



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

Monday, the Second Day of January 2017

Appeal No. 72 of 2016

Preferred against Order Dt. 28-09-2016 of CGRF In

CG.No: 67/2016-17 of Mahaboobnagar Circle

Between

M/s. Anand Ispat Udyog Ltd represented by Sri. Ashish Agarwal,
5-8-363 to 65/A, 3rd Floor, Above KVB, Chirag Ali Lane, Abids,
Hyderabad-500 001. Cell no:9391033606.

... Appellant

AND

1. The CGM/Commercial/TSSPDCL/Corporate Office/Hyderabad.
2. The SAO/OP/Mahaboobnagar/TSSPDCL/Mahaboobnagar Dist.
3. The DE/OP/Mahaboobnagar/TSSPDCL/Mahaboobnagar Dist.
4. The SE/OP/MBNR Circle/TSSPDCL/Mahaboobnagar Dist.

... Respondents

The above appeal filed on 24.11.2016 coming up for hearing before the Vidyut Ombudsman, Telangana State on 28.12.2016 at Hyderabad in the presence of Sri. Ravi - on behalf of the Appellant Company and Sri. B. Sammaiah - SAO/OP/Mahaboobnagar, Sri. B. Sanjeva Reddy - DE/OP/Jadcherla/ Sri. Moguliah - JAO/HT/OP/Mahaboobnagar for the Respondents and having considered the record and submissions of both the parties, the Vidyut Ombudsman passed the following;

AWARD

The Appellant has HT Service Connection No. MBN 353 with a contracted load of 4990 KVA through 33KV stated to be a dedicated feeder. The Appellant claimed that the Respondents imposed voltage surcharge, even though it violated Clause iii of Terms and Conditions of Tariff Order 2015-16 and sought withdrawal of excess billed amount of Rs 5,85,130/- representing voltage surcharge.

2. Before the CGRF the 2nd Respondent SAO/O/MBNR stated through his letter dt.23.9.2016 that the CC bill for June,2016 was issued for an amount of Rs 1,05,48,247/- by way of levy of voltage surcharge for exceeding CMD of 4990 KVA. The Appellant exceeded 54 KVA from Open Access and from the Licensee, the Appellant exceeded 5044 KVA(exceeding threshold limit of 5000 KVA from all sources in common feeder). The feeder from which the Appellant has been drawing power cannot be considered as dedicated, in the absence of the Appellant providing bay extension with breaker. The bill was issued to the Appellant according to the Tariff Order. The 3rd Respondent/DE/O/Jadcherla stated similarly as the 2nd Respondent SAO/O/MBNR.

3. Before the CGRF, the Appellant demanded withdrawal of the voltage surcharge and whereas, the 2nd Respondent/SAO/O/MBNR stated that as per the Tariff Order 2015-16, CMD or RMD (Whichever is higher) and all other sources will be the basis for levying the voltage surcharge.

4. On consideration of the material on record and contentions, the CGRF gave a finding that the feeder of the consumer is not a dedicated one, voltage surcharge was levied when the Appellant exceeded CMD from all sources with the Licensee and Open Access demand and that the voltage surcharge can be levied on those who have supply arrangements from one or more than one sources and the RMD or CMD with the Licensee and other sources, whichever is higher shall be the basis for imposing voltage surcharge and that the withdrawal of voltage surcharge in the Tariff Order 2016-17 cannot be considered for the present claim covered by the Tariff Order 2015-16 effective till 30.6.2016 and upheld the voltage surcharge, through the impugned orders.

5. Aggrieved and not satisfied with the impugned orders, the Appellant preferred the present Appeal on the ground that Vidyut Ombudsman in Appeal No. 24 of 2016 by Award dt.16.6.2016 in a similar case and circumstances, set aside the voltage surcharge and therefore the impugned orders too may be set aside and a direction be given to the Respondents not to disconnect the supply.

6. During the hearing, on behalf of the Appellant, a copy of Award dt. 16.6.2016 in Appeal No. 24 of 2016 is filed, wherein imposition of voltage surcharge in the month of January, 2016 in the case of M/s Salasar Iron and Steel Pvt Ltd has been set aside. The issue involved in the present case is about legality of imposition of the voltage surcharge for the period covered by June,2016.

7. Steps for mediation have not been successful because of the nature of contentions. Hence the matter is being disposed of on merits.

8. In view of the material on record and contentions, the following issues arise for determination:

- a. Whether the voltage surcharge imposed on the Appellant company for the month of June,2016 is not legal?
- b. Whether the impugned orders are liable to be set aside?

9. The Appellant admitted that the grievance is regarding imposition of voltage surcharge of Rs 5,85,130/-. The Respondents totally denied the claim of the Appellant on this aspect and supported imposition of the voltage surcharge.

10. The Respondents contended that CMD of the Appellant 4990 KVA from the Licensee and 54 KVA from the Open Access was drawn totalling the demand to 5044 KVA crossing the threshold of 5000 KVA from all sources in the common feeder and therefore, the Appellant is liable to pay the voltage surcharge. The Appellant is denying the claim of the Respondents mainly based on the Award dt.16.6.2016 passed in Appeal No. 24 of 2016 of the Vidyut Ombudsman.

11. The enabling power to impose voltage surcharge for the Licensee is Clause 6(4) HT Supply General Conditions ; Tariff Order 2015-16.

