



VIDYUT OMBUDSMAN FOR THE STATE OF TELANGANA

First Floor 33/11 kV substation, Hyderabad Boats Club Lane
Lumbini Park, Hyderabad - 500 063

:: Present:: **R. DAMODAR**

Tuesday, the Twenty Fifth day of April 2017

Appeal No. 8 of 2017

Preferred against Order Dt. 28-01-2017 of CGRF In

CG.No: 596/2016-17 of Ranga Reddy East Circle

Between

Sri. Y. Madhu, Flat No. 101, Navya Towers, Kothapet, SRK Puram,
Hyderabad. Cell: 9849997429.

... Appellant

AND

1. The ADE/OP/Sainikpuri/TSSPDCL/Hyderabad.
2. The AAO/ERO/Sainikpuri/TSSPDCL/Hyderabad.
3. The DE/OP/Sainikpuri/TSSPDCL/Hyderabad.
4. The SE/OP/RR East Circle/TSSPDCL/Hyderabad.

... Respondents

The above appeal filed on 06.03.2017 coming up for final hearing before the Vidyut Ombudsman, Telangana State on 22.03.2017 at Hyderabad in the presence of Sri. Y. Madhu - Appellant and Sri. Keval Kumar - ADE/OP/ AS Rao Nagar and Sri. E. Narasimha Reddy - AAO/ERO/Sainikpuri for the Respondents and having considered the record and submissions of both the parties, the Vidyut Ombudsman passed the following;

AWARD

The Appellant has two LT Service Connections 0636 21460 and 0636 21459. He sought dismantlement of these two services by withdrawing the Development Charges for additional load included in the bills, on the ground that there is no load and the premises is vacant. He claimed that LT SC No. 0636 21459 has been billed with HT tariff instead of LT tariff. He sought withdrawal of Development Charges and revision of CC bill from HT to LT charges and lodged a complaint with CGRF.

2. The 2nd Respondent submitted a letter dt.17.12.2016 before the CGRF stating that at the request of the Appellant, the Security Deposit has been adjusted against the CC bills in November,2016 for Rs 2,11,000/- and Rs 1,01,661/- against SC No.s 21459 and 21460 respectively. He claimed that the balance Security Deposit available would be adjusted to another service of the Appellant, after taking his consent. He stated that after receiving the indemnity bond, the two services would be dismantled.

3. Before the CGRF, the AE/OP/Moulali represented that against SC No. 21459 an amount of Rs 70,000/- representing Development Charges have been adjusted from out of the Security Deposit of Rs 86,991/- and that the meter has been removed and that the service will be removed from the master data(EBS) within 20 days. He stated that against SC No. 21460, an amount of Rs 80,000/- representing Development Charges have been adjusted from out of the Security Deposit of Rs 2,03,584/- available with the DISCOM and further the meter has been removed from the premises and the service would be removed from the master data within 20 days.

4. The 2nd Respondent AAO/ERO/Sainikpuri by letter dt.23.12.2016 stated that at the request of the Appellant, the available Security Deposit was adjusted against the dues and four months minimum charges and kept the service under bill stop position in November,2016. He stated that the remaining Security Deposit would be transferred to another service of the Appellant, after taking his indemnity bond.

5. On consideration of the material on record, the CGRF directed the Respondents to dismantle the services, remove the service from the master data (EBS) within 20 days from the date of the order and adjust the remaining Security Deposit amount of the two services to another service of the Appellant, after taking indemnity bond from him within a period of 20 days, through the impugned orders.

6. Aggrieved and not satisfied with the impugned orders, the Appellant preferred the present Appeal demanding withdrawal of Development Charges included in the CC bills, as there is no load and that the premises has been vacant at the time of booking of Development Charges till date and sought revision of HT billing to LT billing.

