



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**

MONDAY THE TWENTY SECOND DAY OF APRIL
TWO THOUSAND AND TWENTY FOUR

Appeal No. 02 of 2024-25

Between

M/s. Veerabhadra Swamy Apparels, represented by Sri G. Raj Kumar,
H.No.3-13-33, Madhura Nagar Colony, Ramanthapur, Hyderabad - 500 013.
Cell: 9848219319.

..... **Appellant**

AND

1. The Assistant Engineer/Operation/Gundlapochampally /TSSPDCL/Medchal (now AE/OP/Gundlapochampally).
2. The Assistant Divisional Engineer/Operation/Medchal/TSSPDCL/Medchal.
- 3 The Assistant Accounts Officer/ERO/Medchal/TSSPDCL/Medchal.
4. The Divisional Engineer/Operation/Medchal/TSSPDCL/Medchal.
5. The Superintending Engineer/Operation/Medchal Circle/TSSPDCL/Medchal.
6. The Chief General Manager/Commercial/Corporate Office/TSSPDCL / Hyderabad.
7. The Ex-Assistant Engineer/DPE/Medchal Circle/TSSPDCL/Medchal.
9440813869.

.....**Respondents**

This appeal is coming on before me for final hearing on this day in the presence of Sri Ravinder Prasad Srivatsava - authorised representative of the appellant and Sri K. Venkat - AAE/OP/Gundlapochampally, Sri S.V.V. Satyanarayana Raju - ADE/OP/Medchal, Sri M. Sai Ram - AAO/ERO/Medchal and Sri G. Mohan - DE/OP/Medchal for the respondents and having stood over for consideration, this Vidhyut Ombudsman passed the following:-

AWARD

This appeal is preferred aggrieved by the Award passed by the Consumer Grievances Redressal Forum -Greater Hyderabad Area, (in short 'the Forum') of Telangana State Southern Power Distribution Company Limited (in short 'TSSPDCL') in C.G.No. 231/2023-24/Medchal Circle dt.07.03.2024, rejecting the complaint.

CASE OF THE APPELLANT BEFORE THE FORUM

2. The case of the appellant before the learned Forum is that the respondents have released Service Connection No.021005232 (in short "the subject Service Connection") in favour of the appellant under Category-III-Industry initially. After inspection of the subject premises on 24.11.2020 by respondent No.7, the Category was changed to Category-II on the ground that the appellant was utilising the power supply for laundry purposes. Back billing for Rs.9,54,127/- was also proposed for the period from 08.09.2017 to 24.11.2020 under notice in Lr.No. ADE/OP/MEDCHAL/D.No.12205 dt.27.11.2020, (in short 'the impugned notice'), without following Clause 3.4.1 of General Terms and Conditions of Supply (in short 'the GTCS'). It is accordingly prayed to withdraw the said notice and back billing amount on the ground that the proposed change of Category and back billing were not correct.

WRITTEN SUBMISSIONS OF THE RESPONDENTS

3. Respondent Nos. 2 and 3 have filed their written replies before the learned Forum separately stating that the subject Service Connection was inspected by respondent No.7 on 24.11.2020 who observed that the subject Service was running under Category-III A. It was noticed that there was no industrial activity at that time. The premises was used for washing of clothes and laundry which comes under Category-II. Therefore respondent No.2 issued a notice vide Lr.No.ADE/OP/Medchal/D.No.12205 dt.27.11.2020 and Provisional Assessment Order was issued back billing the subject Service Connection from 08.09.2017 to 24.11.2020 for an amount of Rs.9,54,127/- and changing the Category from Category-III to Category-II in December 2020. The arrears amount of Rs.81,872/- on the subject Service Connection was adjusted from Security Deposit vide JE No.6719 dt.31.07.2021 and the service was kept under 'bill stop' in August 2021.

4. Respondent No.4 filed his written reply before the learned Forum stating that respondent No.2 inspected the subject premises on 15.03.2021 and found that the connected load was 27.5 HP and 1 KW lighting load was used earlier for washing, drying and squeezing which comes under commercial activity and subsequently Final Assessment Order was also issued.

5. In the written reply filed by respondent No.7, before the learned Forum, he too submitted that he did not notice any production activity when he visited the spot and he observed only laundry activities. Therefore a change of Category was proposed.