“The H.T.Consumers who are now getting supply at voltage different from the declared voltage and who want to continue taking supply at the same voltage will be charged as per the rates indicated below”:

S.No	Contracted demand with licence and other sources	Voltage at which supply should be availed (in KV)	Voltage at which consumer is availing supply (in KV)	Rates % extra over	
				Demand charges	Energy charges
A	For HT Consumers availing supply through common feeders				
1	1501 to 5000	33	11	12%	10%
2	Above 5000	132 or 220	66 or below	12%	10%
B	For HT Consumers availing supply through independent feeders				
1	2501 to 10000	33	11	12%	10%
2	Above 10000 KVA	132 or 220	66 or below	12%	10%
Note: The FSA will be extra as applicable.					

Note:- In case of consumers who are having supply arrangements from one or more than one sources, the RMD or CMD with the licensee and other sources, whichever is higher, shall be the basis for levying voltage surcharge.

12. The Appellant contended that the Respondents have imposed voltage surcharge misinterpreting the relevant Clause even though there is no ground attracting imposition of voltage surcharge. The Appellant further claimed that with 4990 KVA of CMD, the power was drawn at 33 KVA and as per Clause 6(4) of Tariff Order 2015-16, if the Appellant whose CMD is 4990 KVA draws power at 11KV instead of 33 KV, only then the voltage surcharge is attracted and not in the present case. On the other hand, the Respondents claimed that as per the note in the Clause 6(4) in the Tariff Order 2015-16, if the RMD goes beyond 5000 KVA drawn at 33 KV level under common feeder, the voltage surcharge is attracted, because the designated voltage for above 5000 KVA is 132 KV or 220 KV as per the Clause.

13. There are three prerequisites for application of Part A of the Table in Clause 6(4) for imposing the voltage surcharge on the consumers availing supply through common feeders and they are:

- i. The contracted demand with licensee and other sources (in KVA) should have been between 1501 KVA and 5000KVA at voltage level 33KV
- ii. Voltage at which the supply should be availed is at 33KV level.
- iii. The Voltage at which the consumer is availing supply should have been 11KV and the consumer should be insisting on availing supply at 11KV only,

and only then, 12% demand charges and 10% energy charges representing the voltage surcharge are leviable and not otherwise.

14. The maintenance of the voltage level is of utmost importance for the Distribution Company to maintain grid discipline. When the power is supplied in higher voltages, the transmission losses are lesser. Hence, when a utility supplies power at a designated voltage, and the consumers avail supply at a lower level continuously than the specified voltage level, there would be transmission losses and to compensate this type of losses, the voltage surcharge is levied. The utility suffers higher transmission losses, if it has to supply power at a lower voltage level. This is the purpose behind levy of voltage surcharge.

15. In the present case:-

- a. The specified voltage for CMD below 5000KVA under common feeder is at 33 KV level. The appellant is availing supply at 33KV and there is no deviation,
- b. The appellant is not getting supply continuously at different (lower) voltage from the declared voltage which is 33KV,
- c. There is no insistence in drawing supply at different (lower) voltage

16. The voltage surcharge imposed on the Appellant in the present case, as discussed supra, is not mandated by Para 6(4) H.T. Supply General Conditions of the Tariff Order 2015-16. It is practically not possible to shift from drawing power supply at 33 KV level to 132 KV level, at a particular instant immediately when a small portion of the demand in KVA (excess KVA) is drawn, in a particular integration of time duration and day in a month. This impossibility is ignored by the DISCOM when the claim was made for the voltage surcharge in this case, making huge demand over the appellant. The respondents prepared energy bills in this case levying voltage surcharge, without having the authority to do so, based on misinterpretation of the criteria prescribed in para 6(4) of the table H.T. Supply General Conditions of the Tariff Order 2015-16 and thus, it is clear that levy of voltage surcharge is not unsustainable in the present case.

17. The imposition of voltage surcharge on the Appellant service can not be sustained on any ground. The CGRF, while answering the issue on a question raised that the levy of voltage surcharge in the Tariff order 2016-17 has been withdrawn and therefore, the present voltage surcharge is not leviable, answered the point stating that the issue involved in the present case i.e. the bill for June,2016 is covered by FY 2015-16 wherein the voltage surcharge is provided for, upheld the imposition of voltage surcharge, without examining the criteria in the para 6(4) of the HT Supply General Conditions of the Tariff Order 2015-16 for application of voltage surcharge. The impugned orders cannot be sustained on any ground. The issues are answered accordingly.

18. In the result the Appeal is allowed holding that:

- a. the voltage surcharge imposed on the Appellant company in the month of June,2016 is set aside as not legal.
- b. the impugned orders are accordingly set aside.

19. This award shall be implemented within 15 days of its receipt at the risk of penalties as indicated in Clauses 3.38, 3.39 and 3.42 of the Regulation No. 3/2015 of TSERC.

TYPED BY CCO, Corrected, Signed and Pronounced by me on this the 2nd day of January, 2017.

Sd/-

VIDYUT OMBUDSMAN

1. M/s. Anand Ispat Udyog Ltd represented by Sri. Ashish Agarwal,
5-8-363 to 65/A, 3rd Floor, Above KVB, Chirag Ali Lane, Abids,
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5. The SE/OP/MBNR Circle/TSSPDCL/Mahaboobnagar Dist.

Copy to:

6. The Chairperson, CGRF -1, TSSPDCL, GTS Colony, Vengal Rao Nagar, Erragadda,
Hyderabad.
7. The Secretary, TSERC, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad.