



**VIDYUT 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

Monday the Ninth Day of September 2019

**Appeal No. 09 of 2019-20**

Preferred against Order dt:28.03.2019 of CGRF in  
CG No. 902/2018-19 of MBNR Circle

Between

M/s. Vijaya Textiles Limited, Sy.No.139 to 141 & 143, Rajapoor Village,  
Balanagar Mandal, Mahaboobnagar Dist. 509202. Cell: 9246193925.

... Appellant

**AND**

1. The ADE/OP/Rajapur/TSSPDCL/Mahaboobnagar Dist.
2. The SAO/OP/Mahaboobnagar/TSSPDCL/Mahaboobnagar Dist.
3. The DE/OP/Jadcherla/TSSPDCL/Mahabubnagar Dist.
4. The SE/OP/Mahaboobnagar Circle/TSSPDCL/Mahaboobnagar Dist.
5. The CGM(Commercial)/Corp.Office/TSSPDCL/Hyderabad.

... Respondents

The above appeal filed on 14.05.2019, coming up for final hearing before the Vidyut Ombudsman, Telangana State on 09.07.2019 at Hyderabad in the presence of Sri. Mukesh Gundu - On behalf of the Appellant Company and Sri. B.Sammaiah - SAO/OP/MBNR for the Respondents and having considered the record and submissions of both parties, the Vidyut Ombudsman passed the following;

**AWARD**

This is an Appeal against the orders of the CGRF/Mahabubnagar vide CG No. 902/2018-19 dt. 28.03.2019.

2. The Appellant contended that he sought for deration of the CMD from 1060 KVA to 800 KVA on their service connection bearing No. HT SC No. MBN 688 and the Respondents complied with the said request but started billing from 11 KV instead of 33 KV and thus imposing heavy amounts on their service connection. Hence, they sought for the changing of the billing to their HT connection from 11 KV to the original 33 KV, but the Respondents did not respond. As such they have approached the CGRF but the learned CGRF failed to appreciate their pleadings and disposed the matter. As such aggrieved by the same the present appeal is filed.

3. The Appellant contended that it is functioning under the name and style of M/s. Vijaya Textiles Ltd., and as such HT service connection has been allotted to it vide HT SC No. MBN 688 and that originally their service connection was released in 2007 with 33 KV line with initial CMD of 600 KVA and later the same has been enhanced to 1060 KVA on their request and the billing was done under 33 KV but due to the recession in the market demand for their products they wanted to reduce the costs of their products, hence requested TSSPDCL for deration/reduction of the CMD from 1060 KVA to 800 KVA in the month of October'2018 and the Respondents complied with the said request and derated their CMD from 1060 KVA to 800 KVA but to their surprise the Respondents started billing from 11 KV instead of 33 KV. As such they are facing a lot of additional financial burden resulting in excess bills after deration due to the 11 KV billing system. Hence they approached the Respondents and the CGRF but since they did not get any relief they have filed the present appeal seeking for change in the billing system from 11 KV to 33 KV.

4. They contended that they are not in a position to run their factory due to the unjustified extra electricity bill, heavy competition in the market and labour problems and as such to overcome the said problem they are requesting the Respondents to change the billing system from 11 KV to 33 KV for their service connection bearing No. SC MBN 688 and also pointed out that if their request is not considered their factory will go into bankruptcy and hundreds of employees will have to come on to the road. Hence prayed that the billing system of their unit be changed from 11 KV to 33 KV at the earliest.

5. The Respondents on the other hand submitted through their written submissions vide Lr.No.SE/P/MBNR/SAO/AAO/JAO/HT/D.No.217/19 dt.07.06.2019 stating as follows:-

That the HT consumer with SC No. MBN 688 of M/s. Vijay Textiles Limited, Rajapur(V) has registered in CSC vide registration No.HT468321245 Dt. 01.11.2018 for deration of CMD from 1060 KVA to 800 KVA.

The consumer was accorded sanction for deration of CMD from 1060 KVA to 800 KVA subject to the following:-

- a. The consumer has to bear 100% estimate cost towards deration of above CMD.
- b. If the consumer want restoration of derated CMD in future, the consumer has to pay the 100% cost of metering arrangements and security deposit as applicable.
- c. The billing shall be done at 11 KV level until the CMD restores to 1501 KVA.
- d. An undertaking has to be submitted in Rs 100/- non judicial stamp paper for accepting for billing at 11 KV level.

The consumer has entered into fresh agreement for derated CMD of 800 KVA at 11 KV along with undertaking duly furnishing consent to the above mentioned conditions laid in sanction of deration.