AWARD OF THE FORUM

6. After considering the material on record and after hearing both sides the learned Forum has rejected the complaint on the ground that the back billing and change of Category from LT Category-III to LT Category-II are in accordance with the law.

7. Aggrieved by the said Award of the learned Forum, the present appeal is preferred, contending among other things, that the respondents have not followed Clause 3.4.1 of GTCS, that there was no laundry activity and hence it is prayed to set aside the impugned notice.

WRITTEN SUBMISSION OF THE RESPONDENTS

8. In the written reply filed by respondent No.2 and 3 before this Authority, they have reiterated the contents of their written reply before the learned Forum.

REJOINDER OF THE APPELLANT

9. In the rejoinder filed by the appellant it is submitted that the subject Service Connection falls under LT-III Industrial Category only as the washing of clothes does not require the connected load of 27.50 HP.

ARGUMENTS

10. On behalf of the appellant it is submitted that without proper notice as required under Clause 3.4.1 of GTCS, the impugned notice was issued by respondent No.2 to the appellant based on the inspection dated 24.11.2020 changing the Category from LT-III to LT-II and back billing the subject Service Connection. Hence it is prayed to set aside the Award of learned Forum and also the impugned notice.

11. On the other hand, it is submitted by the respondents, that the subject Service Connection falls under Category-II as the consumer was utilising the power supply for laundry purpose and basing on the inspection dated 24.11.2020 the Category was changed to - II which is correct. Hence it is prayed to reject the appeal.

POINTS

12. The points that arise for consideration are:-

- i) Whether the back billing notice dt.27.11.2020 is liable to be set aside as prayed for?
- ii) Whether the impugned Award of the learned Forum is liable to be set aside? and
- iii) To what relief?

POINT Nos. (i) and (ii)

ADMITTED FACTS

13. It is an admitted fact that the respondents have released the subject Service Connection to the appellant on 02.03.2017 under Category-III A. It is

also an admitted fact that respondent No.2 has issued the subject notice for the first time on 27.11.2020.

SETTLEMENT BY MUTUAL AGREEMENT

14. Both the parties have appeared before this Authority. 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 06.04.2024. This appeal is being disposed of within the period of (60) days as required.

CRUX OF THE MATTER

16. The record shows that the Assistant Engineer/DPE/Medchal - respondent No.7 has inspected the premises of the appellant on 24.11.2020 and found that the subject Service Connection was running under Category III A, but he noticed that there was no Industrial activity. Basing on the said inspection, respondent No.2 thereafter has issued the impugned notice on 27.11.2020 to the appellant mentioning about the inspection of the premises of the appellant and demanding Rs.9,54,127/- which was provisionally assessed towards back billing for the relevant period till the date of inspection on the ground that the subject Service Connection is covered

under Category-II but not Category-IIIA. The impugned notice is extracted as under:-



Assessment for BACK BILLING

CaseNO : DPE/RRN/SD01/21986/20

From
Assistant Divisional Engineer
Operation: MEDCHAL
TSSPDCL

To
M/s. Veerabhadra Swamy Apparels(Beneficiary())
Gundlapochampally, MEDCHAL, MEDCHAL,

Lr.No. ADE/OP/MEDCHAL /D.NO:12205 Dt:27/Nov/2020

Sub:Assessment Notice of SC No. 0210 05232 Category LT-III-INDUSTRY-Industries of GUNDLAPOCHAMPALLY(Dist) for BACK BILLING

1. Inspection undertaken:

Your service connection bearing No. 0210 05232, Category LT-III-INDUSTRY-Industries , GUNDLAPOCHAMPALLY Village/ Section was inspected on 24-Nov-20 at 15:50 at hours by Sri.P.Y.RAJU with designation AAE .

2. Incriminating Points Observed:

At the time of inspection it is noticed that the service was running under Cat-IIIA. But it is noticed that there is no Industrial activity. It is being used for washing of clothes(Laundry) i.e it comes under commercial category. Hence change the category from III to II and Back Billing is proposed.

3. Nature of defect reported

The above observations clearly establish that the service connection is being run in wrong Category/Reading. Hence Back billing was done for your service owing to Wrong Category/M.F./Readings.

4.Value of assessed revenue loss:

In view of the above, the energy consumption during the period of wrong Category/wrong M.F. and the details of the assessment are indicated below.

