



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

Friday the Twenty Eighth Day of September 2018

Appeal No. 35 of 2018

**Preferred against order dt.15.06.2018 in C.G.No.74/2018-19
of CGRF Cybercity Circle**

Between

**M/s Garg Steels Udyog India Pvt. Ltd., G&G Business Centre,
3-4-174/12/1/14/c, 1st Floor, Kantha Reddy Nagar, Attapur, Hyderabad -
500 048. Cell: 7036205211.**

... Appellant

AND

- 1. The ADE/OP/Ibrahimbagh/TSSPDCL/Hyderabad.**
- 2. The DE/OP/Ibrahimbagh/TSSPDCL/Hyderabad.**
- 3. The SAO/OP/Cybercity/TSSPDCL/Hyderabad.**
- 4. The SE/OP/Cybercity/TSSPDCL/Hyderabad.**
- 5. The SE/Commercial/Corporate office/TSSPDCL/Hyderabad.**

... Respondents

The above appeal filed on 28.06.2018, coming up for final hearing before the Vidyut Ombudsman, Telangana State on 19.09.2018 at Hyderabad in the presence of Sri. Pradeep - on behalf of the Appellant Company and Sri. S. Balachandrudu - SAO/OP/Cybercity and Sri. P. Krishna Reddy - GM/Revenue for the Respondents and having considered the record and submissions of both the parties, the Vidyut Ombudsman passed the following;

AWARD

This is an Appeal filed against the orders in CG No. 74/2018-19 Cyber City Circle dt.15.06.2018 passed by the CGRF, Greater Hyderabad Area. The Appellant contended that he filed a complaint before the CGRF, Greater Hyderabad Area seeking for revision of the bills w.e.f.24.02.2018 on the deration application filed by him seeking for deration from 890 KVA to 70 KVA and the learned CGRF failed to appreciate his contentions and facts placed by it, rejected the said complaint. As such aggrieved by the same the present Appeal is filed seeking to set aside the said order of the CGRF.

2. The averments of the Appellant before this office is to the effect that it is styled as M/s. Garg Steel Udyog India Pvt. Ltd. having a Service Connection bearing No. CBC 742 HT with 890 KVA and as such they have applied for deration of the said CMD from 890 KVA to 70 KVA in Customer Service Center in Ibrahim Bagh vide HT reference No. HT24518704 dt.25.01.2018. They also stated that they are entitled for deration as they have completed the stipulated initial 2 years agreement period. They further claimed that since they have completed one month notice period on 24.02.2018 the deration has to be effected from 24.02.2018 i.e. from the billing month of March,2018 but the Respondents have derated the bills from 06.04.2018 and as such claimed that the amount of Rs 4,67,961/- which is excessly billed by the Respondents is liable to be returned to them.

3. They contended that Clause 8 of proceeding No. APERC/Secy/96/2014 dt.31.05.2014 clearly envisages that Clause 5.9.4.2 of GTCS that *“Deration of CMD or termination of Agreement in respect of HT supply: The Consumer may seek reduction of contracted maximum demand or termination of the HT agreement after the expiry of the minimum period of the Agreement by giving not less than one month notice in writing expressing his intention to do so. However, if for any reasons the consumer chooses to derate the CMD or terminate the Agreement, before the expiry of the minimum 2 years period of the agreement, the CMD will be derated or the agreement will be terminated with effect from the date of expiry of the initial 2 years period of the agreement or after expiry of one month notice period whichever is later.”*

4. Hence in view of Clause 5.9.4.2 of GTCS they have filed revised HT agreement for 70 KVA duly signed on 07.02.2018 on the basis of the letter Lr.No. GSUIPL/F.HTA dt.05.02.2018 along with two original copies on 100 Rs Non Judicial Papers along with four xerox copies before the Respondents and requested the Respondents to countersign the said agreement and return one copy to the Appellant for records.

