



BEFORE THE VIDYUT 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
VIDYUT OMBUDSMAN**

TUESDAY THE SEVENTH DAY OF OCTOBER
TWO THOUSAND AND TWENTY FIVE

Appeal No. 22 of 2025-26

Between

Athaang Dichpally Tollway Pvt.Ltd., Indalwai Village, Indalwai Mandal,
Kamareddy District, Cell: 8008344779.

.....Appellant

AND

1. The Assistant Engineer/Operation/Sadashiv Nagar - 8712482186
2. The Assistant Divisional Engineer/Operation/R/Kamareddy - 8712482190
3. The Assistant Accounts Officer/ERO/R/Kamareddy-8712482189
4. The Divisional Engineer/Operation/Kamareddy-8712482264

..... Respondents

This appeal is coming on before me for the final hearing on this day in the presence of Sri Anil Kumar Singh - authorised representative of the appellant and Sri A. Gangadhar - AE/OP/Sadashiv Nagar, Sri G. Naresh Kumar - ADE/OP/R/Kamareddy and Sri B.N.K. Chakravarthy - DE/OP/Kamareddy for the respondents and having stood over for consideration till this day, this Vidyut Ombudsman passed the following:-

AWARD

This appeal is preferred aggrieved by the Award passed by the Consumer Grievances Redressal Forum - Nizamabad (in short 'the Forum') of Telangana State Northern Power Distribution Company Limited (in short

'TGNPDCL') in C.G No.178/2025-26/Nizamabad Circle dt.02.09.2025, rejecting the complaint.

CASE OF THE APPELLANT BEFORE THE FORUM

2. The case of the appellant is that the appellant is the concessionaire and the respondents have been levying electricity charges under Commercial Category for the Street lights and masts on Nagpur Hyderabad of National Highway-44 from new KM 313.507 to 373.762 (old KM 308.000 to 367.000) in the State of Telangana. The said street lights and high masts are meant for public safety and use. Therefore, it was requested for re-classification of the Category from LT-II Commercial to LT-VI(A) - Panchayat bodies.

WRITTEN SUBMISSIONS OF THE RESPONDENTS

3. In the written reply filed by respondent No.4 before the learned Forum, it is, inter-alia, submitted that the Service Connections to the appellant in Operation Section, Sadashiv Nagar for central lighting on National Highway-44 were released under Category-II. As per Tariff Order dt.29.04.2025 of Telangana Electricity Regulatory Commission (in short "the Commission") for FY 2025-26, services can be released under Category-VI(A) only if the supply is used for street lights under Gram Panchayat or Municipal Corporations. But in the present case, the services are used for lighting purposes on National Highway-44. Therefore, these services cannot be

changed to Category-VI(A) as per existing Rules.

AWARD OF THE FORUM

4. After considering the material on record and after hearing both sides, relying on Clause 4.7.1 of the Tariff Order for the Financial Year 2024-25, the learned Forum has rejected the complaint.

5. Aggrieved by the said Award of the learned Forum, the present appeal is preferred, reiterating the contents of the complaint filed before the learned Forum. It is accordingly prayed to direct the respondents to change the subject Service Connections from Category -II to Category VI(A) as applicable to Municipal Corporations and Gram Panchayats by setting aside the impugned Award.

WRITTEN SUBMISSIONS OF THE RESPONDENTS

6. In the written reply filed by respondent No. 4 before this Authority, he has reiterated the contents of his written reply filed before the learned Forum.

ARGUMENTS

7. It is submitted by the authorised representative of the appellant that the lighting of street lights and masts on National Highways etc., are meant for public safety and for the benefit of local users and therefore it is prayed to change the Category of the street lights on the subject National Highway from

Category-II to Category-VI(A) like local Municipal bodies and Gram Panchayats.

8. On the other hand, it is submitted by respondent No.4, that the subject street lights and masts fall under Category-II Commercial as per Clause 4.7.1 of Tariff Order for FY 2025-26; that Category LT-VI tariff is applicable only for lighting on public roads, streets etc., in local bodies like Panchayats/Municipalities/Municipal corporations and therefore it is prayed to reject the appeal.

POINTS

9. The points that arise for consideration are:-

- i) Whether the subject Street lights on the National Highway in this case come under Category - VI(A) as claimed by the appellant and whether the appellant is entitled for change of Category?
- ii) Whether the Award of the learned Forum is liable to be set aside? and
- iii) To what relief?

