



**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**

Monday, the Fourth Day of September 2017

Appeal No. 21 of 2017

Preferred against Order Dt.26.05.2017 of CGRF In

C.G.No.931/2016-17 of Ranga Reddy North Circle

Between

Sri. G. Ravinder Reddy, Flat No. 201, Vishal Towers, Western Hills, Street No.11,  
Addagutta Road, Pragathi Nagar, Kukatpally, RR District - 500 085.  
Cell : 9963993008, 9908955911 & 040-23891911.

**... Appellant**

**AND**

1. The ADE/OP/Jeedimetla/TSSPDCL/RR District.
2. The AAO/ERO/Jeedimetla/TSSPDCL/RR District.
3. The DE/OP/Kukatpally/TSSPDCL/ RR District.
4. The SE/OP/RR North Circle/TSSPDCL/RR District.

**... Respondents**

The above appeal filed on 30.05.2017, coming up for final hearing before the Vidyut Ombudsman, Telangana State on 26.07.2017 at Hyderabad in the presence of Smt. Amruthavalli on behalf of the Appellant and Sri. M. Sairam - AAO/ERO/Jeedimetla, B. Pavitra - AE/OP/Pragathi Nagar, Sri. K. Suresh - DE/DPE/R.R(North) for the Respondents and having considered the record and submissions of both the parties, the Vidyut Ombudsman passed the following;

**AWARD**

The Appellant is a tenant of the premises in which he secured SC No. 01500 00981 with a load of 5 KW. Later he got the load enhanced to 30 KW Category - II to start a washing unit. He paid the required amount for the load including for transformer and meter. He alleged that he received a demand notice dt.2.2.2016 for Rs 9,26,759/- towards back billing issued by the 1st Respondent stated to be due to short meter reading as the meter reader has not taken the reading and the meter suffered no display. The missing units were calculated at 94,008 units and at Rs 10/- per unit, a Provisional Assessment Order was issued by the 1st Respondent. The Appellant has not

paid the demanded amount within 15 days. He has not filed any objection for the Assessment Order and therefore, the 3rd Respondent/DE/OP/Kukatpally has passed a Final Assessment Order dt.23.1.2017 confirming the demanded amount Rs 9,26,759/- directing the Appellant to pay the amount within 30 days with a threat of disconnection if not paid. The Appellant preferred an Appeal before the 4th Respondent/SE/OP/RR North Circle who by an order dt.10.03.2017 has passed an order reducing the short billing amount by Rs 2,38,879/- for an amount of Rs 6,87,880/-. After deducting an amount of Rs 4,63,500 and an amount of Rs 46,156/- which were already paid by the Appellant, he directed the Appellant to pay the balance amount of Rs 1,78,224/-.

2. The Appellant further alleged that the meter reader took the reading for the first three months after installation, has not visited the consumer premises again and has not issued any bills except the bills for the months of June, 2015 for an amount of Rs 1,985/-, for July,2015 for an amount of Rs 6,438/- and for August,2015 for an amount of Rs 1,880/-. The Appellant claimed that though the bills were not being issued regularly, he has been paying the bills on online billing information. He claimed that on 17.11.2016, the concerned AE visited the consumer premises and told him that the meter was faulty, disconnected the service and took away the meter for testing. He claimed that the meter was tested without giving him any notice. He gathered that the meter was struck up from day one and claimed that the concerned AE would have discovered from day one that the meter was faulty, had he discharged his duties diligently.

3. On consideration of the material on record and after noting the dissenting note of independent member's view that i) For a period of 17 months no one has taken up the reading of the meter. ii) The Appellant sought additional load of 25 KVA in May,2015. iii) A new meter has been changed in June,2015. iv) The service was in status '03' disconnection from August,2015 to August,2016. v) In Nov,2016 a new meter was fixed and old one was removed. vi) The Appellant was not present at the time of removing old meter and fixing of new meter. vii) The Appellant was not informed about the old meter testing lab. viii) The DISCOM did not serve the lab testing report on the Appellant and ix) the back billing was not done as per GTCS rules, CGRF has upheld the Final Assessment Order passed by the 4<sup>th</sup> Respondent/SE/OP/RR North Circle with a direction to the DISCOM to collect the balance amount of Rs 1,78,224/-, through the impugned orders.

