



**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**

Friday, the Tenth Day of February 2017

Appeal No. 70 of 2016

Preferred against Order Dt. 24.05.2016 of CGRF In

CG.No: 08/2016 of Medak Circle

Between

M/s. Nayastrap Private Limited, represented by Sri. V.Kista Reddy,  
#11-5-415/A/7, 2nd Floor, Red Hills, Hyderabad. Pin code : 500 004.  
Phone: 23392555, 23391701.

**... Appellant**

**And**

- 1.The AAE/OP/Patancheru/TSSPDCL/Medak Dist.
2. The ADE/OP/Patancheru/TSSPDCL/Medak Dist.
3. The AAO/ERO/Patancheru/TSSPDCL/Medak Dist.
4. The DE/OP/Sangareddy/TSSPDCL/Medak Dist.
5. The SE/OP/Medak Circle/TSSPDCL/Medak.

**... Respondents**

The above appeal filed on 21.11.2016 coming up for final hearing before the Vidyut Ombudsman, Telangana State on 27.12.2016 at Hyderabad in the presence of Sri. Abhilash Reddy - on behalf of the Appellant and Sri. P. Ashok - AE/OP/Patancheru, Sri. Ch. Amrutha Rao - ADE/OP/Patancheru, Sri. M. Sathiah - AAO/ERO/Patancheru for the Respondents and having considered the record and submissions of both the parties, the Vidyut Ombudsman passed the following;

**AWARD**

The Appellant has SC No. 0501 00495 Category-III(LT Industry) with contracted load of 74 HP with HT flag. The Appellant claimed that it was issued a short billing notice for the period from May,2012 till date on the ground that the meter was recording less energy while the Appellant was using the load of 74 HP with LT CT meter and the service was being billed under HT Flag instead of LT flag, causing loss of 4% of consumption units to the DISCOM. The Appellant claimed that as per Clause 7.5.1.4.4 of GTCS, the

assessment has to be limited to 6 months only and sought the short billing to be set aside.

2. The 2nd Respondent/ADE/O/Patancheru filed reply on behalf of other Respondents also stating that DE(EI)/Detection of pilferage of energy wing had inspected the service of the Appellant and found that the Appellant has been utilising the load of 74 HP with LT CT meter, while the service was being billed under HT flag instead of LT flag, causing loss of 4% of consumed units every month to the DISCOM and therefore, he proposed short billing as per the terms of GTCS. The AAO/ERO/Patancheru/R3 assessed an amount of Rs 67,257/-and issued demand along with calculation sheet and communicated to the Appellant with the assessment notice of the 2nd Respondent/ADE/O/Patancheru dt.5.3.2016.

3. The 3rd Respondent /AAO/ERO/Patancheru through letter dt.2.5.2016 stated before the CGRF to the effect that according to the specific conditions of the LT tariff, for load of 50 to 100 HP, the metering will be provided on HT side of the distribution transformer, i) if the metering is on HT side 1% of the total energy consumed shall be deducted from the recorded energy for the purpose of billing ii) in case where metering is provided on LT side transformer (due to space constraints) 3% of the recorded energy during the month shall be added to arrive at the consumption on High Tension side of the Transformer, as the consumer was availing supply through CT meter instead of HT meter.

4. The 3rd Respondent further stated that the service was inspected by the DE/DPE on 4.3.2016 and he found that the Appellant was utilising the load of 74 HP with CT meter, while the service was being billed under HT flag instead of LT flag, causing loss of 4% of consumed units every month and hence, the assessment has been made for Rs 67,257/- for the period from April,2012 to March,2016 as per Clause 7.5.1.4.4 of GTCS.

5. The representative of the Appellant made oral representation to the effect that the meter was not defective and sought the bill for 6 months period only, while the 2nd Respondent/ADE/O/Patancheru spoke about 4% loss (i.e., 3% DTR loss + 1% rebate) to the DISCOM. The 3rd Respondent/AAO/ERO/Patancheru stated that the Appellant has contracted load of 74 HP with HT flagging and according to the specific conditions of LT tariffs, for loads of 50 to 100 HP, the metering will be provided on HT side of the Distribution transformer. He further stated that if the metering is on HT side, 1% of the total energy consumed shall be deducted from recorded energy, for purpose of billing and when metering is provided on LT side of transformer(due to space constraints) 3% of the

recorded energy during the month shall be added to arrive at the consumption of HT side of the transformer and therefore, DE/DPE had booked a short billing case.