POINT Nos. (i) and (ii)

ADMITTED FACTS

10. It is an admitted fact that the street lights and masts are on National Highway No.44 on Nagpur-Hyderabad from new KM 313.507 to 373.762 (old KM 308.000 to 367.000) in the State of Telangana. It is also an admitted fact that the respondents have released Service Connections to the subject street

lights under LT Category-II Commercial.

SETTLEMENT BY MUTUAL AGREEMENT

11. Both the parties have appeared before this Authority virtually and physically. 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

12. The present appeal was filed on 24.09.2025. This appeal is being disposed of within the period of (60) days.

CRUX OF THE MATTER

13. The present dispute is confined to Kamareddy Section only. The appellant claims that the subject street lights and masts are for the safety and usage of the general public including local villages and also passengers on the National Highway. The contention of the respondents is that the street lights and masts fall under commercial Category and only the street lights maintained by Gram Panchayats/Municipalities/Municipal Corporations come under Category-VI(A). At this stage it is relevant to refer Clause 4.7.1 of Tariff Order FY 2025-26, which is extracted here-under:-

4.7 LT VI: Street Lighting and PWS Schemes

Applicability

4.7.1 : Applicable for supply of energy for lighting on public roads, streets, thoroughfares including Parks, Markets, Cart-stands, Taxi stands, Bridges and also for PWS schemes and Mission Bhagiratha schemes in the Local Bodies viz., Panchayats/Municipalities/Municipal Corporations. Metering is compulsory irrespective of tariff structure.

14. At this stage it is necessary to refer the Objections of stake holders, replies of petitioners and analysis and findings of the Commission in the Tariff Order FY 2025-26 on Page 148 under Clause 3.18.5, which read as under:-

3.18.5 Category change of the NHAI Street light services:

The National Highway Authority of India has submitted through their counsel that the street lighting on the national highways be included under the category of LT-VI (A)– Street lighting category. It is submitted on behalf of the NHAI that the streetlight on the national highways is now included in the category of LT-II which is residuary category. It is submitted that the LT-VI (A) category includes energy supply for lighting on the public lights, streetlights etc. in local bodies i.e., panchayats, municipalities and municipal corporations. It is submitted on behalf of the NHAI that it is providing the streetlights at interjections of villages, towns and Municipalities which will be for the purpose of usage of general public and also for the safety of the cattle and other animals. Therefore, the power consumed by streetlights on the highways in the interjections of the villages, towns and Municipalities shall be categorised of LT – VI (A) and not under LT-II.

On the other hand, it is submitted by the CMD of the TGSPDCL that NHAI has been collecting toll tax whenever highway is being used by the consumers, therefore NHAI is undertaking the usage of highway on a commercial activity, hence cannot be categorised under LT-VI(A).

During the course of argument in the hearing, this Commission has directed NHAI to submit the details of components that are

included in the toll charges. If at all, toll charges are determined after considering the electricity charges being paid to the DISCOMs, then certainly the categorisation as existing need not be altered, otherwise the request of the NHAI falls for consideration of this Commission. Further it is submitted by NHAI that in so far as the activity of the toll charges is concerned, it can be categorised under LT-II. However, in so far as the lighting at the interjections of villages, towns and Municipalities etc., it has to be categorised under LT-VI (A) on par with panchayats, municipalities, municipal corporations.

The counsel for the NHAI has submitted that within a short time he would file an affidavit indicating the components which decide the toll tax. Similarly, the CMD of the TGSPDCL has also submitted that he will file detailed counter in respect of the submissions made by the NHAI. However, as on today neither affidavit is filed by the NHAI, or counter affidavit is filed by the TGSPDCL. Since, an affidavit is received from NHAI but counter from TGDISCOMS not filed so far. Therefore, this Commission is handicapped from taking decisions in respect of categorisation of usage of power for lighting on the national highway at the interjection of villages, towns and Municipalities etc. Hence, for the time being the **category which is existing as of now is being continued**. However, NHAI is at liberty to file a separate application for change of category of the power in respect of power being used at the highways at the interjection villages, towns and Municipalities etc. based on which the Commission will hear both the parties and pass appropriate orders.

