



BEFORE THE VIDYUT OMBUDSMAN FOR THE STATE OF TELANGANA

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

**PRESENT : SRI MOHAMMAD NIZAMUDDIN
VIDYUT OMBUDSMAN**

SATURDAY THE SIXTEENTH DAY OF JULY
TWO THOUSAND AND TWENTY TWO

Appeal No. 18 of 2020-21

Between

M/s. Vanaja Electrical Appliances Pvt. Ltd., represented by Sri M. Prabhakar Rao, Plot No.35/A, Phase-I, IDA Jeedimetla, Hyderabad - 500 055. Cell: 7032655363.

.....Appellant

AND

1. The Assistant Engineer / Operation / Jeedimetla(IDA) / TSSPDCL / Medchal- Malkajgiri District.
2. The Assistant Divisional Engineer / Operation / Jeedimetla / TSSPDCL / Medchal - Malkajgiri District.
3. The Assistant Accounts Officer / ERO / Jeedimetla / TSSPDCL / Medchal - Malkajgiri District.
4. The Divisional Engineer / Operation / Jeedimetla / TSSPDCL / Medchal - Malkajgiri District.
5. The Superintending Engineer / Operation / Medchal Circle / TSSPDCL / Medchal - Malkajgiri District.

... Respondents

This appeal is coming on before me for final hearing 11.07.2022 in the presence of Sri M. Prabhakar Rao - representing the Appellant and Sri B. Sakhru - AAO/ERO/Jeedimetla, Sri Ch. M.V.Mithilesh Verma - AE/OP/Jeedimetla (IDA), Sri M. Balakrishna - ADE/OP/Jeedimetla and Sri Y Narasimha Reddy - DE/OP/Jeedimetla and having stood over for consideration till this day, the Vidyut Ombudsman passed the following:-

AWARD

This Appeal is preferred aggrieved by the Award passed by the Consumer Grievances Redressal Forum of Telangana State Southern Power Distribution Company Limited (Greater Hyderabad Area), Hyderabad - 45 (in short 'the Forum') in C.G.No.33/2020-21/Medchal Circle dt.30.09.2020.

2. In the complaint filed by the appellant herein before the Forum against the respondents and in different representations made, it is, inter-alia, submitted that the unit of the appellant is a small-scale industry situated at Plot No. 35/A, Phase 1, IDA Jeedimetla, Hyderabad, with Service Connection No. 0132 01525. Their unit was declared sick and classified as a Non Performing Asset. The contracted load of the power sanctioned by the licensee was 74 HP. The said unit was inspected by the officials of the licensee on 28.05.2011 and observed that the connected load to the unit of the appellant was 144 HP against a sanctioned contracted load of 74 HP. The inspecting officials have taken the scrap machines required for raw material purposes into account to arrive at the connected load instead of those only connected to operate the unit. The licensee has issued a show cause notice dt.01.06.2011 demanding an amount of Rs 1,40,000/- (Rs 1,05,000/- towards development charges and Rs 35,000/- towards security deposit) within a period of 30 days, else the power will be disconnected.

3. On 03.08.2011 and 10.08.2011, an amount of Rs 1,40,000/- was paid under protest apprehending disconnection of the power. After paying the amount under protest, the appellant requested the licensee to refund the

amount paid as the appellant has not used that much power as found out by the inspecting officials. The (18) monthly power usage was below 74 HP. A request was made to adjust the amount of Rs 1,40,000/- against the monthly bills. Unfortunately, the licensee did not respond even though their assessment was wrong and erroneous.

4. The contracted load of 74 HP and the connected load for the respective months are as under:-

SL.No.	Bill Date	Connected load utilized (HP)	RMD (KVA)
1.	03.10.2012	19.11	14.40
2.	06.11.2012	52.28	39.80
3.	04.12.2012	46.64	35.50
4.	03.01.2013	40.21	30.30
5.	02.02.2013	55.31	42.10
6.	09.03.2013	52.15	39.70
7.	06.04.2013	58.51	45.00
8.	07.05.2013	34.01	34.70
9.	05.06.2013	45.71	34.10
10.	03.07.2013	44.64	33.30
11.	08.08.2013	43.16	32.29
12.	11.09.2013	36.06	26.90
13.	08.10.2013	17.69	13.20
14.	06.11.2013	12.87	9.66
15.	08.12.2013	14.48	11.10
16.	07.01.2014	14.34	10.70
17.	08.02.2014	19.97	14.90
18.	06.03.2014	13.54	10.10

5. Finally a reinspection of the unit was done on 26.04.2014. The said report stated that the connected load found during the inspection was 49.50 HP.