7. The 1st Respondent in the Appeal submitted a reply dt.21.3.2017 stating that both the services were inspected by DPE wing on 30.4.2016 who found the connected load to Service Number 2159 from 39 KW to 74 KW and booked for Rs 70,000/- as Development Charges and for the 2nd Service No.21460, the DPE found the connected load from 30KW to 70 KW and booked for Rs 80,000/- towards Development Charges. He

stated that when a notice was issued, the Appellant has not responded to it and thereafter, a Final Assessment Order was issued by the 3rd Respondent DEE/O/Sainikpuri. He stated that the Appellant gave a representation dt.21.11.2016 to AE/O/Moulali for dismantlement and then the available Security Deposit was adjusted against the dues and the service was kept under bill stop position.

8. The 2nd Respondent/AAO/ERO/Sainikpuri through letter dt.18.3.2017 stated similarly as in the representation of the 1st Respondent dt.21.3.2017, apart from giving the following additional information:

SC No.	Total Dues (Rs)	Security Deposit Available (Rs)	Security Deposit adjusted against the dues (Rs)	Balance Security Deposit available to transfer of his another existing service (Rs)
0636-21459	211001/-	325392/-	211001/-	114391/-
0636-21460	101661/-	235584/-	101661/-	133923/-

9. Mediation has not been successful, because of the nature of the respective claims and hence, the matter is being disposed of on merits.

10. On the basis of the material on record and rival contentions, the following issues arise for determination:

1. Whether the Appellant is entitled to withdrawal of the Development Charges on the two Service Connections, when he sought dismantlement of the services?
2. Whether the DISCOM is entitled to charge HT tariff when LT connected load exceeds 56 KW/ 75 HP?
3. Whether the impugned orders are liable to be set aside?

Heard.

Issues 1 to 3:

11. The Appellant sought dismantling of his two Service Connection Nos. 0636-21459 and 0636-21460 when he faced with the demand for Development Charges, on discovery of the increased connected load, as shown in the following table:

S.no.	SC No.	Date of inspection	Existing Load	Excess Load	Amount in Rs. DC/SD	Total
1.	0636 21459	30.4.2016	39 KW	35 KW	42000/28000	70,000
2.	0636 21460	30.4.2016	30 KW	50 KW	48000/32000	80,000

The development charges were levied based on inspection, revealing excess connected load as per the above given details. The demanded amount was not paid by the Appellant. He opted for dismantlement of the two said services, by giving a representation to AE/OP/Moulali on 21.11.2016.

12. Based on the Appellant's application for dismantlement, the AAO/ERO adjusted the pending arrears as on the date including the excess load demand & 4 months minimum bills from available Security Deposit of the two service connections against which the Appellant preferred a complaint to the CGRF for relief. The available Security Deposit, the total dues and the balance amount is shown below:

SC No.	Total Dues (Rs) Includes excess load DC & SD charges.	SD Available	SD adjusted against the dues (Rs)	Balance SD available to transfer of his another existing service (Rs)
0636-21459	211001/-	325392/-	21101/-	114391/-
0636-21460	101661/-	235584/-	101661/-	133923/-

The Respondents transferred the balance Security Deposit available against the two Service Connections and offered to adjust/transfer to his any other service connection. The Appellant has not opted for this transfer.

13. As per the EBS consumption billing report, the SC No.s 0636 21459 and 0636 21460 were not in use (status "09") from June,2016 to August,2016. Subsequently, these connections were under disconnection (status '03') from Sep,2016 to Oct,2016 and '99' status(bill stopped) from Nov 2016. Debit Journal Entry (JE) for both the services was raised during the month of July,2016 for an amount of Rs 70,000/- and Rs 80,000/- respectively, towards excess connected load.

14. The Appellant raised a grievance on raising HT billing on LT SC No. 0636 21459. HT billing was applied from May,2016. And for the SC No. 0636 21460 HT billing was not applied. The Appellant contested this HT billing on the ground that since the tenants have vacated the premises, in other words, there is no such load in the premises, the demand notices for additional connected load for an amount of Rs 70,000/- and Rs 80,000/- have to be withdrawn. Further, he claimed that the CGRF has not taken his complaint into consideration regarding withdrawal of the amount corresponding to revision of HT billing from LT billing, raised in view of detected connected load of 70 KW and 74KW of the two said services, as per the Tariff Order.