Further stated that Clause 1.2.1 of Terms and Conditions of HT supply reads as follows:-

The voltage at which supply has to be availed by

- i. HT consumer seeking to avail supply on common feeders shall be for total contracted demand with the licensee and all other sources.

Contracted Demand	Voltage Level
Upto 1500KVA	11KV
1501 KVA to 5000 KVA	33KV
Above 5000 KVA	132 KV or 220 KV as decided by the Licensee

ii. HT consumer seeking to avail supply from independent feeders from the sub stations which transformation to required voltage takes place shall.

Contracted Demand	Voltage Level
Upto 2500KVA	11KV
2501 KVA to 10,000 KVA	33KV
Above 10,000 KVA	132 KV or 220 KV as decided by the Licensee

The relaxations are subject to the fulfilment of the following conditions:-

- a. The consumer should have an exclusive dedicated feeder from the substation where the transformation to required voltage takes place
- b. The consumer shall pay the full cost of the service line including take off arrangement at the substation.

As per the sanction and agreement load was derated from 1060 KVA to 800 KVA by changing the level of voltage from 33 KV to 11 KV for billing w.e.f 01.12.2018 for billing.

6. The Appellants submitted their rejoinder on 27.06.2019 stating that they have paid huge amounts to avail supply under 33 KV voltage level and we obtained special permission from the Director APCPDCL in the year 2007 itself and abrupt change of billing system from 33 KV to 11 KV add up huge burden on our balance sheet and which is not feasible and viable for our company and our company is already under ocean of problems and it is also against the Regulations of TSERC. That the TSERC has already directed to bill the services according to their voltage of availment.

In this connection we once again submit that we are not accepting the letter communicated by the SAO/OP/Mhabubnagar and humbly request you once again to give required orders to change our billing system from 11 KV system to 33 KV system at the earliest please.

**Heard both sides.**

#### **Issues**

7. In the face of the said contentions by both sides the following issues are framed:-

1. Whether the Appellants having sought deration of their HT service connection No. MBN 688 from 1060 KVA to 800 KVA are entitled for changing the billing system from 11 KV to 33 KV as prayed for ? and
2. To what relief?

#### **Issue No.1**

8. Admittedly the Appellant i.e. M/s. Vijaya Textiles Ltd., is having HT service connection No. MBN 688 and is a textile unit manufacturing various types of furnishings suitable for domestic, commercial and industrial purposes and that they have been specially accorded sanction towards conversion of HT load from 11 KV to 33 KV with 600 KVA CMD in the year 2007 and later the same has been enhanced to 1060 KVA on different occasions on the request of the Appellants.

9. A perusal of Clause 7.118 of the Tariff Orders pertaining to FY 2018-19 shows that it mandates the level of voltage at which the supply has to be availed as follows:-

- i. HT consumer seeking to avail supply on common feeders shall be for total contracted demand with the licensee and all other sources.

Contracted Demand	Voltage Level
Upto 1500KVA	11KV
1501 KVA to 5000 KVA	33KV
Above 5000 KVA	132 KV or 220 KV as decided by the Licensee

ii. HT consumer seeking to avail supply from independent feeders from the sub stations which transformation to required voltage takes place shall.

Contracted Demand	Voltage Level
Upto 2500KVA	11KV
2501 KVA to 10,000 KVA	33KV
Above 10,000 KVA	132 KV or 220 KV as decided by the Licensee

The relaxations are subject to the fulfilment of the following conditions:-

- a. The consumer should have an exclusive dedicated feeder from the substation where the transformation to required voltage takes place
- b. The consumer shall pay the full cost of the service line including take off arrangement at the substation.

As per the above clause, In terms of common feeders for total CMD with the Licensee and all other sources, upto 1500 KVA contracted demand level of supply should be at 11 KV and from 1501 KVA to 5000 KVA at 33 KV. The above given conditions of availing supply at different voltages according to the Contracted demand remained the same during the release of supply of the Appellant's HT service connection i.e, 2007 and thereafter. The Appellant got approval for availing 600 KVA CMD under 33 KV level of supply instead of 11KV level of supply, which is against the conditions stipulated as stated above.