5. The Appellant further stated that the Respondent No.4, SE/OP/Cybercity, vide its Lr.No. SE/OP/CBC/F.No.Deration/D.No. 1451/17-18 dt.24.02.2018, informed that the deration of CMD from 890 KVA to 70 KVA is approved subject to payment of pending dues, if any with immediate effect or from the date of agreement for the revised CMD of 70 KVA whichever is later. It was held that there were not having any pending dues, agreement for 70 KVA is filed by the Appellant on 07.02.2018 duly signed i.e. well before 24.02.2018 and hence the deration is to be effected from 24.02.2018 i.e. from the billing month of March 2018. The Appellant also pointed out that Clause 5 of the

HT agreement at Page No.2, the Respondent No.5 i.e. SE/OP/Cyber City has clearly mentioned that the effective date of deration of CMD from 890 KVA to 70 KVA is w.e.f 24.02.2018 under his signature and hence claimed that the billing date from 06.04.2018 requires to be revised to the month of March,2018 in view of the deration from 24.02.2018.

6. The Respondent No.4 on the other hand contended through his letter bearing No. 124/18 dt.18.07.2018 that:

a. That the request for the deration of CMD from 890 KVA to 750 KVA with CSC registration Number HT24518704 was accorded approval vide Lr.No. SE/OP/CBC/F.No.Deration/D.No.145/17-18 dt. 24.02.2018, subject to the conditions of the GTCS Clause 5.9.3.2 and suitable metering at HT side 11 KV voltage level.

b. That the Appellant has entered into fresh HT agreement on 24.03.2018 with derated CMD of 70 KVA. Further the ADE/MRT/HT Meters/Cyber city has reset the MD to 70 KVA on 06.04.2018 at 11.53 Hrs duly conducting departmental testings. Subsequently the revised CMD was uploaded into EBS (Energy Billing System) as due effect from 06.04.2018, by the AD/EOP/Ibrahim bagh, same was affected in April,2018 billing month.

c. That the CGRF has passed the orders in CG No. 74/2018-19/Cyber city circle on 15.06.2018 as following:

“When the licensee through the Respondents has rightly affected the deration CMD 70 KVA from 24.03.2018. So consumer is not entitled for revision of March,2018 CC bills on service of the consumer. Therefore, the grievance complaint dt.17.04.2018 filed by the consumer company M/s. Garg Steel Udyog India Pvt. Ltd. through its director is liable to be rejected.”

7. He i.e. SE/OP/CYbercity further stated through his letter bearing No. 210 dt.11.09.2018 that:

a. That the Appellant has applied for Deration of CMD from 890 KVA to 70 KVA vide CSC Registration No. HT 24518704 Dt.25.01.2018 in terms of Clause 5.9.4.22 of GTCS and with required necessary metering arrangements.

b. That the derated CMD will be effected from conclusion of agreement for 70 KVA and necessary metering arrangements by MRT wing as per the Clause 5.9.3.2

of GTCS. The arrangement was concluded by the SE/OP vide Lr.No.SE/OP/CCC/Comml/F.No.16.17/D.No.1706/17-18 dt.24.03.2018 on 24.03.2018 stating the date of effect of agreement is date of entering into agreement or from date of resetting of MD whichever is later. In view of the above, that the revised CMD 70 KVA was affected from 06.04.2018 on reset of MD by MRT wing.

c. That the Appellant has stated that the revised HT agreement of MD 70 KVA submitted before Respondent No.4 (SAO/OP/Cyber City). It is not correct that the Respondent No.4 has no authorisation to sign the HT agreement.

d. That the Respondent No.5 (SE/OP/Cyber City) vide his letter No. SE/OP/CBC/F.No.Deration/D.No.1451/17-18 dt.24.02.2018, subject to the conditions to effect with immediate effect or date of agreement for revised CMD 70 KVA whichever is later. He pointed out that the Appellant is repeatedly representing that he has submitted revised agreement to Respondent No.4 (SAO/OP/Cybercity) instead of submitting to the competent authority to approve the deration and enter into agreement i.e. Respondent No.5(SE/OP/Cybercity) and pointed out that the agreement for revised CMD is entered on 24.03.2018.