6. On the basis of the material on record and contentions of the parties, the CGRF directed the Respondents to verify the old records and fix the responsibility on the persons who changed from LT billing to HT billing and recover Rs 67,257/- from those persons, under intimation to the forum, through the impugned orders (Note: The CGRF Order from HT billing to LT billing is incorrect. Instead it should be read as LT billing wrongly billed under HT flag).

7. Aggrieved and not satisfied in getting the demand from the DISCOM for payment of the back billing amount on the threat of disconnection and when the Appellant approached the CGRF on 19.7.2016 for guidance and failed to get any response except reminding that the Appellant secured favourable orders from CGRF, the Appellant approached the officers of the DISCOM and other authorities and still failed to get any relief/response and on the other hand, the Appellant was threatened with disconnection unless the amounts were paid, preferred the present Appeal.

8. The 2nd Respondent/ADE/O/Patancheru filed a reply dt.27.12.2016 in the Appeal stating that based on the inspection of the Appellant's premises by DE/DPE, ADE/OP served a preliminary assessment notice for short billing on the Appellant and that the service connection had LT CT metering arrangement fixed after the Distribution transformer with connected load of service 74 HP. As per the metering conditions and load conditions of LT tariffs, above 49 HP to 99 HP, the metering arrangements should be on HT side (i.e. CTPT and HT Trivector meter). The ERO billing side, the service mapped as HT flag instead of LT flag due to which the DISCOM was losing 4% of the billing (i.e. 3% DTR loss and 1% rebate given to the consumer). The 2nd Respondent/ADE further stated that as per the impugned order dt.24.5.2016, the service connection of the Appellant was changed from HT flag to LT flag. He stated that the service connection is more than 4 years old and from the beginning, the reading was being taken on the LT flag(i.e since May,2012) instead of the service connection with load of 70 HP being billed under HT flag, while the metering has been done under LT, which attracted penalties of 3% by way of transformer losses, which have to be borne by the consumer. He stated that based on the final assessment order, the Appellant is found due Rs 56,771/-.

9. The 3rd Respondent/AAO/ERO/Patancheru filed a reply dt.7.12.2016 on similar lines as the 2nd Respondent/ADE/O/Patancheru.

10. Efforts at mediation, in view of the clear cut directions of the CGRF and the reluctance of the Respondents to comply and the threatening action alleged by the officials of the DISCOM against the Appellant, failed and hence the matter is being disposed of on merits.

11. Based on the material available on record and submissions of both the parties, the following issues arise for disposal:

1. Whether the short billing resorted to for Rs 56,771/- on the ground that the HT billing was changed to LT billing causing loss to the DISCOM is valid?
2. Whether the order of the CGRF directing recovery of the short billing amount of Rs 56,771/- recoverable from the officials responsible for the wrong billing is valid?
3. Whether short billing should be restricted to 6 months only as per Clause 7.5.1.4.4 ?

**Arguments heard.**

**ISSUES 1 to 3**

12. The Appellant is a consumer with SC No. 0501 00495 Category III(LT Industry). The Appellant has been utilizing the load of 74 HP with LT CT meter, while the service was being billed under HT flag instead of LT flag, due to which the DISCOM was claiming losing 4% of the consumed units every month and therefore, short billing was proposed and implemented. The Respondents claimed that as per the metering conditions and load conditions of LT tariffs, above 49 HP to 99 HP the metering arrangements should be on HT side (i.e. CTPT and HT Trivector meter). In ERO billing side, the service was mapped as HT flag instead of LT flag, due to which the DISCOM was losing 4% of the billing (i.e. 3% DTR loss and 1% rebate given to the consumer). On this aspect the Appellant has nothing to contradict expect stating that only on 30.3.2016 the Appellant came to know about the inspection of the service alleged on 4.3.2016 at 4.30 PM and about the preliminary assessment.

13. The claim of the Respondents that the service was utilising power with load of 74 HP is not denied. In case the billing to the service was mapped on HT flag instead of LT flag whereby the DISCOM lost an opportunity to add 3% DTR loss and 1% rebate given to the consumer sustaining total 4% loss. The Appellant ought to have had metering arrangement on HT side (i.e. CT PT and HT trivector meter) which it has not and therefore, the loss sustained by the DISCOM was subject matter of the short billing.

14. As per Part 'A' LT Tariffs (Tariff Order 2015-2016), Clause 3 category wise specific conditions of LT Tariff, sub clause 3(3 LT-III Industry category)(3) metering and load conditions (ii) for loads above 37.5 KW/50 HP to 75 KW/100 HP the metering will be provided on HT side of the distribution transformer.