15. As far as imposing HT billing on LT service is concerned, Clause 1.1.2(2)(C) of Tariff Order 2016-17 which is similar during the relevant period enables the DISCOM to charge HT billing when LT service load exceeds 56 KW/75 HP with 3% of the recorded energy during the month additionally. In the present case, for SC No. 0636-21459 the load for April,2016 was 74 KW and whereas, the contracted load was 39 KW. For the reasons not known, for the SC No. 0636-21460, even though there was 70 KW load liable to be charged with HT billing, was not charged. As far as the contention of the Appellant regarding LT billing being subjected to HT billing is concerned, Clause 1.1.2(2)(C) of the Tariff Order is sufficient answer which enables/permits the DISCOM to charge HT billing in this case.

16. The next aspect of the matter is regarding connected load exceeding the contracted load. In such a case what is the prescribed procedure?

Clause 12.3.3.2 of the GTCS mandates the following procedure:-

12.3.3.2 Cases where the total connected load is above 75 HP/56 kW.

i. These services shall be billed at the respective HT tariff rates from the consumption month in which the un-authorized additional load is detected. For this purpose, 80% of connected Load shall be taken as billing demand. The quantity of electricity consumed in any month shall be computed by adding 3% extra on account of transformation losses to the energy recorded in LT meter.

ii. The Company may at its discretion, for the reason to be recorded and in cases where no loss of revenue is involved, continue LT supply. If the consumer, however, makes arrangements for switchover to HT supply, the company shall release HT supply as per the rules.

iii. One-month notice will be given for payment of service line charges, development charges and consumption deposit required for conversion of LT service into HT service.

iv. service of such consumer who do not pay HT tariff rates or who do not pay the required service line charges, development charges and consumption deposit shall be disconnected immediately on expiry of notice period and these services shall remain under disconnection unless the required service line charges, development charges and consumption deposit are paid for regularising such services by conversion from LT to HT category.

v. If the consumer where required, does not get the LT services converted to HT supply and regularised as per procedure indicated above within three months from the date of issue of the notice, the company is entitled to terminate the agreement by giving required notice as per clause 5.9.4 of the GTCS, notwithstanding that the consumer is paying bills at HT tariff rates prescribed in clause (1) above.

17. The Clause 12.3.3.2(iii) of GTCS was amended/substituted vide proceedings No. APERC/Secy/01/2012 dt.7.3.2012 which is reproduced here under:

Clause No. 12.3.3.2(iii):- One month notice shall be given to regularise the additional connected load or part of additional load as per the requirement of the consumer or to remove the additional connected load, if the consumer desires to continue with the additional connected load, he shall pay the required service line charges, development charges and consumption deposit required for conversion of LT service into LT III(B) to HT service depending upon the connected load. However, if the consumer opts to remove the additional connected load and if the additional load is found connected during subsequent inspection, penal provisions shall be invoked as per the rules in vogue.

18. The above amended clause mandates the consumers to opt to remove the additional connected load by giving a representation to the Divisional Engineer/Operation within 15 days from the date of service of the notice. In case there is no representation, the service will be disconnected immediately on expiry of the notice period of 30 days from the date of serving of the notice and the service will remain under

disconnection until the payments are received and additional connected load is regularised.

19. The ADE/OP/AS Rao Nagar vide Lr.No 2311 dt.21.3.2017 submitted that the Provisional Assessment (PAO) notices were served on the Appellant, without any response. He further stated that FAO was issued by the DE/OP as per the procedure in vogue and that the Appellant gave a representation dt.21.11.2016 seeking dismantling of the two services, to the AE/OP/Moulali. He stated that the available Security Deposit was adjusted against the dues of the services, which were kept in the bill stop position.

20. The DE/OP/Sainikpuri disposed of the final Assessment by Order dt.4.7.2016 against the two service connections, finally confirming the demand against the additional load at the premises as amounting to Rs 70,000/- and Rs 80,000/- respectively. Further, it was stated before the CGRF that there was no representation from the Appellant, contradicting the claim of the additional load and therefore, there was no change in Final Assessment Order, compared with the Provisional Order.