6. However, as a part of rectification of the erroneous action, the licensee has adjusted the security deposit of Rs 35,000/- with interest, towards future bills.

7. The interest part on the amount of Rs 1,05,000/-(paid towards development charges) since 2011 works out to Rs 9,64,736/-. The damage occurred due to the loss of the business due to stringent funds flow. Therefore it is requested to pass necessary order/instructions for payment of Rs 10.00 cr and Rs 9.64 lakhs totalling to Rs 10,09,64,736/- to provide succor to the appellant in these times of grave financial difficulties by way of compensation.

CASE OF THE RESPONDENTS

8. Respondent No.3 submitted his written submissions on behalf of the other respondents also stating that a case was booked against the Service Connection No. 0132 01525 of the appellant for unauthorized utilization of additional load. A provisional assessment order was issued for payment of development charges and security deposit for an amount of Rs 1,40,000/- for regularization of load from 74 HP to 144 HP. The appellant paid the amount in 2011, but the load was not regularized after payment. Vide order No. DE/OP/Div/JDML/Tech/DAT583, D.No.2439/19 dt.08.11.2019 the Final Assessment Order was issued by respondent No.4 after reinspection, revising the additional load of 0 HP over the contracted load of 74 HP. The respondents

opposed the claim of the appellant on the ground that the development charges cannot be reopened.

9. After considering the material on record and after hearing both sides, the Forum has rejected the claim of the appellant herein.

ARGUMENTS OF THE APPELLANT

10. Aggrieved by the said award, the present appeal was preferred, contending among other things, that the appellant has not exceeded the contracted load of 74 HP and as such it is entitled to refund the development charges of Rs 1,05,000/- with interest which will work out to Rs 9,64,376/- and it is also entitled to Rs 10 crores as compensation.

ARGUMENTS OF THE RESPONDENTS

11. On the other hand, it is submitted by the respondents that the appellant is not entitled for refund of development charges as per Clause 5.3.3.1 of General Terms and Conditions of Supply (in short 'GTCS'). The amounts payable by the consumer towards development charges of new connection / additional load under Low Tension (LT) and High Tension (HT) categories shall be at the rates notified by the Company with the approval of the Commission from time to time. Hence it is prayed to dismiss the appeal.

POINTS

12. The points that arise for consideration are :-
- i) Whether the appellant is entitled for refund of the amount of Rs 1,05,000/- deposited by it with the licensee towards development charges, with interest?
 - ii) Whether the Award passed by the Forum is liable to be set aside? and
 - iii) To what relief?

SETTLEMENT BY MUTUAL AGREEMENT

13. Both the parties appeared before this authority on 11.07.2022. 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

14. Since I took charge as Vidyut Ombudsman on 01.07.2022 and since there was no regular Vidyut Ombudsman earlier, the appeal was not disposed of within the prescribed period.

POINTS (i) & (ii)

ADMITTED FACTS

15. The appellant is a consumer of the licensee with S.C. No. 013201525 situated at Jeedimetla, Hyderabad, manufacturing Iron castings. The contracted load of the appellant is 74 HP. The unit of the appellant was inspected by the officials of the licensee initially on 28.05.2011 who found that the connected load was 144 HP. The appellant paid a sum of Rs 1,40,000/- (Rs 1,05,000/- towards development charges and Rs 35,000/- towards security deposit) as demanded by the licensee. Re-inspection of the appellant unit was conducted by the respondents on 26.04.2014 who found that the connected load was 49.50 HP only. It is also not disputed that the amount of Rs 35,000/-, security deposit with interest was adjusted in the electricity bills of the appellant already. Final Assessment Order was also passed agreeing with the claim of the appellant that the connected load is below 74 HP.