- a) Actual metering arrangement existing with the Appellant: LT CT meter existing on LT side of transformer.
- b) Actual metering arrangement to be available for loads between 37.5KW/50HP to 75KW/100HP: HT metering arrangement shall be available involving CTPT & Trivector meter, which is not available with the service connection.

15. **What is the difference in the billing occurred due to HT(Flag) billing in the present case?**

For HT (Flag) billing, the metering arrangements have to be on the HT side of the Transformer, there by following relaxations shall be available to the consumers

- a) 1% of recorded energy shall be deducted every month as per the Clause 1.3.1 Part 'A' LT Tariffs of Tariff Orders 2015-16.
- b) Further 3% of recorded energy shall not be added every month as per sub clause 3(v) of Clause 3, of Part 'A' LT Tariffs of Tariff Order 2015-16.

16. On inspection by the DE/DPE, it was found that the metering arrangements are on LT side of the Transformer and billing is being carried out under HT (Flag) duly incorporating the above benefits at para (15) a & b supra. It resulted in short billing of the service with 4% of consumed units benefit being added amounting to Rs 67,257/-.

17. Clause 1.3.1 of Part 'A' LT Tariffs for LT-III-Industry regarding deduction of 1% consumed energy from the recorded energy started from the Tariff Orders FY 2012-13. Hence, the assessment of the short billing was further reduced by deducting 699 units from

- i) total Consumption for May,2012 to April,2013 : 69904
  - ii) 4% of consumption : 2796 Units
  - iii) 1% of consumption : 699.04 Units
- (2796 - 699.04 Units = 2097)

towards 1% consumption during FY 2011-12, by the CGM/Commercial vide memo no.CGM (C )/ SE( C)/ DE ( C)/ ADE-III/D.No. 1821/ 16-17, Dt: 23-09-2016, thereby reducing the amount from Rs. 67,257 to Rs.56,771/-.

18. The Appellant contended that the back billing should be restricted to 6 months only as per Clause 7.5.1.4.4 of GTCS. This Clause was amended/substituted as per the proceedings of APERC/Secy/96/2014 Dt.31.5.2014 which is as follows:

“ Clause 7.5.1.4.4: The assessment shall be made for the entire period during which such status of the defective meter can be clearly established, however the period during which such status of defective meter cannot be ascertained, such period shall be limited to a period of twelve months immediately preceding the date of inspection.”

This substituted Clause clearly answers the point raised by the Appellant. The back billing resorted to by the DISCOM is from a certain ascertained period and not from an unknown period. Hence the contention of the Appellant on this aspect is untenable.

19. The impugned orders lack reasons, but the conclusions are sustainable. The Respondents are liable to implement the order of CGRF which they did not and so also the CGRF did not respond to the complaint of the Appellant about non implementation. In view of the foregoing reasons, the short billed amount levied i.e Rs.56,771/- is in line with the tariff orders and confirmed.

20. The CGRF through the impugned orders directed in the first instance an enquiry and fixing of responsibility on the persons who changed HT billing to LT billing in the service connection and recover the amount of the loss Rs 56,771/- suffered by the DISCOM from those found responsible and instead of implementing this order which is binding on the officials of the DISCOM as per Clause 2.53 of Regulation 3 of 2015 and who have to implement the orders on the pain of payment of compensation, failed to do so which shows poorly on the officials of the DISCOM. The issues are answered accordingly.

21. In the result, the Appeal is disposed of as follows:

1. The impugned orders of CGRF upholding short billing and the directions to the DISCOM to verify the record and fix up the responsibility of the officials who have changed the LT billing to HT billing in the billing software and recover the short billing amount of Rs 56,771/- from them is confirmed.

2. The Respondents are directed to desist from threatening the Appellant with disconnection of the service regarding the payment of the short billing amount of Rs 56,771/-.

3. The Appeal is disposed of accordingly.

22. 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 CCO, Corrected, Signed and pronounced by me on 10th day of February, 2017.

Sd/-

**VIDYUT OMBUDSMAN**

1. M/s. Nayastrap Private Limited, represented by Sri. V.Kista Reddy,  
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6. The SE/OP/Medak Circle/TSSPDCL/Medak.

**Copy to:**

7. The Chairperson, Consumer Grievance Redressal Forum - 1, TSSPDCL, Vengal Rao Nagar, Erragadda, Hyderabad - 500 045.
8. The Secretary, TSERC, 5<sup>th</sup> Floor Singareni Bhavan, Red Hills, Lakdikapool,Hyd.