10. In view of the recession in the market consequently the demand for their products fell and in view of the cost reduction they have requested the TSSPDCL for deration of CMD from 1060 KVA to 800 KVA in the month of Oct'2018. They have registered their application vide registration No. HT: 46821245 dt.01.11.2018. Subsequently based on the request of the Appellant, the CGM/Commercial vide Lr.No. 1986 dt.19.11.2018 accorded the approval for

deration of CMD from 1060 KVA to 800 KVA w.e.f 01.12.2018 or from the date of agreement for the revised CMD of 800 KVA whichever is later, but with certain conditions stated below:-

- a. The consumer has to bear 100% estimate cost towards deration of above CMD.*
- b. If the consumer want restoration of derated CMD in future, the consumer has to pay the 100% cost of metering arrangements and security deposit as applicable.*
- c. The billing shall be done at 11 KV level until the CMD restores to 1501 KVA.*
- d. An undertaking has to be submitted in Rs 100/- non judicial stamp paper for accepting for billing at 11 KV level.*

*The consumer has to entered into fresh agreement for derated CMD of 800 KVA at 11 KV along with undertaking duly furnishing consent to the above mentioned conditions laid in sanction of deration.*

The Appellant complied with the above given conditions and concluded agreement for load deration from 1060 KVA to 800 KVA under HT Category I at 11KV on dt.20.11.2018 and agreed with the crucial condition for billing of the service at 11 KV tariffs instead of existing 33KV tariffs until the CMD restores to 1501 KVA by submitting an undertaking on the Rs 100/- Non Judicial Stamp Paper dt.20.11.2018 agreeing to the conditions stated supra at sl no. a to d.

Now, the Appellant filed an appeal that they are surprised on change in billing from 33 KV tariff to 11KV tariff, even though they are availing supply under 33 KV level. That they are facing lot of financial crisis, that the change in billing from 33 KV to 11 KV costs higher which will lead to bankruptcy and loss of employment of hundreds of workers. Hence requested to change the billing from 11 KV to 33 KV tariff liable as per the provisions of the TSERC.

11. The Respondent No.2, SAO/OP/Mahabubnagar, vide Lr.No.217 dt.07.06.2019, submitted that on the request of the Appellant deration of CMD from 1060 KVA to 800 KVA was accorded subject to certain conditions. That the Appellant has entered into a fresh agreement of derated CMD of 800 KVA at 11 KV along with the undertaking duly furnishing the consent of the conditions stated at Para 5(a) to 5(d) above. Further relied on the Clause 1.2.1 Terms and Conditions of HT supply of the Tariff Orders.

12. The Appellant vide rejoinder dt.24.06.2019, reiterated that they have paid huge amounts to avail 33 KV voltage level with special permission from the Director erstwhile APCPDCL in the year 2007. The abrupt change of billing system from 33 KV to 11KV add up huge burden on their balance sheet which is not feasible and viable for their company as they are already under an ocean of problems. That change of billing system from 33 KV to 11 KV is against the Regulations of the TSERC and the TSERC has already directed to bill the services according to their voltage of availing supply. They enclosed the Vidyut Ombudsman's orders in Appeal no 8 of 2018, M/s. Binjusaria Sponge & Power Pvt. Ltd., on the same subject in support of their claim.

13. DISCOM accorded approval for deration of CMD from 1060KVA to 800KVA with a crucial condition of imposing billing under 11KV tariffs, the Appellant has shown willingness for billing under 11 KV supply and submitted undertaking to that effect on Rs 100/- Non Judicial Stamp Paper dt.20.11.2018. But now they are pleading their innocence on the consent given for 11KV tariff billing and claiming that it is against the provisions of the TSERC.

As per the Tariff Orders the rate of energy charges for 11 KV supply under HT 1A Industry Category is Rs 6.65 per KVAH and for 33 KV supply is Rs 6.15 per KVAH and demand charges remains the same for any level of voltage supply i.e. Rs 3.90 per KVA per month. The rates of energy charges are higher under 11 KV supply than 33 KV supply.



14. The Hon'ble Commission from time to time issued yearly Tariff Orders, the relevant portion Clause 6- HT Supply-General conditions of the Tariff Order FY 2015-16 is reproduced here as follows:-

Voltage of Supply	Demand Charges Rs/kVA/ month of Billing Demand	Energy Charges Rs /kWh
Sircilla	Nil	0.91

1. Resco, being a Licensee, shall, as far as possible maintain a power factor of +/-0.95 at its drawal points.
2. No penal charges shall be made applicable.
3. Customer charge is not applicable.

**6 H.T. SUPPLY- GENERAL CONDITIONS:**

(1) Fuel Surcharge Adjustment (FSA) is applicable in accordance with the provisions of the Electricity Act, 2003.

(2) The tariffs are exclusive of Electricity duty payable as per the provisions of AP Electricity Duty Act

(3) Voltage of Supply

The voltage at which supply has to be availed by:

(i). HT consumers, seeking to avail supply on common feeders shall be:  
For Total Contracted Demand with the Licensee and all other sources.