21. The Appellant in his Appeal denied having the excess load and further stated that the premises was vacant at the time of booking of Development Charges till date and therefore, he pleaded that when there is no load and the premises is vacant, the question of either demand or payment of Development Charges does not arise. The Appellant's denial of having excess load and his claim that the premises reportedly was vacant at the time of inspection i.e. on 30.4.2016 at 10.30 Hrs cannot be accepted, in view of the recorded consumption detailed in the EBS sheet, wherein for SC No. 21459 for the month of May, 6118 KVAH units were consumed and the maximum demand of 74 KVA was recorded in the month of Oct,2015. In SC.No.21460 for the month of May, 7394 KVAH units were consumed and the maximum demand of 71.08 was recorded in the month of February, 2016. This reliable information substantiates the claim of the Respondents that the excess load over the contracted load was indeed utilised.

22. The Appellant has not responded when the provisional assessment was served on him, seeking withdrawal of the demand towards excess load, which would have given him the relaxation, as per the amended Clause 12.3.3.2(iii) of GTCS and on 21.11.2016 after exhaustion of the possibilities had he applied for dismantling of the two services.

23. As per the amended Clause 12.3.3.2(iii)of GTCS, after lapse of notice period of 30 days, the service would remain under disconnection until the payments are received and additional connected load is regularised. Since the Appellant has opted for

dismantlement of the services, the demand on usage of excess load over contracted load & regularisation of excess load, does not arise. The amended Clause 12.3.3.2(iii) of GTCS allows withdrawal of demand of DC & SD in case of removal of excess load. Therefore, under these circumstances, the demand notices issued to the two Service Connections have to be withdrawn and consequent HT billing commenced from the month of may shall also be withdrawn against SC.No. 21459.

24. In view of the aforementioned discussion, the request of the Appellant for dismantlement of the two service connections and also the fact that the services disclosed '0' units usage from May,2016 onwards, it is found that the Respondents are not justified in insisting on payment of Development charges, when they have collected the energy bills at an appropriate rate. If the services are continued, then the situation would be different and the request of the DISCOM to demand Development Charges would be legitimate. Under the circumstances, the demand of the DISCOM for payment of the Development Charges became untenable and the demand is liable to be set aside. The decision of the CGRF accepting the claim of the Respondents, without examining the aspect of dismantlement of the services, is liable to be set aside. Both the issues are answered accordingly.

25. In the result the Appeal is allowed as follows:

1. The demand for Development Charges for SC No. 0636 21459 for Rs 70,000/- and for SC No. 0636 21460 for Rs 80,000/- is set aside.
2. The HT billing resorted to by the DISCOM on LT SC No. 0636-21459 only for the month of May,2016 as shown in EBS, is legal and sustainable.
3. There shall be a direction that HT billing resorted to during the not in use period from June,2016 to November,2016 as shown in EBS to LT SC No. 0636 21459 shall be withdrawn and revised bills with LT tariff shall be issued.
4. The impugned orders of CGRF are set aside.

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

Typed by CCO, Corrected, Signed and pronounced by me on 25th day of April, 2017.

Sd/-

VIDYUT OMBUDSMAN

1. Sri. Y. Madhu, Flat No. 101, Navya Towers, Kothapet, SRK Puram, Hyderabad. Cell: 9849997429
2. The ADE/OP/Sainikpuri/TSSPDCL/Hyderabad.
3. The AAO/ERO/Sainikpuri/TSSPDCL/Hyderabad.
4. The DE/OP/Sainikpuri/TSSPDCL/Hyderabad.
5. The SE/OP/RR East Circle/TSSPDCL/Hyderabad.

Copy to:

6. The CGRF, Greater Hyderabad Area, TSSPDCL, GTS Colony, Vengal Rao Nagar, Erragadda, Hyderabad.
7. The Secretary, TSERC, Singareni Bhavan, Red Hills, Lakdikapool, Hyderabad.