



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

Wednesday the Nineteenth Day of September 2018

Appeal No. 36 of 2018

Preferred against Order Dt.15.06.2018 of CGRF in

C.G.No.114/2018-19/Secunderabad Circle

Between

M/s. Aavya Industries Pvt.Ltd., B-71, APIE, Balanagar, Hyderabad - 500 037.
Cell: 7036205211.

... Appellant

AND

1. The ADE/OP/Balanagar/TSSPDCL/Hyderabad.
2. The DE/OP/Bowenpally/TSSPDCL/Hyderabad.
3. The SAO/OP/Secunderabad Circle/TSSPDCL/Hyderabad.
4. The SE/OP/Secunderabad Circle/TSSPDCL/Hyderabad.

... Respondents

The above appeal filed on 03.07.2018, coming up for final hearing before the Vidyut Ombudsman, Telangana State on 29.08.2018 at Hyderabad in the presence of Nishitha - on behalf of the Appellant Company and Sri. K. Raju - ADE/OP/Balanagar and Smt. J. Sridevi - SAO/O/Secunderabad 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. 114 of 2018-19 dt.15.06.2018 on the file of the CGRF/Secunderabad Circle.

2. The averments made in the Appeal are as follows:

The Appellant stated that his company styled as M/s. Aavya Industries Pvt Ltd. having SC No. SEC 1234 and that originally their service connection had a load of 350 KVA but they have sought for deration of the said load to 70 KVA and the same has been considered by the Respondents w.e.f. 23.01.2018 for which an agreement was entered

on 17.02.2018 i.e. after completion of one month. They further stated that in view of the load of 350 KVA to their service connection earlier there was a security deposit of Rs 18,22,959/- but since the same is derated to 70 KVA they are ready to keep a security amount of Rs 70,000/- @ Rs 1000/- per KVA under Clause 5.1(vii) of Regulation 6 of 2004 dt.17.05.2004. And as such they are entitled for return of the balance amount of Rs 17,52,959/- from the security deposit of Rs 18,22,959/- after deducting Rs 70,000/- and as such when the Respondents were not responding to their request for refund of the said amount they have lodged a complaint before the CGRF, but the Hon'ble CGRF failed to appreciate their contentions and rejected their claim, as such aggrieved by the same the present appeal is filed.

3. A perusal of the averments of the Appellant before this office shows that the Appellant is styled as M/s. Aavya Industries Pvt. Ltd. with HT Service No. SEC 1234 originally contracted for a maximum demand of 350 KVA at the inception of their concern but later requested for deration of CMD from 350 KVA to 70 KVA in the ICSC Bowenpally vide HT reference No. HT10818438 dt.23.12.2017. As per the proceedings bearing No. APERC/Secy/96/2014 dt.31.05.2014 under Clause 8 the CMD was derated to 70 KVA w.e.f. 23.01.2018 i.e. after expiry of one month notice and the revised HT agreement of the derated CMD is entered on 17.02.2018. Hence they have pleaded for refund of Rs 17,52,959/- of the Security Deposit lying with the Respondents along with twice the interest rates applicable till refund of the said amount.

4. The Appellant further contended that for the above relief they relied on Clause 9 of Regulation 6 of 2004 dt.17.05.2004 and claimed that as per the said Regulation, the Licensee is required to refund the security deposit lying with them if the supply of electricity is terminated as per the terms and conditions but only after making adjustment for the outstanding amount from the consumer to the Licensee within one month of the effective date of termination of the agreement.

5. The Appellant further contended through their rejoinder dt.08.08.2018 that as per Clause 5.1(vii) of Regulation 6 of 2004 dt.17.05.2004 the consumer has to maintain security deposit @ Rs 1,000/- per KVA and hence in view of the deration of their KVA to 70 KVA they are entitled for refund of Rs 17,52,959/- from out of Rs 18,22,959/- And hence the Respondents have to return the excess deposit lying with them.

6. The Appellant further stated that It is stated that the CGRF -II in similar complaint vide its order dt.28.11.2015 in CG No. 420/2015/RR South Circle allowed the complaint and passed the following order:

“ The deration has been effected from 3990 KVA to 70 KVA with effect from 03.11.2015. The review of requirement of ACD in the year 2016-17 preferably after receipt of Tariff Order by the Respondents is not correct and just. There is a much difference in the derated load i.e. from 3990 KVA to 70 KVA. The deposition of the Respondents mentioned above is not correct on such cases of deration with much difference.

