest of 9 months. Failure to pay even one instalment shall make the entire amount becoming due with its consequences.

3. The impugned orders are confirmed.

22. The licensee shall comply with and implement this order within 15 days from the date of receipt of this order under clause 3.38 of the Regulation 3 of 2015 of TSERC.

TYPED BY Clerk Computer Operator, Corrected, Signed and Pronounced by me on this the 10th day of May, 2018.

Sd/-

**Vidyut Ombudsman**

1. M/s. Sai Raga Biofuels, represented by Sri. K.Venkaiah, Peddagopathi Village,  
Konijerala Mandal, Khammam - Dist. Cell : 9394707228
2. The AE/OP/Konijerala/TSNPDCL/Khammam Dist.9440811559.
3. The ADE/OP/Rural/Khammam/TSNPDCL/Khammam Dist.9440811531.
4. The AAO/ERO/Rural/Khammam/TSNPDCL/Khammam Dist.9440211571.
5. The SAO/Circle Office/Khammam/TSNPDCL/Khammam Dist.9440811567.
6. The DE/OP/Khammam/TSNPDCL/Khammam Dist.9440811506.

**Copy to :**

7. The Chairperson, Consumer Grievance Redressal Forum,TSNPDCL,  
Nakkalagutta, Hanamkonda, Warangal District - 506 001.
8. The Secretary, TSERC, 5<sup>th</sup> Floor Singareni Bhavan, Red Hills, Lakdikapul,Hyd.