Assessment Period: From 08-Sep-17 To 24-Nov-20
Connected Load: 43000 watt
Contracted Load: 36554 watt
Units Assessed: 290605
Units Recorded: 290605
Units Back Billed: 290605
Value of Demand Back billed: 43000 watt

The Revenue loss to the company has been assessed at Rs 954027.0, for the Period from 08-Sep-17 to 24-Nov-20.

5. Payment of back billed amount:

5.1 If you are agreeable to the assessed amount, you may pay the amount in full within 15 days from the date of service of this order. Further proceedings to recover the assessed amount will be closed after production of a receipt towards payment of the provisionally assessed amount of Rs 954127.0 in full, to AAO/ERO MEDCHAL (designated officer for payment of assessed amount), in addition to the Supervision charges including GST of Rs.100.0.

5.2 If you are not agreeable to the above assessment, you may make a appropriate Representation to DE/Operation MEDCHAL within 15 days from the date of service of this notice, who will dispose off your Representation after giving opportunity to you for being heard if you desire so. And mention the same in your representation.

5.3 In case there is no representation from you within 15 days from the date of service of this notice, the Electricity charges payable by you shall be included as arrears in your subsequent CC bill.

Designated Officer to issue Notice

Name : T.TULJARAM SINGH

Designation : ADE/OP/MEDCHAL

Copy Submitted To :
AAO/ERO/MEDCHAL

COMPLIANCE OF CLAUSE 3.4.1 OF GTCS

17. At this stage it is necessary to refer to Clause 3.4.1 GTCS which is as under:-

“ 3.4.1: Where a consumer has been classified under a particular category and is billed accordingly and it is subsequently found that the classification is not correct (subject to the condition that the consumer does not alter the category/ purpose of usage of the premises without prior intimation to the Designated Officer of the Company), the consumer will be informed through a notice, of the proposed reclassification, duly giving him an opportunity to file any objection within a period of 15 days. The Company after due consideration of the consumer's reply if any, may alter the classification and suitably revise the bills if necessary even with retrospective effect, the assessment shall be made for the entire period during which such reclassification is needed, however, the period during which such reclassification is needed cannot be ascertained, such period shall be limited to a period of twelve months immediately preceding the date of inspection”

This Clause of GTCS makes it quite clear that if the respondents want to change a particular Category of the appellant on the ground that the earlier Category was not correct, the respondents have to issue initial notice to that

effect calling for the objections of the consumer within a period of (15) days. Thereafter they have to change the Category after their satisfaction and back-bill the Service Connection if necessary with retrospective effect also. In the present case, admittedly the respondents have not issued the initial notice as such there was no opportunity to the appellant to explain its stand. Respondent No.2 thus has straight-away issued the back billing notice on 27.11.2020 even by mentioning the back billing amount for the period from 08.09.2017 to 24.11.2020. Clause 3.4.1 of GTCS makes it quite clear about issuing the first notice explaining about the intention of the respondents-licensee for the proposed change of Category and giving an opportunity to the consumer to file objections. Thereafter the respondents have to consider the reply, if any, of the consumer and then if necessary they have to alter the classification, even with retrospective effect and revise the bill. This procedure was not followed by the respondents in the present case. Thus there is no compliance of Clause 3.4.1 of GTCS.

WHETHER LAUNDRY ACTIVITY WAS GOING ON DURING THE PERIOD OF BACK-BILLING

18. The record discloses that initially respondent No.7 has visited the subject premises on 24.11.2020 at 3.50 PM and found that there was no industrial activity. He also found that the premises was being used for washing of clothes and laundry which comes under Commercial Category. The record also discloses that on the instructions of respondent No.4, respondent No.2 visited the subject premises on 15.03.2021 and he

submitted the report to respondent No.4 on 31.03.2021. The said report in the shape of a letter is as under:-

OUTRIERS POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

(14) ANNEXURE VI

From
The Asst Divisional Engineer
Operation-TSSPDCL,
Medchal

To
The Divisional Engineer,
Operation-TSSPDCL,
MEDCHAL,Venmalagadda.