4. Aggrieved and not satisfied with the impugned orders, the Appellant preferred the present appeal on the ground that the meter from the date of installation

was defective, that he was not given notice when the meter was tested, the concerned AE without checking the meter reading, has recorded fictitious reading for about 17 months, the service was in Status 03 (Disconnection) from August,2015 to October,2016, a new meter was fixed only in November,2016 the machinery for laundry service was purchased with I machine on 17.6.2015, II machine on 7.11.2015 and III machine on 15.12.2015 and the work commenced from June,2016 onwards and that the back billing was not done as per GTCS rules.

5. The 1<sup>st</sup> Respondent/AE/OP/Jeedimetla filed a report dt.8.5.2017 in the Appeal stating that a) from June,2015 to May,2016 the service was billed under status 3 (UDC) and from June,2016 to September,2016 under status 9 (Nil Consumption), b) The AE/OP noticed that the meter had no display and the service was not being billed properly. The DE/R3 inspected the service and back billed the service for Rs 9,26,759/- with 94,008 units c) A Final Assessment Order dt.10.3.2017 has been passed and d) The Appellant has paid Rs 4,63,500/- through a Demand Draft and Rs 49,770/- by way of online transfer. The 1st Respondent gave the names officers of the DISCOM who were responsible for recording of consumption right from 2.4.2015 up to date as directed.

6. In the Appeal, the 2nd Respondent AAO submitted a reply dt.6.6.2017 stating that the meter had 'No Display' and was referred to MRT testing lab and to the HPL Company, which restored the display with display parameters as KWH = 13020.4 units KVAH = 14237.7 units MD = 29.1 KW dt.3.9.2015. As per the MRI data, he stated that the meter recorded consumption upto 27.9.2015 and later it ceased to record the consumption due to internal defect, leading to a presumption that a) the meter reader, without going to the service, had deliberately noted assumed reading every month, while the meter was on '03' status, leading to accumulation of reading in the meter with KWH 14237.7, KVAH 14237.7 Upto 27.9.2015, with a proposal to back bill the service b) The 2nd Respondent claimed that the meter has accumulated reading of 13,647 units upto 27.9.2015 for the period from 28.9.2015 to 18.11.2016 (during which the meter had not recorded the consumption in spite of utilisation of supply due to internal defect of the meter) with back billed 80360 units, c) the total 94,008 units were assessed showing the loss to the DISCOM as Rs 9,26,759/- for the period from 1.6.2015 to 17.11.2016 supporting the issue of Final Assessment Order passed by the 4th Respondent/SE/OP.

7. The AE/OP/Pragathi Nagar submitted a test report of CT meter dt.18.7.2017 showing the following:

Voltage in the meter	: No display
Current in the meter	: No Display
KWH	: No Display
KVAH	: No Display

when the meter was tested on 18.11.2016 after DPE inspection found that meter display is disturbed. He stated that the defective meter was replaced with a new one, while writing down a report dt. 1.12.2016. He further stated that meter was sent to HPL company for MRI data and the extracted data revealed the final reading as on 27.9.2015 KWH : 13020.4 and KVAH: 14237.7. He requested to back bill the consumer for shortfall units on average basis and filed the test report and MRI data.

8. The efforts at mediation failed and therefore, the matter is being disposed of on merits.

9. On the basis of the material on record, the following issues arise for determination:

1. Whether the DISCOM is entitled to issue back billing notice in the present case and if so, for what amount?
2. Whether there is negligence on the part of the officials of the DISCOM in not testing the CT meter when it was installed in the premises of the consumer and later for not recording the consumption which would have revealed the defect in the meter in time?
3. Whether the impugned orders are liable to be set aside?