e. That the revised agreement for deration of MD to 70KVA concluded on 24.03.2018 vide Lr.No.SE/OP/CCC/Comml.D.No.1706/16-17 DT.24.03.2018, wherein at Sl.No.10 it is mentioned that the date of effect of agreement as date of agreement or from the date of resetting of MD 24.03.2018 whichever is later. At this juncture the derated CMD was effected from 06.04.2018. Since deration of MD involves technical issues such as metering arrangements etc. It cannot be deemed to be effected with effect from certain date as stated by the Appellant.

f. That the deration of CMD from 890 KVA to 70 KVA was effected as per the procedure and as per the agreement concluded on 24.03.2018.

g. That the Hon'ble CGRF after considering the facts, dismissed the CG No. 71/2018-19/Cybercity Circle vide its order dtt.15.06.2018.

8. The Appellants through their rejoinder dt.7.08.2018 reiterated their averments made in the Appeal and contended that the method of billing adopted by the Respondents is not in accordance with the required provisions.

9. Heard Both sides.

10. On the basis of the averments of both sides the following issues are framed:

Issues

1. Whether the billing of the deration from 890 KVA to 70 KVA has to be effected from 24.02.2018 in view of their application for deration on 25.01.2018 as claimed by the Appellant?
2. Whether the billing of deration from 890 KVA to 70 KVA is to be effected from 06.04.2018 after resetting of MD to 70 KVA as claimed by the Respondents?
3. To what relief?

Issue No.1

11. A perusal of the averments of both sides got to show that admittedly the Appellant i.e. M/s. Garg Steel Udyog Pvt Ltd is originally provided with a service connection bearing HT SC No. CBC 742 and that the Appellant sought for deration of CMD from 890 KVA to 70 KVA vide their letter bearing reference No. HT24518704 dt.25.01.2018. The said contentions of the Appellant that they sought for deratio from 890 KVA to 70 KVA through their application dt.25.01.2018 is not denied by the Respondents.

12. The contention of the Appellant is that since they have completed the minimum period of agreement i.e. 2 years, and as the one month notice period would complete on 24.02.2018 the deration as provided under Clause 5.9.4.2 of GTCS, the billing month for deration to 70 KVA to their service connection should be w.e.f. March,2018, while on the other hand the contentions of the Respondents is to the effect that though the application was given for deration on 25.01.2018 the same was accorded approval on 24.02.2018 vide Lr.No.SE/OP/CBC/F.No.Deration/D.No.145/17-18, they have to reset the MD to 70 KVA which was done on 06.04.2018 at 11.53 Hrs and hence the revised CMD was uploaded into EBS (Energy Billing System) w.e.f. 06.04.2018 by the ADE/OP/Ibrahimbagh and pointed out that the same is also approved by the CGRF. Hence claimed that the Appellants are not entitled for revised billing from 24.02.2018.

13. The said averments admittedly show that there is absolutely no dispute with regarding to the date of application given by the Appellant for deration of CMD from 890 KVA to 70 KVA on 25.01.2018 and that the Appellant is entitled for deration in view of completion of 2 years period of agreement. The only dispute is

with regarding to the method adopted for the revised billing of the Appellant. As per the Appellants the billing has to be done with effect from completion of one month period of notice from the date of application i.e. 25.01.2018 which would come to 24.02.2018, and as such the billing has to be done from the month of March,2018. While on the other hand the contention of the Respondents is that the billing has to be done from the date of resetting of the MD to the derated 70 KVA which is on 06.04.2018.