Upto 1500 kVA	11 kV
1501 kVA to 5000kVA	33 kV
Above 5000 kVA	132 kV or 220 kV as may be decided by Licensee

(ii). HT Consumers seeking to avail supply through independent feeders from the substations where transformation to required voltage takes place shall be:

For total contracted Demand with the licensees and all other sources.

Upto 2500 kVA	11 kV
2501 kVA to 10,000 kVA	33 kV
Above 10000 kVA	132 kV or 220 kV as may be decided by Licensee

The relaxations are subject to the fulfillment of following conditions:

- i. The consumer should have an exclusive dedicated feeder from the substation where transformation to required voltage takes place.
- ii. The consumer shall pay full cost of the service line including take off arrangements at substation;
- iii. In case of HT – I, HT – II and HT – III consumer categories, for whom the voltage wise tariff is applicable, the Licensee shall levy the tariff as per the actual supply voltage.

#### (4). Voltage Surcharge

H.T. consumers who are now getting supply at voltage different from the declared voltages and who want to continue taking supply at the same voltage will be charged as per the rates indicated below:

Sl. No	Contracted Demand with Licensee and other sources (in kVA)	Voltage at which Supply should be availed (in kV)	Voltage at which consumer is availing supply (in kV)	Rates % extra over the normal rates	
				Demand Charges	Energy Charges
(A) For HT Consumers availing supply through common feeders					
1.	1501 to 5000	33	11	12%	10%
2.	Above 5000	132 or 220	66 or Below	12%	10%
(B) For HT Consumers availing supply through independent feeders					
1	2501 to 10000	33	11	12%	10%
2	Above 10000	132 or 220	66 or Below	12%	10%

#### NOTE:

In case of consumers who are having supply arrangements from one or more than one sources, the RMD or CMD with the Licensee and other sources, whichever is higher, shall be the basis for levying voltage surcharge.

#### (5). MAXIMUM DEMAND

As per the above given condition at Clause 6- HT Supply-General conditions under sub-clause 3 (iii), there is a mandatory provision for the consumers, who fall under the categories of HT-I, HT-II & HT-III, for whom the voltage wise tariff is applicable,

that the levy of tariff shall be as per the actual supply of voltage. But it is to be noted that this provision was omitted from the subsequent tariff orders i.e, from the year 2016-17. The orders of the Vidyut Ombudsman in Appeal no 8 of 2018, M/s. Binjusaria Sponge & Power Pvt. Ltd. placed as a reference in support of their claim by the Appellant, speaks with regard to the similar situation where, in the similar way the Appellant in that case given undertaking/consent in the year 2013 for the 11KV tariff billing though availing supply at 33KV level. In that case this authority admitted that the *undertaking duly furnishing consent* to levy 11KV tariffs does not holds good as per the provisions of the tariff orders, that levy of tariff shall be as per the actual supply of voltage and directed the respondents to bill the service as per the actual Voltage level of supply i,e. 33KV. It is pertinent to note that then the stipulated condition as at Clause 3(iii) of the H.T. Supply General Conditions was in force. In the present case, the applicable Tariff Order FY 2018-19 does not enforce the Clause 3(iii) under H.T. Supply General Conditions. In the absence of such condition in the Tariff Orders the request of the Appellant to apply the 33KV tariff rates is not tenable and the Appellant is found binding to the *undertaking furnishing consent* contemplating the billing under 11KV Tariffs, even though the actual supply level is under 33KV. Hence concludes that the Appellant is liable for billing under 11 KV as has been done by the Respondents. Hence decides this issue against the Appellant.

Issue No.2

15. In the result the Appeal is dismissed.

TYPED BY Office Executive cum Computer Operator, Corrected, Signed and Pronounced by me on this the 09th day of September, 2019.

Sd/-  
**Vidyut Ombudsman**

1. M/s. Vijaya Textiles Limited, Sy.No.139 to 141 & 143, Rajapoor Village, Balanagar Mandal, Mahaboobnagar Dist. 509202.  
Cell: 9246193925.
2. The ADE/OP/Rajapur/TSSPDCL/Mahaboobnagar Dist.
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5. The SE/OP/Mahaboobnagar Circle/TSSPDCL/Mahaboobnagar Dist.
6. The CGM(Commercial)/Corp.Office/TSSPDCL/Hyderabad.

**Copy to :**

7. The Chairperson, CGRF-I,TSSPDCL,GTS Colony, Vengal Rao Nagar, Hyderabad.
8. The Secretary, TSERC, 5<sup>th</sup> Floor Singareni Bhavan, Red Hills, Lakdikapul,Hyd.