**Arguments heard.**

**Issues 1 to 3**

10. The DE/DPE/RR North has inspected the service on 17.11.2016 at the instance of the AE/OP/Pragathi Nagar and ADE/OP/Jeedimetla, and noticed No Display and recording and proposed back billing, in view of defective meter and wrong billing and assessed the loss at Rs 9,26,759/- for the period from 1.06.2015 to 17.11.2016. The assessment was proposed in two parts:

- i) The first part with accumulated consumption of units 13647 units (as per the actual recorded consumption in the meter) for the period from 01.06.2015 to 28.09.2015 from the data retrieved through MRI.

Final reading as per billing record Kvah = 590  
 Final reading of old meter as per MRI report Kvah = 14237.7  
 Difference of units back billied =  $14237.7 - 590$  = 13647.7 Units.  
 Assessed amount during = 13648 Units X Rs 9.70 = Rs 1,32,386/-

ii) During the period from 28.09.2015 to 18.11.2016, there was no display and the data of the meter for this period could not be retrieved due to non-recording in the meter. The assessment was made by taking average units based on the units recorded in the healthy meter and the month wise consumption taken for billing during the above period by also taking into consideration the summer holidays and the festival vacation as per the consumer statement as follows:-

Meter replaced on 18.11.2016 with initial reading = 22

Reading on 22.11.2016 = 1165 i.e three days consumption

Average units per day =  $1165 / 3 = 280$

Average consumption per month = 280 Units x 30 Days = 8400 Units

Oct 2015 - 840 Units (Due to Dussera vacation)

Nov 2015 - 8400 Units

Dec 2015 - 8400 Units

Jan 2016 - 8400 Units

Feb 2016 - 8400 Units

Mar 2016 - 8400 Units

Apr 2016 - 4200 Units (Summer vacation)

May 2016 - 840 Units (Summer Holidays)

June 2016 - 840 Units (Summer Holidays)

October, 2015 to June 2016 Units = 48720 + 840 (Defective period units) =

49560 Units

= 49560 Units X Rs 9.70 = Rs 4,80,732/-

July 2016 = 8400 Units

Aug 2016 = 8400 Units

Sep 2016 = 8400 Units

Oct, 2016 = 8400 Units

July 2016 to October 2016 = 26040 Units= 26040 x RS.10.00 = Rs. 2,60,400

01.11.2016 to 17.11.2016 (Meter changed on 18.11.2016) =17 days x 280( Average Units)

= 4760 Units= 4760 x Rs.10.00

= Rs.47,600/-

Total = Rs.1,32,386 + Rs. 4,80,732 + Rs. 2,60,400 + Rs.47,000 =

= Rs. 9,21,118/-+ Rs.5641(ED)

= Rs. 9,26,759/-

11. Against the Preliminary Assessment Order, the Appellant made a representation before the DE/OP/Kukatpally, who has disposed of the back billing case confirming the liability of Rs 9,26,759/- noted in the Preliminary Assessment Order.

12. The Appellant, aggrieved by the Assessment Order, has preferred an Appeal for Final Assessment to the SE/OP/RR North, where the plea was heard and the PAO order was revised in the following manner:

A) It is noticed that connected load is 74KW as against the contracted load of 30kw (i.e. excess load of 44 KW)

Details of the connected load (as noticed)

i) Washing machines	3 x 18 KW
ii) Washing machines	1 x 10 KW
iii) Iron boxes	2 x 4 KW
iv) Lighting, Fans and Computer	2 KW
Total load	74 KW

The SE opined that the theoretical consumption for the connected load is 74 KW = 74 X8X30X0.5 = 8880 Units and questioned why the assessed units of 8,800 per month based on the connected load 74KW is not considered during no display period of the meter.