The above referred observation of the Hon'ble Commission goes to show that for the street lights on National Highway in Telangana, which were under residuary Category- LT II was retained and also stated that the Hon'ble Commission will hear both parties and pass appropriate orders at the relevant time. Thus the street lights on National Highway within the State of Telangana are Categorised under LT-II.

15. The appellant has relied on the Award passed by the Consumer Grievances Redressal Forum (Nagpur) Case No.25/2022 dt.23.05.2022, a similar dispute was raised before the Consumer Forum. M/s. GMDBL WARDHA BUTIBORI PROJECT, Nagpur filed the complaint against the Maharashtra State Electricity Distribution Company Limited. The said Distribution Company released the electricity supply for street lights on National Highways under LT Category-II. The complainant therein requested for re-classification of Tariff from LT -II Non-Residential Category to LT-VI Street Lights Category. The learned Forum while allowing the complaint held as under:-

“The electricity is used for illumination of highways within the limits of Villages and Towns. Merely because the applicant is not a municipal council or gram panchayat it will not disentitle it to avail the Tariff Category LT-VI street lights. What is important is to see the purpose for which electricity is used rather than who is using the electricity. The applicant is not charging the public for lighting of the streets. We are therefore of the opinion that tariff category LT-VI Street Lights is applicable to the applicant”.

The instant case is also similar to that of the case referred to above.

16. The appellant has also relied upon the common order dt.27.05.2022 passed by Consumer Grievances Redressal Forum, Amaravathi Zone, Amaravathi in representation No.12/2022 and 16/2022 and batch. In these cases also a similar dispute was raised. The electricity was released for the street lights on the National Highway under Category-LT VI(A). Thereafter the Category was re-classified from LT-VI(A) to LT-II(B). The learned Forum has

allowed all the representations and directed the distribution company Ltd., therein to retain Category-VI(A) to the electricity supplied to the street lights on the National Highway.

17. The appellant has also relied upon the order passed by the Electricity Ombudsman, Nagpur in Representation No.44/2022 dt. 05.01.2023. The said appeal was preferred aggrieved by the order dt.21.09.2022 passed by the Consumer Grievance Redressal Forum, Aurangabad in case Nos.908,909,910,911,912 and 913 of 2022. In the said matter also a similar issue was involved. The learned Ombudsman has finally held that street lights on National Highway come under Category LT-VI on the ground that the said tariff Category is applicable for the electricity used for lighting of public streets/thorough fairs which are open for general public at low voltage/high voltage.

18. The appellant has finally relied on the judgement of the Hon'ble High Court of Bombay, Nagpur Bench, Nagpur in W.P.No.7504 of 2022 dt.23.10.2023. That Writ Petition was preferred aggrieved by the order dt.27.05.2022 passed in Representation No.16/2022 by the Consumer Grievances Redressal Forum, Amaravathi region, Amaravathi, referred to above, allowing the Representation thereby directing the petitioner/MSEDCL to retain the Category VI-A for the connections in respect of the street lights Category-II and adjust the difference of amount collected from the respondents

on account of re-classification of Category in the ensuing bills of the party. The relevant paragraphs in the judgement are as under:-

“23. Thus, it is apparent that the usage of electricity is relevant in the matter at the hand. It is not the case of the petitioner that the street lights are provided for the entire stretch of the highway. From the record, it can be seen that the street lights are provided at certain specific places like service roads, intersection of villages and towns. The photographs filed by the respondents along with the reply support the case of the respondent that the street lights are installed for use of local residents free of charge.”

“25. The mere fact that street lights are installed on over bridges and under bridges or at bus bay and bus shelter locations, build up sections on the project highways, is not sufficient to arrive at a conclusion that the use of electricity is for commercial consumption. Similarly, the fact that the street lights are installed on certain highways is not sufficient to hold that it is for commercial consumption and not for the use of general public.”

“28. It is also evident that the respondent, as a contractor, has handed over the project facilities to NHAI for operation of Toll Plaza and the respondent is liable only towards maintenance of the project and not for collection of user fee from the users of the national highways. Thus, in the peculiar facts and circumstances of this case, it is difficult to accept that it is the commercial activity to which the LT-II tariff will apply.”

This judgement is also useful to the case of the appellant as the facts in the said case and the facts in the present case are similar.