CRUX OF THE MATTER

16. According to the appellant, since the inspecting officials in the first inspection took the scrap machines required for raw material purpose into account to arrive at the connected load instead of those only connected to operate the unit, the connected load was 144 HP. In this case, the Final Assessment Order was passed by respondent No.4 on 08.11.2019, based on the re-inspection conducted by respondent No.2 and, confirming the claim of the appellant that the appellant has not exceeded the contracted load of 74 HP. These factors only show that the appellant was using the contracted load upto 74 HP only.

17. As far as the security deposit is concerned, the claim was already settled.

18. The present claim is in respect of development charges of Rs 1,05,000/- with interest. The Forum has rejected the claim of the appellant on the ground that the development charges are not refundable. Now it is necessary to refer to Clause 5.3.3.1 of the GTCS which reads as under:-

“The amounts payable by the consumer towards development charges of new connection/additional load under LT and HT Categories shall be at the rates notified by the Company with the approval of the Commission from time to time. The consumer shall pay these charges in advance, failing which the works for extension of supply shall not be taken up. These charges are non refundable.”

The above Clause makes it clear that in all cases, the development charges are not refundable.

19. In the present case there is no fault on the part of the appellant and the appellant has not exceeded the contracted load of 74 HP. At this stage it is necessary to refer to the proviso to Clause 5.3.3.1 which reads as under:-

Provided that where any applicant withdraws his requisition before the Company takes up the works of the sanctioned scheme, the Company may refund the development charges paid by him without any interest. However where the service line charges are not sufficient to cover the 10% of the cost of the sanctioned scheme, mentioned in clause 5.3.2.1 above, the balance amount of 10% of the cost of the sanctioned scheme shall be deducted from the development charges paid by him.
(emphasis is mine)

The above proviso makes it quite clear that whenever the applicant (consumer) withdraws his requisition before the Company (licensee) takes up the works of the sanctioned scheme, the Company may refund the development charges. Thus it is manifest that even development charges can be refunded under certain circumstances. In the instant case the appellant paid the development charges of Rs 1,05,000/- initially apart from security deposit. That amount was paid basing on the first inspection report on the ground that the appellant consumed excess load of 144 HP exceeding contracted load of 74 HP. During the re-inspection it was found that the appellant's connected load was below 74 HP i.e. 49.5 HP and a Final Assessment Order was also passed. These factors only show that the appellant was demanded to pay the development charges, though the connected load is not excess than 74 HP. Therefore the appellant is entitled for the refund of development charges. But the proviso to the Clause 5.3.3.1 does not permit to pay interest on development charges. Hence, the appellant is entitled for refund of development charges but without interest. These points are accordingly decided partly in favour of the appellant

and partly in favour of the respondents and the Award passed by the Forum is liable to be set aside.

Point No.(iii). In view of the findings on point Nos.(i) & (ii), the appeal is liable to be allowed in part.

RESULT

20. In the result, the appeal is allowed, without costs. The Award of the Forum is set aside. The appellant is entitled for refund of development charges of Rs 1,05,000/-,but without interest. The licensee is directed to adjust the development charges of Rs 1,05,000/- refundable to the appellant in future electricity consumption bills of the appellant and report compliance within (15) days from the date of receipt of copy of this Award.

Typed to dictation by Office Executive-cum-Computer Operator, corrected and pronounced by me on this the 16th day of July 2022.

Sd/-

Vidyut Ombudsman

1. M/s. Vanaja Electrical Appliances Pvt. Ltd., represented by Sri M. Prabhakar Rao, Plot No.35/A, Phase-I, IDA Jeedimetla, Hyderabad - 500 055.
Cell: 7032655363.
2. The Assistant Engineer / Operation / Jeedimetla(IDA) / TSSPDCL / Medchal - Malkajgiri District.
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Copy to :

7. The Chairperson, Consumer Grievances Redressal Forum -Greater Hyderabad Area, TSSPDCL, GTS Colony, Vengal Rao Nagar, Hyderabad.

APPEAL NO. 18 OF 2020-21