B) After going through the consumption recorded units for the month of 12/16 i.e. 5825 Units duly considering the consumption for the months covered by the summer holidays, the Dussera holidays and the connected loads, he assessed units as follows:

i. Recorded units from 01.06.2015 to 27.09.2015 i.e. 14,237 - 590 = 13647 Units

- ii Average units for 10/2015 = 10% 5825 = 582 (Dussera Holidays)
- iii. Average units for 11/2015 to 3/2016 = 5 x 5825 = 29125
- iv. Average units for 4/2016 = 50% 5825 = 2912 (being summer holidays)
- v. Average units for 5/2016 to 6/2016 = 10% of 5825 = 2 x 582 = 1164 (being summer holidays)
- vi. Average units for 7/2016 to 9/2016 = 3 x 5825 = 17475
- vii. Average units for 10/2016 = 10%5825 = 582(l.e dussera holidays)
- viii. Average units from 1.11.2016 to 17.11.2016 = (5825/30 days)x17 days = 3300 units(per day calc)
- ix. Total units from (i) to (viii) = 13647+582+29125+291+1165+17475+582+3300 = 68,788
- x. Amount to be paid = 68,788 x Rs 10 = 6,87,880/-
- xi. Amount already paid = Rs 4,63,500/-
- xii. Amount paid towards minimum CC charges from 6/2015 to 11/2016 = Rs 46156/-
- xiii. Net amount to be paid = Rs 6,87,880 - (4,63,500+46,156) = Rs 1,78,224/-

In the Appeal the SE vide order No. SE/OP/RRN/Tech/FAO/D.No.1713/17 dt.10.03.2017 has revised the initial assessment amount of Rs 9,26,759/- to Rs 6,87,880/-. The Appellant paid Rs 4,63,500/- on 4.2.2017 representing 50% of the finally assessed amount.

13. The premises where the service in question is in the name of Sri. Y. Bhujanga Reddy and it was taken on rent by the Appellant Sri. G.Ravinder reddy to start laundry service in the name of Quick Wash Services in the month of June,2015. Initially, the connected load was 5KW under category II. The load exceeded with the purchase of machinery as below:

- a. Machinery purchased on 17.5.2015.
- b. Tumble drier purchased on 17.11.2015 and
- c. Flat wire ironer purchased on 15.12.2015.

Therefore, an additional load of 25KW over the existing 5KW was sanctioned and released in the month of June,2016. Consequently, the existing meter was replaced with C.T operated meter. It was stated that the work towards laundry service was

allocated by M/s. Narayana Educational Institution to the Appellant from June, 2016 to May, 2017.

14. Ever since release of the additional load, it is clear that the bills were not being properly issued. For 10 months, the bills were issued under '03' (under disconnection status) upto may 2016. Afterwards, the service was billed under '09' (not in use status). The MRI data which was extracted revealed that the Appellant was in fact using the supply as per their need. Hence, wrong billing was issued. In the course of inspection on 17.11.2016, the meter was found with 'no display'. The meter was sent to the manufacturer HPL Company to retrieve the stored data. The recorded consumption was partially retrieved upto 27.9.2015 and after that, the meter ceased to record the consumption. Hence the DE/DPE proposed back billing to recover the revenue loss occurred consequent to the wrong billing.

15. The back billing assessment as per the record was divided into two parts by the DISCOM in the following manner:

i. Through retrieved data of 13,647.7 Units by MRI process for the period from 01.06.2015 to 28.09.2015 in view of the fact that the effective and reliable nature of the process cannot be disputed. These units were recorded in the meter for the power consumed.

ii. The average units arrived at for the period from 28.09.2015 to 17.11.2016 were based on the two different analogies in the initial and final assessments, which are shown below:

a. **Initial assessment** - Assessment was based on the three days consumption after replacement of the defective meter by a healthy meter i.e. from 18.11.2016 to 22.11.2016 =  $1165 \text{ Units} / 3 = 280 \text{ units}$ . Based on these units for 3 days, the units for one month would be arrived at =  $280 \times 30 = 8,400 \text{ Units per month}$ .

b. **Final assessment** - the Assessment was based on the consumption recorded for the month of 12/2016 i.e. 5825 Units.