19. At this stage it is relevant to refer the judgement of the Hon'ble Appellate Tribunal for Electricity in Appeal No. 230/2024 and I.A.No.2314/2023 and I.A.No.363/2024 dt.09.09.2024. The parties in the said appeal are :-

1. M/s DILIP BUILDCON LIMITED

Through its Authorized Signatory Mr. Arvind Singhal,
Having its registered office at Plot No. 5,
Inside Govind Narayan Singh Gate,
Kolar Road, Chunbhatti, Bhopal, MP – 400005.

..... Appellant No.1

2. NATIONAL HIGHWAY AUTHORITY OF INDIA

PIU, AURANGABAD

Through its authorised Signatory in terms of Policy
Guidelines/ Dispute Resolution/ 2004 Policy
Circular No. 2.1.70/ 2024 dated 25.01.2024,
Shri Ravindra S. Ingole, PIU, Aurangabad, NHA
Having its office at B-23, Near Kamgar Chowk,
N-4, CIDCO, New Aurangabad,
Maharashtra, PIN – 431003.

..... Appellant No.2

VERSUS

1. MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION (MERC)

Through its Secretary,
World Trade Centre, Centre No. 1,
13th Floor, Cuffe Parade,
Mumbai – 400005.

..... Respondent No.1

2. MAHARASHTRA STATE ELECTRICITY
DISTRIBUTION COMPANY LTD (MSEDCL)

Through its Executive Engineer (Admn.)
O & M, Rural Circle, Opposite Garware Stadium,
MIDC, Chikalthana, Aurangabad – 431210.

..... Respondent No.2

The relief sought in the said appeal as mentioned in the introduction is as under:-

The present appeal is filed both by M/s. Dilip Buildcon Limited (ie the Contractor) and the National Highway Authority of India requesting this Tribunal to set aside Clause 7.22.10 of the order passed by the MERC in Case No. 226 of 2022 dated 31.03.2023 to the extent “Toll Collection plazas including lightings on Express / National / State Highways” has been classified under category LT-II: LT Non-Residential or Commercial, instead of Category LT VI: Street Light. The reliefs sought by the Appellants in this Appeal, whereby a limited challenge is mounted to the Impugned Order passed by the Maharashtra Electricity Regulatory Commission (“MERC” for short) in Case No. 226 of 2022 dated 31.03.2023, are to hold that: (i) LT II: Commercial/Non-Residential tariff category would apply only to

“Toll Collection plazas” as per the Approved Tariff Schedule; (ii) street lighting on the Highway would be covered under LT VI: Street Light and not LT-II: Commercial/Non-Residential tariff category, as also held by the Bombay High Court that would squarely apply to the present case as well; (iii) the words “...including lightings on Express / National / State Highways” have been added in Para 7.22.10 of the Impugned Order, under LT II: Commercial/Non-Residential tariff category, without assigning reasons and without furnishing any justification; and (iv) even otherwise, these words cannot have the effect of including all lighting on the entire Highway, but would be limited only to those lightings that are meant for the Toll Collection Plazas, but are located on the Highway.

Thus in this matter also a similar issue was raised. The Hon’ble Appellate

Authority concluded the appeal as under:-

For the reasons afore-mentioned, we are of the view that MSEDCL was not justified in treating street lighting on the National Highway, other than those in and around the toll collection plazas and in places where commercial activities are carried on, as falling under LT-II category, and that such lighting on the National Highway would continue to be governed under the LT-VI category. The impugned order, to this limited extent, is clarified. The Appeal is allowed, and all the I.As therein stand disposed of.

20. At this stage it is relevant to extract the relevant paragraphs of from the judgement of the Hon’ble Appellate Tribunal referred to above, which are as under:-

“The word “plaza” cannot be read divorced from the preceding words “toll collection” used in Para 7.22.10 of the impugned order. Consequently, a plaza must be understood as a place where traffic is temporarily stopped for payment of tolls or, in other words, a place where toll is collected by temporarily stopping vehicular traffic. Even if an expanded meaning of “plaza” is applied to the said entry, it would only include lighting in premises located on the National Highway adjoining the toll collection plaza such as restaurants, ice-cream parlours, tea shops, guest houses etc in which places

electricity is used for commercial purposes. A literal reading of the said entry would only bring within the ambit of L.T.II category, lighting on national highway in and around the toll collection plaza, and not lighting on National highway located at a fair distance therefrom. Lighting on inter-sections of villages and towns, though forming part of the National Highway, does not involve any commercial activity, since such lighting is provided to ensure safety, of passers-by and all those living adjacent to such inter-sections, and to avoid accidents at such places.”

