



**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**

FRIDAY THE TWELFTH DAY OF AUGUST  
TWO THOUSAND AND TWENTY TWO

**Appeal No. 22 of 2020-21**

Between

M/s. Polo Tubes and Profiles, represented by Sri Vinod Gupta, (Managing Partner), Survey # 833, IDA Medchal, Medchal Dist. Cell: 9391011629, 9100335559. ....Appellant

**AND**

1. The Assistant Divisional Engineer / Operation / Medchal / TSSPDCL / Medchal - Malkajgiri District.
2. The Divisional Engineer / Operation / Medchal / TSSPDCL / Medchal- Malkajgiri District.
3. The Senior Accounts Officer / Operation / Medchal Circle / TSSPDCL / Medchal- Malkajgiri District.
4. The Superintending Engineer / Operation / Medchal Circle / TSSPDCL / Medchal- Malkajgiri District. .... Respondents

This appeal is coming on before me for final hearing on 02.08.2022 in the presence of Sri Vinod Gupta - appellant and Sri G. Madhusudhan Reddy - SAO/OP/Medchal and Sri S.V.V. Satyanarayana Raju - ADE/OP/Medchal representing the respondents and having stood over for consideration till this day, this Vidyut Ombudsman passed the following:-

**AWARD**

This appeal is preferred aggrieved by the Award passed by the Consumer Grievances Redressal Forum - II (Greater Hyderabad Area)

Hyderabad - 45 (in short 'the Forum') of Telangana State Southern Power Distribution Company Limited (in short 'TSSPDCL') in C.G.No.11/2020-21 dated.29.09.2020.

### **CASE OF THE APPELLANT**

2. The appellant is a small manufacturing unit of steel pipes started in December 2018. It sustained losses due to falling of prices in the steel pipes. On 20.06.2019 a representation was given on behalf of the appellant for reduction of the load from 300 KVA to 150 KVA in Optional Category. The deration was effected, but the Licensee-respondents have accepted the request in Optional Category on 20.05.2020. The appellant received the bills as per 300 KVA till February 2020. Therefore it is prayed to direct the respondents to revise the bills as per Optional Category from 20.06.2019.

### **CASE OF THE RESPONDENTS**

3. In the written submissions of respondent No.4, it is stated that as per the request of the appellant the load was released from 27.04.2019 from 150 KVA to 300 KVA and agreement was concluded on 28.03.2019. The deration of Contracted Maximum Demand (in short ' the CMD') was approved as requested by the appellant from 300 KVA to 245 KVA on 21.10.2019. But agreement was not concluded. Again the request for deration of CMD from 300 KVA to 150 KVA was applied and it was approved on 29.11.2019. The agreement was concluded w.e.f. 20.02.2020 and deration was effected in February 2020.

4. The appellant has requested for change of Category from H.T. Category -I (Industry) to H.T. Category ID(Optional). The agreement was concluded on 20.05.2020 and the change of Category was effected in May 2020. But the bills were continuously raised under H.T. Category - I as certain clarifications were not received from the officers of the Licensee.

5. In the additional written submissions of respondent No.4 dt.23.08.2020, it is submitted that the Corporate Office of the Licensee has approved the change of Category from H.T. Category - I (industry) to H.T. Category - ID(Optional) for a CMD of 150 KVA for the financial year i.e 01.04.2020.

#### **AWARD OF THE FORUM**

6. After hearing both sides and after considering the material on record, the learned Forum has directed the respondents to revise the bill of April 2020 issued in the month of May 2020 under H.T. - I(A) Industrial Optional Category instead of H.T. Category - I (Industry) and to withdraw the differential amount of Rs 35,285/-.

7. Aggrieved by the Award passed by the Forum this appeal is preferred, contending among other things, that the Forum has not considered the material placed before it properly.

## **GROUND OF THE APPEAL**

8. In the grounds of appeal, it is, inter-alia, prayed to study the case and do justice in order to save a new small-scale unit.

9. In the written submissions of respondent No.4 before this Authority, he has reiterated the contents made in the earlier written submissions before the Forum.

10. On behalf of the appellant it is submitted that the appellant was forced to pay high tariff for the period from 20.06.2019 to 01.04.2020, which is liable to be withdrawn.

11. On the other hand, the respondents have justified their action of collecting the tariff.

## **POINTS**

12. The points that arise for consideration are:-

- i) Whether the appellant is entitled for change of Category to H.T. - I(A) Industrial Optional Category from 20.06.2019?
- ii) Whether the Award passed by the learned Forum is liable to be set aside? and
- iii) To what relief.