The request of the Complainant to consider for adjustment off SD available to the CC Charges duly keeping sufficient SD for the derated CMD of 70 KVA is genuine and the Respondents are directed to consider accordingly. However, a review may be carried in 2016-17 as per their deposition.”

That the said order is implemented/ compiled by the concerned officials accordingly. That as per the clause 9 of Regulation 6 of 2004 dt.17.05.2004, the Appellant is entitled for refund of excess security deposit available with the Respondents. That the HT agreement of CMD of 350 KVA is terminated and new HT agreement of 70 KVA is entered.

7. The Respondents on the other hand filed a calculation details pertaining to the Appellant's service connection SEC 1234 with regarding to the security deposit as follows:

Average monthly consumption	:	90544		
Energy Charges	:	90522	6.65	601971.30
Demand charges	:	70	390.00	27300.00
TOD Charges	:	29740	1.00	29740.00
INCTOD Charges	:	27214	1.00	-27214.00
Electricity Duty	:	90544	0.06	5432.64
L & F Charges	:	22	6.65	146.30
Colony Charges	:	0	6.30	0.00
Customer Charges	:			1685.00
Total Consumption Charges for one month :				<u>639061.24</u>

2 months consumption charges	:	1278122.00
Available consumption deposit	:	<u>1822959.00</u>
Balance payable	:	<u>544,837.00</u>

8. The Respondent No.3 i.e SAO/OP/Secunderabad vide D.No. 928 dt.21.08.2018 submitted the written rejoinder by stating that out of the available excess security deposit of Rs 5,44,837/- an amount of Rs 51,341/- has already been adjusted towards CC bills for the month of June and July,2018 and a balance amount of Rs 4,93,496/- is still to be adjusted. They also contended that as per Clause 4.2 of APERC Regulation 6 of 2004 “the HT consumers shall at all times maintain with the licensee an amount equivalent to consumption charges (i.e. demand charges and energy charges etc. as applicable) of two months as security deposit during the period of agreement for supply of energy to such HT consumers is in force.” and that as per Clause 6.1 “subject to the billing periods of three months or two months as specified in Clauses 4, the adequacy of the amount of security deposit in respect of consumers shall be reviewed by the Licensee generally once in every year (preferably after revision of tariff for the respective year) based on the average consumption for the period representing 12 (twelve) months from April to March of the previous year.”. They further contended that as per Clause 6(2)(b) “if the existing security deposit of a consumer is found to be in excess by more than 10% of the requires security deposit, refund of the excess security deposit shall be made by the Licensee by adjustment of the then outstanding dues from the consumer to the Licensee or any amount becoming due from the consumer to the Licensee immediately thereafter”.

9. They claimed that the contention of the Appellant that Clause 5.1(vii) and Clause 9 of Regulation 6 of 2004 are applicable to them is not correct as they pertain to initial security deposit which are to be collected at the time of release of new service and refund of security deposit at the time of dismantlement of supply and termination of agreement respectively. They claimed that the present subject matter is regarding to the service that is already in existence. They further pointed out that the excess consumption deposit of Rs 5,44,837/- shall be adjusted against thee CC bills as and when the due arise.

10. Heard both sides.

11. In the face of the averements by both sides the following issues are framed.

Issues

1. The point for consideration is whether the calculation of security deposit to be provided by the Appellant is Rs 70,000/- as alleged by the Appellant?
2. Whether the Appellant is entitled for refund of Rs 17,52,959/- from out of the security deposit of Rs 18,22,959/- in view of the deration of his service connection of 350 KVA to CMD of 70 KVA.? and
3. To what relief?