14. In the face of the said disputed contentions of the Appellant and the Respondents, the provisions as stipulated under Clause 5.9.4.2 of GTCS when read with Clause 8 of proceedings No. APERC/Secy/96/2014 dt.31.05.2014 is perused and found that the same reads *“The consumer may seek reduction of contracted maximum demand or termination of the HT Agreement after the expiry of the minimum period of the Agreement by giving not less than one month notice in writing expressing his intention to do so. However, if for any reason the consumer chooses to derate the CMD or terminate the Agreement, before the expiry of the minimum 2 year period of the Agreement, the CMD will be derated or the Agreement will be terminated with effect from the date of expiry of the initial 2 year period of the Agreement or after expiry of one month notice period whichever is later. The Company can also terminate the HT Agreement, at any time giving one month notice if the consumer violates the terms of the HT Agreement, or the GTCS or the provision of any law touching the Agreement including the Act and rules made thereunder, and AP Electricity Reforms Act, 1998. On termination of the HT Agreement the consumer shall pay all sums due under the Agreement as on the date of its termination.”*

The said provisions as mentioned above clearly shows that it stipulates two conditions which are completion of initial 2 years period of agreement (which was later amended to 1 year vide proceedings No. TSERC/Secy/59-60/2016 dt.26.10.2016 by the Hon’ble Commission) and the other condition is completion of one month notice period in writing expressing the intention of the consumer for reduction of load. When the said conditions are applied in the present case there is no dispute that the minimum initial one year period of agreement is completed by the Appellant. In fact the Appellant completed two years period. The Appellant also applied for deration on 25.01.2018 which is not denied by the Respondents and

hence in view of Clause 5.9.4.2 of GTCS the completion of one month notice from the date of application i.e. on 25.01.2018 would be 24.02.2018.

15. In the above mentioned circumstances a perusal of certain standards of performance to be adhered by the Licensee in Regulation No. 7 of 2004 notified by the Hon'ble commission which was later amended from time to time and issued Regulation 5 of 2016 defining the Licensees standards of performance on 13.07.2016 wherein Clause 7(3) of Schedule 1 which refers to duration during which the request for reduction of load shall be complied with as follows:

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

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

16. Hence in view of the above it can be concluded that since the application for deration has been given on 25.01.2018, the second billing cycle for HT billing would commence from 26.03.2018 as the first billing would be on 26.02.2018 subject to the condition of executing a fresh agreement for the revised CMD of 70 KVA. Hence, the revised bill should be with effect from March,2018 as per the provisions of Clause 5.9.4.2 of GTCS and Clause 7(3) of Schedule 1 of Regulation 5 of 2016 and the same is also admitted by the Respondents in Clause No. 5 of the agreement in page No.2 by the Respondent No.5 under his signature. As such the contention of the Respondents that since the resetting of the MD to 70 KVA took place on 06.04.2018 and hence the bills have to be affected from April,2018 is without any basis. Hence decides this issue in favor of the Appellant.

Issue No.2

17. In view of the finding in favor of the Appellant in issue No.1 this issue is decided against the Respondent.

Issue No.3

18. In the result the Appeal is allowed and the Respondents are directed to revise the bills from 24.02.2018 as prayed by the Appellant.

19. The licensee shall comply with and implement this order within 15 days from 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 28th th day of September, 2018.

Sd/-

Vidyut Ombudsman

1. M/s Garg Steels Udyog India Pvt. Ltd., G&G Business Centre,
3-4-174/12/1/14/c, 1st Floor, Kanthreddy Nagar, Attapur,
Hyderabad - 500 048. Cell: 7036205211
2. The ADE/OP/Ibrahimbagh/TSSPDCL/Hyderabad.
3. The DE/OP/Ibrahimbagh/TSSPDCL/Hyderabad.
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5. The SE/OP/Cybercity/TSSPDCL/Hyderabad.
6. The SE/Commercial/Corporate office/TSSPDCL/Hyderabad.

Copy to :

7. The Chairperson, CGRF- II, GTS Colony, Vengal Rao Nagar,
Erragadda, Hyderabad.
8. The Secretary, TSERC, 5th Floor Singareni Bhavan, Red Hills, Lakdikapul, Hyd.