



BEFORE THE VIDUYUT 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
VIDUYUT OMBUDSMAN**

THURSDAY THE FIRST DAY OF DECEMBER
TWO THOUSAND AND TWENTY TWO

Appeal No. 32 of 2020-21

Between

M/s. Gajanand Weaving Industries, Plot No.19, Ambience Port, Pillar No.125,
Kantha Reddy Nagar, Attapur, Hyderabad, represented by Sri Narayanlal
Munduda, s/o. Ganeshlal Munduda, Cell No. 9010566661.**Appellant**

AND

1. The Assistant Engineer / Operation / Kattedan / TSSPDCL / Ranga Reddy District.
2. The Assistant Divisional Engineer / Operation / Gaganpahad / TSSPDCL / Ranga Reddy District.
3. The Assistant Accounts Officer / ERO / Gaganpahad / TSSPDCL / Ranga Reddy District.
4. The Divisional Engineer / Operation / Rajendra Nagar Circle / TSSPDCL / Ranga Reddy District.
5. The Superintending Engineer / Operation /Rajendra Nagar Circle / TSSPDCL/Ranga Reddy District. **Respondents**

This appeal is coming on before me for final hearing on 01.11.2022 in the presence of Sri Narayanlal Munduda, appellant in person and Sri Naren Sai - authorised representative of the appellant, Sri K. Easwara Prasad - ADE/OP/Gaganpahad and Sri M.Raviner - JAO/ERO/Gaganpahad representing the respondents and having stood over for consideration till this day, this Viduyut 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. 71/2020-21/Rajendra Nagar Circle dt.05.12.2020.

CASE OF THE APPELLANT BEFORE THE FORUM

2. The case of the appellant is that the respondents have changed the Service Connection No. 3405 00649 Category - III A of the appellant at Kattedan, Rajendra Nagar, Hyderabad from Low Tension (LT) with a load of 69 HP to High Tension (HT) with a load of 159 HP and levied arrears of an amount of Rs.5,42,725/- in the bill for the month of August 2000 from the year 2010 to 2020 without issuing a show cause notice. Under Sec.56(2) of the Electricity Act (in short 'the Act') the claim of arrears beyond (2) years is barred by limitation. Therefore the appellant prayed the learned Forum to declare the action of the respondents in recategorising the subject Service Connection to HT with a load of 159 HP and levying the arrears as illegal and continue the Service Connection under LT category.

CASE OF THE RESPONDENTS BEFORE THE FORUM

3. In the written submissions of respondent No.3, it is, inter-alia, submitted that on 06.02.2010, Development Charges case was booked against the subject Service Connection for regularising the load from 69 HP to

159 HP for Rs. 1,80,000/- (Rs.1,35,000/- towards Development Charges and Rs.45,000/- towards Security Deposit) and the same was paid by the appellant on 23.02.2010. An amount of Rs.5,42,725/- was demanded towards fixed charges by regularising the load from 69 HP to 159 HP.

4. In the written reply filed by the respondent No.4, it is, inter-alia, stated that the fixed charges were raised from the date of inspection till regularising the load. Hence the appellant is liable to pay the same.

AWARD OF THE FORUM

5. After considering material on record and after hearing both sides, the learned Forum has allowed the complaint in part permitting the respondents to collect the fixed charges on the additional load of 90 HP only for (3) years prior to 31.08.2020 from the date of inspection and directing the appellant to pay the fixed charges on the difference load for (3) years prior to 31.08.2020 to the respondents.

6. Aggrieved by the Award passed by the learned Forum, the present appeal is preferred, contending among other things, that without issuing a notice to the appellant the respondents have levied the arrears and re-categorised the subject meter of the appellant to 159 HP. The respondents are not entitled to claim the arrears after 10 years.

GROUND OF THE APPEAL

7. In the grounds of appeal it is submitted that due to Covid-19 the appellant sustained loss in the business. The appellant right from the time of inspection in February 2010 to August 2020 used contracted load of 69 HP only. The learned Forum ought to have waived the entire arrears of Rs.5,42,725/-. It is accordingly prayed to allow the appeal and refix the fixed charges for (3) years for the excess load of 90 HP as it is not in accordance with law and refund the additional charges collected from the appellant.

WRITTEN SUBMISSION OF THE RESPONDENTS

8. In the written submissions filed by respondent No.3, before this Authority, it is, inter-alia, stated that if the bill is revised in HT side, the consumer has to pay an amount of Rs.12,41,527/- for (3) years HT billing (i.e. difference in billing LT-HT).

9. In the reply filed by the appellant it is submitted that the accounts section of the respondents is insisting to clear the arrears and not accepting the monthly bills and therefore it is prayed to direct the respondents to accept the monthly bills without demanding arrears till the Award is passed in the present appeal.

ARGUMENTS

10. It is argued on behalf of the appellant that the demand raised by the respondents in respect of the bills claimed by them is illegal; that the respondents have changed the category without issuing notice and that since

arrears pertaining to the period of more than 10 years the said claim is barred by limitation. Therefore it is prayed to waive the balance amount of arrears also by setting aside the impugned Award.

11. On the other hand, it is argued on behalf of the respondents, that the appellant has used the load of 159 HP though the contracted load was 69 HP and as such development charges are claimed and paid by the appellant and that the appellant has to pay Rs.12,41,527/- if the bill is revised. Therefore it is prayed to dismiss the appeal.

POINTS

12. The points that arise for consideration are:-

- i) Whether the appellant is entitled for waiver of the balance amount and also refund of additional charges collected in the bills of August-December 2020 and other charges including Development Charges with interest from February 2010 as prayed for?
- ii) Whether the impugned Award of the learned Forum is liable to be set aside? and
- iii) To what relief?

POINT No. (i) and (ii)

SETTLEMENT BY MUTUAL AGREEMENT

13. Both the parties have appeared before this Authority on 01.11.2022 and prior to the said date. 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.

ADMITTED FACTS

15. It is an admitted fact that the respondents have released Service Connection No. 3405 00649 in favour of the appellant at Kattedan, Rajendra Nagar, Hyderabad with contracted load of 69 HP. The appellant already paid Development Charges and Security Deposit on the additional load of 90 HP as demanded by the respondents.

CRUX OF THE MATTER

16. The case is levy of fixed charges by the respondents for the period from 06.02.2010 to 31.08. 2020 for an amount of Rs. 5,42,725/-. The record shows that there was an inspection conducted on 02.02.2010, wherein excess connected load of 90 HP over existing contracted load of 69 HP was found against the Service Connection No. 3405 00649, Category-III, M/s. Gajanand Weaving Industry. The appellant paid the demanded amount of Rs. 1,35,000/- towards Development Charges and Rs. 45,000/- towards Security Deposit, without any delay after the inspection, on 23.02.2010 against excess load of 90 HP.

17. As per the Tariff Order approved by the Hon'ble Telangana State Electricity Regulatory Commission (in short 'the Commission') from time to time, the fixed charges shall be levied against the Contracted Maximum Load of the LT Service Connection. Ideally after receiving payment from the appellant towards excess load, the respondents had to regularise the excess load of 90 HP and the fixed charges would have been charged for the total connected load of 159 HP, but the regularisation of excess load of 90 HP was not done, until period of 10 years in 2020. Hence, the respondents now realising that the fixed charges towards excess load of 90 HP was short billed and resorted to recovery of revenue loss amounting to Rs. 5,42,725/- for the total period from 06.02.2010 to 31.08.2020. It is beyond doubt that there was negligence of the officers present during that period ignoring the regularisation of excess load which resulted in the present dispute and demanding the whole amount at lumpsum causing agony to the appellant. The appellant aggrieved by the demanded amount filed an appeal in the learned Forum where the period of back billing was revised to (3) years, may be in view of the negligence of the respondents. Now the appellant has pleaded for withdrawal of total back billing amount of Rs.5,42,725/- which was stated to be arbitrary and without any notice, having not consumed the load above 69 HP, questioned the relevance of Sec.56(2) of the Act and held that for the negligence of the respondents, he is being penalised. Further the appellant has requested for withdrawal of penal charges on account of adding the

amount of Rs.5,42,725/- in the CC bill during the month of August 2020. However the appellant retained the contracted load of 69 HP by way of deration of load from 159 HP to 69 HP which was accorded sanction vide Memo No. DEE/OP/RJNR/F.No.Comml/D.No.1943 dt.18.11.2020.

18. The levy of fixed charges is in line with the tariff rates given in the Tariff Orders approved by the Commission from time to time, which are corresponding to the connected LT load of the subject Service Connection. While the appellant was accorded sanction of 69 HP initially, he has breached the agreement clause which is reproduced here under:-

**Appendix IA of General Terms and Conditions of Supply (in short 'GTCS')
Agreement for supply of electricity at Low Tension for Categories LT III &
LT IV**

“Load/Maximum Demand:- I/We agree to take from the Company, electric power for a connected load not exceeding _____ HP/kW subject to a contracted Maximum Load not exceeding _____ HP/kW for our exclusive use for the purposes above mentioned, at our Mills/Factory/Premises situated at _____. I/We shall not effect any change in the contracted demand without prior intimation to the Company.”

The appellant has connected an excess load of 90 HP which was detected by way of inspection on 02.02.2010, without informing the respondents-TSSPDCL against the above said clause of the agreement. Broadly speaking such action of the appellant is unwarranted and may cause disruption of the power system connected to the various consumers. The Licensee has requested to

regularise the excess load without any penal charges against Development and Security Deposit. The payment of said charges in turn attracts levy of fixed charges. Hence the fixed charges demanded is consequent to the excess load connected abruptly without the permission of the Licensee.

19. Now it is necessary to refer to Clause 12.3.3 of GTCS which is reproduced here under:-

12.3.3:-Additional Connected Loads detected in LT Services Cases

12.3.3.1 Where the total Connected Load is 75 HP/56 kW or 150HP in cases of LT Cat III(B) or below at the time of detection:

- i. One Month notice shall be given to regularise the additional Connected Load for payment of required service line charges, development charges and consumption deposit, in accordance with the format prescribed in Appendix IX.
- ii Service of consumers who do not get the additional loads regularised, shall be disconnected immediately on expiry of notice period and these services shall remain under disconnection, until they are regularised.

The plea of the appellant that no notice was given is not correct, as the material on record shows that basing on the Provisional Assessment Notice vide Lr.No.ADE/OP/Gaganpahad/F.No.1742/K/D.No.1973/10 dt.06.02.2010, the appellant paid the amount towards Development Charges and Security Deposit. The claim of the appellant that it has not utilised power supply for more than 69 HP has no relevance, since the Development Charges and the Security Deposit are the one time amount to be paid against the connected

load of the subject Service Connection, which is explained the Clause 2.29 of GTCS, which is reproduced here under:-

Clause 2.29:- “connected load” means the aggregate of the manufacturer’s rating of all the apparatus including portable apparatus on the consumer’s premises. This shall be expressed in kW or HP. If the ratings are in kVA the same should be converted to kW by multiplying the kVA with power factor of 0.90. If some or any of the apparatus is rated by manufacturers in HP, the HP ratings shall be converted into kW by multiplying it by 0.746.

Even though the consumer utilises load below the contracted load of 69 HP, the fixed charges are corresponding to the connected load of the subject Service Connection, in the present case it is 159 HP. The subject is not hit by the Sec.56(2) of the Electricity Act, which is reproduced here under:-

“(2) Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not cut off the supply of the electricity.”

The back billing amount of Rs.5,42,725/- was first became due in the C.C.bill for the month of August 2020 and it was shown continuously as arrears to be paid. Hence, the present subject is not hit by the Sec.56(2) of the Act. It is an admitted fact that there was negligence on the part of the respondents which resulted in the present dispute, but this shall not permit the appellant for withdrawal of the back billing amount. The amount demanded is the short billed fixed charges which had to be paid by the appellant as per the tariff rates approved by the Hon’ble Commission.

20. The appellant has relied on the Award passed by this Authority in appeal No. 05 of 2020-21 dt.02.09.2020 on the ground that similar point is involved in the present case wherein the consumer got the benefit and hence it is prayed to extend the same benefit in this appeal. But a perusal of the said Award shows that there is an amendment to GTCS vide proceeding No. APERC/Secy/01/2012 dt.07.03.2012 and the consumer was given the option to remove additional connected load w.e.f. 07.03.2012, but the present case is in respect of the year 2010 which is prior to the said amendment. The appeal No. 05 of 2020-21 is in respect of the transaction after the amendment. Therefore that Award is not applicable in the present case.

21 It appears that the benefit of (3) years granted by the learned Forum is not extended so far. Further respondent No.3 has stated before this Authority that the appellant has to pay Rs. 12,41,527/- for (3) years HT billing. However this Authority is not going to consider the above amount of Rs.12,41,527/- in as much as the respondents cannot claim such excess amount before this Authority, since it is not the issue of the present appeal. Likewise if the (3) years benefit granted by the learned Forum is not extended to the appellant, he is at liberty to approach the learned Forum for compliance. In view of these factors, I hold that the appellant is not entitled for waiver of the balance amount and also refund of additional charges collected in the bills of August-December 2020 and other charges including Development Charges with interest from February 2010. These points are accordingly decided

against the appellant and in favour of the respondents. However, in view of the hardship faced by the appellant it is liable for payment of balance amount of Rs.6,07,820/- as shown in the EBS as outstanding due as on October 2022 in (10) equal monthly instalments.

POINT No. (iii)

22. In view of the findings on point No. (i) and (ii), the appeal is liable to be rejected.

RESULT

23. In the result, the appeal is rejected, without costs confirming the Award passed by the learned Forum. However, in view of the hardship faced by the appellant it is entitled for payment of balance amount of Rs.6,07,820/- as shown in the EBS as outstanding due as on October 2022 in (10) equal monthly instalments, starting from the month of January 2023, failure to pay any single instalment would make the entire balance due recoverable in a lump sum.

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 this the 01st day of December 2022.

Sd/-

Vidyut Ombudsman

1. M/s. Gajanand Weaving Industries, Plot No.19, Ambience Port, Pillar No.125, Kantha Reddy Nagar, Attapur, Hyderabad, represented by Sri Narayanlal Munduda, s/o. Ganeshlal Munduda, Cell No. 9010566661.
2. The Assistant Engineer / Operation / Kattedan / TSSPDCL / Ranga Reddy District.
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6. The Superintending Engineer / OP/Rajendra Nagar Circle/TSSPDCL/Ranga Reddy District.

Copy to

7. The Chairperson, Consumer Grievances Redressal Forum of TSSPDCL- Greater Hyderabad Area, Door No.8-3-167/E/1, Central Power Training Institute (CPTI) Premises, TSSPDCL, GTS Colony, Vengal Rao Nagar, Erragadda, Hyderabad - 45.