## **SETTLEMENT BY MUTUAL AGREEMENT**

13. Both the parties have appeared before this authority on 02.08.2022. 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) and (ii)**

15. According to the appellant it is a small manufacturing unit of steel pipes started in the month of December 2018 which falls under Micro Small and Medium Enterprise. After running the industry for (4) months, the steel prices fell steeply, consequently it had incurred huge losses. The appellant claimed that it has given representation on 20.06.2019 to the Chairman and Managing Director, TSSPDCL for reduction of their load from 300 KVA to 150 KVA in the Optional Category alongwith a request for change in Category conversion from H.T. Category- I (A) Industrial General to H.T. - I(A) Industrial Optional. Though the deration was commenced in the month of February'2020 after a long period, but their request of conversion from H.T. Industrial Category to H.T. Industrial Optional Category was not considered. This is the main grievance of the appellant.

16. Based on the representation of the appellant dt. 20.11.2019 vide registration No. HT 20024705, the SE/OP accorded approval for deration of

CMD from 300 KVA to 150 KVA, subsequently revised HT agreement was concluded towards derated CMD of 150 KVA w.e.f.20/2/2020. The other request with regard to change of Category from HT- Category-I (A) Industrial General to H.T. - I(A) Industrial Optional was given approval by the CGM/Commercial vide Memo No.288 dt.24.06.2020.

17. The Forum has passed Award basing on the service records of the RMD details of the appellant's Service Connection for the past one year which is given as follows:-

Sl.No.	Month	CMD in KVA	MF	RMD in KVA
1	Mar-2019	150	1	695
2.	Apr-2019	150	1	267
3.	May-2019	300	2	<b>228</b>
4.	June-2019	300	2	<b>192</b>
5.	July-2019	300	2	<b>214</b>
6.	August-2019	300	2	<b>179</b>
7.	September-2019	300	2	<b>48</b>
8.	October-2019	300	2	<b>38</b>
9.	November-2019	300	2	<b>32</b>
10.	December-2019	300	2	<b>35</b>
11.	January-2020	300	2	<b>39</b>
12.	February-2020	150	1	<b>52</b>

The Forum has held that the appellant has exceeded RMD of 150 KVA for the period from April 2019 to August-2019 as shown above. Since the RMD is not less than 150 KVA for the past FY 2019-20, it was directed that the appellant is not entitled for H.T. - I(A) Industrial Optional Category for the FY 2019-20 though the appellant concluded the agreement for 150 KVA CMD in the month of February 2020, i.e. 20.02.2020. Hence the request for revision of bills from the date of representation i.e. 20.06.2019 was not admitted. The appellant filed the present appeal for revision of bills under H.T. - I(A) Industrial Optional Category from the date 20.06.2019.

18. According to the Forum the consumers shall qualify under Optional Category (with CMD upto 150 KVA), only when the past one year the RMD of the subject Service Connection shall not be more than 150 KVA. It is not correct. The Optional Category was first introduced by the Hon'ble Electricity Regulatory Commission (in short 'the Commission') during the determination of Retail Supply Tariff FY-2016-17. The relevant Clause of the Tariff Order FY 2016-17 is reproduced hereunder:-

**“Clause 7.14.** Based on the above representations the Commission has introduced a sub-category with contract maximum demand up to 150 kVA under HT-1(A) category at 11kV voltage only and made it an Optional Category. The consumers who qualify under this category are at liberty to opt to remain under HT-1(A) or choose the Optional sub-category for which the tariff rates are determined (compared to HT-I (A) General the demand charges are lower and energy charges are higher).”

**Table 57: HT-I (A) introduction of sub-slab by the Commission for FY 2016-17**

Existing Tariff Sub-Category	Revised Tariff Sub-Category
No existing sub category called optional category (with contract maximum demand up to 150 KVA)	<b>HT-I(A) General (11kV)</b>
	Optional category (with contract maximum demand up to 150 KVA)

**Tariff Order 2017-18, Clause 8.89.** This Optional category is applicable to H.T. - I (Industry General) consumers whose Contracted Maximum Demand is upto 150 kVA and availing supply at 11 kV only. The consumers who qualify under this Category are free to opt to remain under HT-I(A) or choose this Optional sub category.