Issue Nos.1&2

12. Admittedly the Appellants i.e. M/s. Aavya Industries Pvt. Ltd was originally having a service connection HT SC No. SEC 1234 with contracted maximum demand of 350 KVA and that they have requested for deration of the said CMD from 350 KVA to 70 KVA in the ICSC Bowenpally vide HT Reference No. 10818438 dt.23.12.2017 and the same was derated to CMD 70 KVA from 23.01.2018 as per the proceedings bearing No. APERC/Secy/96/2014 dt.31.05.2014 and as a result a revised HT agreement was entered for CMD 70 KVA on 17.02.2018 and as such claimed for refund of an amount of Rs 17,52,959/- from out of the security deposit of Rs 18,22,959/- kept with the Respondents for the CMD 350 KVA under Clause 5.1(vii) of Regulation 6 of 2004 dt.17.05.2004 stating that as per the said provision they have to deposit only Rs 1000/- per KVA thus amounting to Rs 70,000/- for their CMD 70 KVA.

13. The Respondents on the other hand denying the said claim of the Appellants stating that the refund of the excess security deposit on the ground of deration from CMD 350 KVA to 70 KVA does not fall under Clause 5.1(vii) and Clause 9 of Regulation 6 of 2004. They claimed that the excess security deposit as contended by the Appellant is the subject matter of Clause 4(2) of APERC Regulation 6 of 2004, Clause 6(1) and Clause 6(2)(b) of Regulation 6 of 2004 and pointed out that at per the said provisions the consumption charges of the Appellant for one month is Rs 6,39,061.24 and as such the same amounts to Rs 12,78,122/- for two months and hence the said amount is to be retained as security deposit under Clause 4(2), 6(1) and 6(2)(b) of APERC regulation 6 of 2004, as such they are liable to retain an amount of Rs 12,78,122/- towards security deposit in the face of deration of the CMD from 350 KVA to 70 KVA and hence the Appellants are entitled for the balance amount of

Rs 5,44,837/- but the said amount is not liable to be returned to the consumer i.e. the Appellant herein, but is liable to be adjusted towards the future consumption.

14. In view of the said contentions a perusal of Clause 5.1(vii) and 9 of Regulation 6 of 2004 as referred by the Appellant clearly shows that the same is not applicable to the present subject as it is regarding to the release of new service connection or at the time of dismantle of supply and termination of agreement but not when the service connection is derated and in existence.

15. Hence in view of the same the Court perused Clause 6 of Regulation 6 of 2004 and found that the same clearly mentions in Clause 4 that the adequacy of the amount of security deposit in respect of consumers shall be reviewed by the Licensee once in every year based on the average consumption for a period of 12 months i.e generally from April to March, while Clause 4 of Regulation 6 of 2004 clearly specifies that the Licensee shall at all times shall maintain the consumption charges for a period of two months as security deposit during the period of the agreement for supply of energy to HT consumers whose service connection is in force.

16. Thus the said provisions as referred above clearly shows that the Licensee i.e. the Respondents are authorised to keep an adequate amount of security deposit i.e. the consumption charges including the demand charges and energy charges as applicable for a period of two months towards security deposit during the period of agreement for supply of energy to the HT consumers whose service connections are in force and hence the contentions of the Respondents that since the consumption charges of the Appellant is Rs 6,39,061.24 per month, they have calculated the consumption charges of two months as per the provisions under Clause 4(2) and Clause 6(1) of Regulation 6 of 2004 as Rs 12,78,122/- is absolutely in accordance with the provisions prescribed.

17. Hence in the said circumstances since the Appellant has not denied that their service connection is in force and their consumption per month is Rs 6,39,061.24, the contention of the Respondents that they have deducted the consumption charges of two months amounting to Rs 12,78,122/- cannot be found fault and hence when the said amount of Rs 12,78,122/- is deducted from the security deposit of Rs 18,22,959/- the balance would be Rs 5,44,837/- and hence when Clause 6(2)(b) of Regulation 6 of 2004 is applied to the said balance amount, the Appellants are entitled for adjustment of the said amount towards their future

consumption but not for refund of the said amount by way of cash repayment as claimed by the Appellants. Hence decides these issues against the Appellant.

Issue No.3

18. In the result the Appeal is disposed accordingly.

TYPED BY Office Executive cum Computer Operator, Corrected, Signed and Pronounced by me on this the 19th day of September, 2018.

Sd/-

Vidyut Ombudsman

1. M/s. Aavya Industries Pvt.Ltd., B-71, APIE, Balanagar, Hyderabad - 500 037. Cell: 7036205211.
2. The ADE/OP/Balanagar/TSSPDCL/Hyderabad.
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5. The SE/OP/Secunderabad Circle/TSSPDCL/Hyderabad.

Copy to :

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