Lr. No: ADE/OP/MDCL/ D.No: 2417 /20-21 Dt: 31-03-2021

Sir,
Sub: **Electy:-Operation Sub-division: Medchal- Re Inspection report of M/s Veera
bhadra Swamy Apparels bearing SC No.0210-05232, Cat-3A Plot No&
Sy.No.390 Gundlapochampally(Vg), Medchal(M) Medchal Town section in
Medchal sub division -Submitted -Regarding
ADE/OP/Medchal letter No.3531 for reinspection dated 02/01/2021.**

INWARD No.	20/15
DI	31/3/2021
AE/TECH	<input checked="" type="checkbox"/>
AO/ADM	<input checked="" type="checkbox"/>
EO/OP	<input checked="" type="checkbox"/>

With reference to the above, I have Inspected the consumer premises on date 15.03.2021 and observed the following in respect of the SC.No: 0210-05232, Cat-3A of of M/s.Veerabhadra Swamy Apparels, Plot.No& Sy.No:390 Gundlapochampally(Vg), Medchal(M) Medchal Town section in Medchal sub division

The load particulars are as follows:

- 1) Dying Machine or colour fixing

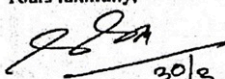
a) 7.5 HP Motor	}	11.5 HP
b) 3 HP Motor		
c) 1 HP Motor		
- 2) Squeezers - 3 HP x 2 Nos = 6HP
- 3) Driers - 3HP x 2 Nos = 6HP
- 4) Compressors - 3HP X 1 No = 3HP
- 5) Fraction HP motors 200W X 3=600W, 1HP motor
- 6) Lighting Load - 1KW

Thus the total connected load is 27.5HP and 1KW lighting load. The premises is being used previously for dying, Drying and squeezing etc., As the service is under disconnection there is no production activity and the entire premises was idle.

The present tenant M/s.Sri Balaji wash Tech claims that they occupied the premises on 29/08/2019 and the back billing since date of release of supply is not justified. The documents received from the beneficiary are herewith submitted for taking further necessary action please.

Meter Particulars:
Sl.No:647796
Type :3-Phase, Ratio:100/5A
Status:UDC/No display

Encl.: Above

Yours faithfully,

30/3
Asst.Divisional Engineer,
Operation-TSSPDCL,
Medchal

This letter makes it quite clear that respondent No.2 found machinery which can be used for the purpose of making apparels previously. Further a copy of lease deed dt.01.09.2019 was filed which shows that M/s. Sri Balaji Wash Tech took the premises of the appellant on lease w.e.f.01.09.2019. It means prior to 01.09.2019, the appellant was conducting its activity. Therefore the back billing for the entire period is also not correct.

19. As already stated, the mandatory notice as required under Clause 3.4.1 of GTCS was not issued to the appellant. Further the back billing for the entire period on the ground of laundry activity is also not correct. In view of these factors, I hold that the impugned notice dt.27.11.2020 back billing of the subject Service Connection for Rs.9,54,127/- from 08.09.2017 to 24.11.2020 is liable to be set aside and the Award of the learned Forum is also liable to be set aside. These points are accordingly decided in favour of the appellant and against the respondents.

POINT No. (iii)

20. In view of the findings on point Nos. (i) and (ii), the appeal is liable to be allowed by setting aside the back billing notice and the the impugned Award.

RESULT

21. In the result, the appeal is allowed by setting aside the impugned Award of the learned Forum consequently the back billing notice demanding back billing amount of Rs. 9,54,127/- is set aside.

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 22nd day of April 2024.

**Sd/-
Vidyut Ombudsman**

1. M/s. Veerabhadra Swamy Apparels, represented by Sri G. Raj Kumar, H.No.3-13-33, Madhura Nagar Colony, Ramanthapur, Hyderabad - 500 013. Cell: 9848219319.
2. The Assistant Engineer/Operation/Medchal Town /TSSPDCL/Medchal. (now AE/OP/Gundlapochampally)
3. The Assistant Divisional Engineer/Operation/Medchal/TSSPDCL/Medchal.
- 4 The Assistant Accounts Officer/ERO/Medchal/TSSPDCL/Medchal.
5. The Divisional Engineer/Operation/Medchal/TSSPDCL/Medchal.
6. The Superintending Engineer/Operation/Medchal Circle/TSSPDCL/Medchal.
7. The Chief General Manager/Commercial/Corporate Office/TSSPDCL/Hyderabad.
8. The Ex-Assistant Engineer/DPE/Medchal Circle/TSSPDCL/Medchal. 9440813869

Copy to

9. The Chairperson, Consumer Grievances Redressal Forum of TSSPDCL-Rural, H.No.8-03-167/14, GTS Colony, Yousufguda, Hyderabad. - 45.