**Tariff Order 2017-18, Clause 8.90.** The charges applicable are as follows:

Category	Demand charge * (INR/Month)		Energy charge (INR/KVAH)
	Unit	Rate	
<b>HT I(A): Industry General - Optional Category for contract maximum demand upto 150 kVA</b>			
11kV	kVA	80	7.00
* Demand charge is calculated at INR/kVA/month of the Billing Demand			

Further the Hon'ble Commission has issued the following clarification in case any consumer contracted demand exceeds 150 KVA RMD in a particular year after conversion of H.T. - I(A) Industrial Optional Category from HT-1 Industrial General Category vide Lr.No.TSERC/Secy/T-30052/D.No.752/17, dt.19.12.2017 as under:-



- a. If any consumer who is availing supply under HT-1 Optional category exceeding CMD in (2) billing cycles in the consecutive months

OR

- b. If the consumer exceeds CMD in any (3) billing cycles in a Financial year.

If the consumer existing under H.T. - I(A) Industrial Optional category attains the conditions (a) or (b) above, then billing shall be reverted back to HT category -1(A) and levy of penalty for exceeding CMD as applicable.

19. A perusal of the above given provisions of the Tariff Orders and clarification given by the Hon'ble Commission goes to show that there is no mandate for verification of previous one year RMD for the conversion of HT-Category-I (A) Industrial General Industrial Category to H.T. - I(A) Industrial Optional as reckoned by the Forum. Though the RMD's for the past one year since February 2020 were more than the reference CMD of 150 KVA, the CGM/Commercial rightly accorded approval for change in category from HT-I to H.T. - I(A) Industrial Optional Category.

#### **CRUX OF THE MATTER**

20. Now the issue is whether the appellant is entitled to be given the effect of change in Category w.e.f. 20.06.2019.

21. The Category change approval was accorded by CGM/Commercial on 24.06.2020. The effect of change in Category was made from 01.04.2020, the appellant pleaded that it was forced to pay the higher tariff compared with the tariff rates of H.T. - I(A) Industrial Optional Category for the period from 20.06.2019 to

01.04.2020, which is liable to be withdrawn. A perusal of the records shows that the letter dt.20.06.2019 is not produced by the appellant. In the absence of such letter scrutiny of the claim has no validity. The Clause 8.89 of the tariff envisages the appellant to opt for the H.T. - I(A) Industrial Optional Category subject to the condition that the CMD should be upto 150 KVA. The appellant is entitled under this Category when the subject Service Connection CMD is upto 150 KVA. This condition was fulfilled on concluding the HT agreement for load deration of 150 KVA i.e. 20.02.2020. Hence the effect of Category change is liable to be given from 20.02.2020 and to such an extent the respondents are liable to revise the bills by withdrawing the differential rates and adjusting in future bills.

22. When it comes to duration taken by the Licensee for effecting deration of CMD from 300 KVA to 150 KVA, the Regulation 5 of 2016 (Licensee's Standard of Performance), the Schedule-II, Clause VIII, Sub Clause 7.3 which is relevant reads as under:-

7.3 Reduction in Load : Upon receipt of a request by a consumer for reduction of contract demand / contracted load of such consumer after expiry of minimum period of Agreement entered by he consumer with the Licensee (indicated in GTCS), the Distribution Licensee shall reduce the contract demand / contract load of such consumer before the expiry of second billing cycle after the receipt of such request;

Provided that consumer executes fresh agreement for such revised load before the second billing cycle.

The date of application is 20.11.2019 vide registration No. HT20024705, the second billing cycle shall fell due on 20.01.2020. The agreement was concluded on

20.02.2020, hence there is no delay in effecting the deration which is w.e.f.20.02.2020.

23. In view of the above circumstances, I hold that the appellant is entitled for change of Category under H.T. - I(A) Industrial Optional Category from H.T.-I, w.e.f. 20.02.2022. The Award of the Forum is liable to be set aside to this extent. These points are decided accordingly partly in favour of the appellant and partly in favour of the respondents.

**Point No. (iii)**

24. In view of the findings on point Nos. (i) and (ii), the appeal is liable to be allowed in part.

**RESULT**

25. In the result, the appeal is allowed in part, without costs. The change of Category is effected from February 2020, in respect of Service Connection involved in this case. The respondents are directed to revise the billing accordingly within one month from the date of receipt of certified copy of this Award, by way of adjusting in future bills.

Typed to my dictation by Office Executive-cum-Computer Operator, corrected and pronounced by me on this the 12th day of August 2022.

Sd/-

**Vidyut Ombudsman**

1. M/s. Polo Tubes and Profiles, represented by Sri Vinod Gupta, (Managing Partner), Survey # 833, IDA Medchal, Medchal Dist. Cell: 9391011629, 9100335559.
2. The Assistant Divisional Engineer / Operation / Medchal / TSSPDCL / Medchal - Malkajgiri District.
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5. The Superintending Engineer / Operation / Medchal Circle / TSSPDCL / Medchal- Malkajgiri District.

**Copy to**

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