16. The Appellant pleaded that the consumption of the service connection was dependent on the orders placed by M/s. Narayana educational institutions Hostel and therefore, the consumption is not constant every month, which depends on working days of the Hostel. The Appellant contended that deriving the average units per month

solely by projecting the limited no of days i.e in initial assessment based on 3 days consumption and in final assessment, only one month consumption i.e 12/2016 is relied on which is totally unjustified. The plea is tenable and reliance placed by the DISCOM in making assessment by projecting 3 days or one month consumption as a base for arriving at the average consumption does not justify the assumed consumption, when reading from a healthy meter is available and making the Appellant to pay the assessed amount based on the average arrived at and that too coupled with the fault of the meter reader, is unjustified and high handed.

17. Keeping in view the facts and the circumstances and to see that a reasonable criteria is adopted to arrive at a reasonable and tenable average consumption, the back billing assessment is directed to be revised, based on the actual consumption recorded starting from the time of replacement of the defective meter by a Healthy meter with effect from 18.11.2016 upto 8/2017, which is noted below:

Month/Year	Status	KVAH Reading	KVAH Units	Demand
August,2017	01	34650	10811	1,13,605.00
July,2017	01	24829	4529	4529.00
June,2017	01	20300	1185	1185.00
May,2017	01	19115	2084	2084.00
April,2017	01	17031	3727	3727.00
March,2017	01	13304	2421	2421.00
Feb,2017	01	10883	1597	1597.00
Jan,2017	01	9286	3461	3461.00
Dec,2016	04	5825	5825	5825.00
Nov,2016	02	590	191	1500.00

The Final Assessment for the above mentioned reasons shall be re-revised by taking the average units consumed from the time of fixing of the healthy CT meter till August,2017 which came to =  $34650/9 = 3,850$  Units per month.

18. Hence there shall be a direction to the DISCOM to revise the Final Assessment Order by taking average units as 3,850 per month instead of 5825 Units per month relied on by the DISCOM for the period from 28.09.2015 to 18.11.2016 and issue a fresh demand notice by implementing the above average units, duly deducting the amounts paid by the Appellant. The issues are answered accordingly.

19. In the result, the Appeal is allowed as follows:

a. The DISCOM shall revise the Assessment by taking 3,850 Units as an average consumption per month for the period from 28.9.2015 to 18.11.2016 and issue a fresh Demand notice after deducting the amounts paid by the Appellant.

b. There has been negligence of the officials in not taking the correct reading of the CT meter after the installation by the meter reader, which created the present cause. The DISCOM shall pay an amount of Rs 15,000/- as compensation to the Appellant by way of adjustment in the CC bills and recover the amount from the concerned officials for negligence to restore consumer confidence, after due enquiry.

c. The impugned orders are set aside, as not answering the issues involved.

20. 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 Clerk Computer Operator, Corrected, Signed and Pronounced by me on this the 4th day of September, 2017.

Sd/-

**Vidyut Ombudsman**

1. Sri. G. Ravinder Reddy, Flat No. 201, Vishal Towers, Western Hills, Street No.11, Addagutta Road, Pragathi Nagar, Kukatpally, RR District - 500 085.  
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5. The SE/OP/RR North Circle/TSSPDCL/RR District.

**Copy to :**

6. The Chairperson, Consumer Grievance Redressal Forum, Greater Hyderabad Area, TSSPDCL, Vengal Rao Nagar, Erragadda, Hyderabad - 500 045.
7. The Secretary, TSERC, 5<sup>th</sup> Floor Singareni Bhavan, Red Hills, Lakdikapool,Hyd.