“However, the petitioner-MSEDCL made reclassification from LTVI(A) category to LT-II(B) category and thereby made upward revision of electricity bills. Aggrieved thereby, the respondent approached the Consumer Grievance Redressal Forum, Amravati challenging the reclassification. The said representation came to be allowed directing the petitioner-MSEDCL to retain the category of connection i.e. ‘street light’ category, and adjust the difference of amount collected from the respondent by the petitioner on account of reclassification.”

“The afore-said judgement of the Bombay High Court has attained finality, as no appeal is said to have been preferred there-against. The law declared in the said judgment would, therefore, not only be binding on the parties thereto ie MSEDCL and MERC, but would constitute a precedent binding on this Tribunal.”

“It is clear, from the afore-said paragraphs of the Appeal, that, while toll is collected towards user fee, such collection is merely compensatory in nature and is meant for recovery of the money spent in the construction and management of the National Highway. It is not meant to be a profit generation exercise. While slip roads can possibly be held to be partly used by vehicular traffic to get on to, or get off from, the National Highway, lighting at village/town inter-sections, road over bridges and other similar locations, are meant only for the safety of people living adjacent thereto and to prevent accidents, and nothing more. Further, village intersections, used by villagers living nearby the highway, are not subject to payment of toll charges. In other words, such inter-sections are used by villagers and people living in towns without paying any user charge whatsoever. It is difficult, therefore, to hold that street lightings on the National Highway, at village/town intersections or on road over bridges etc, are street lights meant for a commercial purpose. Classifying them under LT-II category is, therefore, wholly unjustified.”

"It is true that the judgment of the Bombay High Court dated 23.10.2023 arose on a challenge mounted to the order passed by the Consumer Grievances Redressal Forum in Representation No. 16 of 2023 dated 27.05.2023. It is also true that what fell for consideration in the said judgment is the tariff reflected in the tariff order in Case No. 322 of 2019 dated 30.03.2020. Even though LT-II category did not then specifically include "toll collection plazas", the attempt to bring "toll collection plazas" within the ambit of LT-II category was rejected, in the said judgement, holding that no commercial activity was being carried on thereat, and street lights were installed at service roads and village and town intersections for the benefit of local residents free of charge."

"B. ANALYSIS: While service roads are used by those living nearby, they are also used by vehicular traffic either to get on to, or get off from, the National Highway. Street lighting at village/ town intersections is provided for safety of people living in villages/ towns adjacent to the National Highway, to enable them to cross over from one part of the National Highway to another, and to prevent accidents. Such use of the National Highway at the village/town intersections is free of cost, and no toll fee is required to be paid by the villagers concerned as they merely cross over from one part of the National Highway to another, and do not use the National Highway."

"B. ANALYSIS: While we find considerable force in the submission, urged on behalf of the Appellants, that MSEDCL, having provided them with 27 connections of which 26 were in LT-VI and only one i.e. the toll collection plaza was in LT-II, cannot turn around and now contend that such connections were provided by mistake, it is unnecessary for us to delve into this aspect as we have now held that it is only street lighting provided in and around the toll plaza which would fall within LT-II category, and that street lighting on other parts of the National Highway including at village/ town intersections, road over bridges etc, where no commercial activities are carried on, would only fall within LT-VI category, and cannot be brought under LT-II category."

15. The judgement of the Hon'ble Bombay High Court, Nagpur Bench and the judgement of the Hon'ble Appellate Tribunal for Electricity dealt with

the Category of electricity Tariff in respect of the street lights on National Highways. They held that the street lighting at village/town intersection is provided for the safety of people living in villages, towns adjacent to the National Highways, to enable them to cross over from and part of the National Highway to another and to prevent accidents. In view of these factors the Hon'ble Authorities held that the tariff for the Street lights on National Highways come under Category-VI(A) and not Category-II (Commercial). In view of these factors, I hold that the street lights on the National Highway in this case come under Category-VI(A) as claimed by the appellant and the appellant is entitled to change of Category and the impugned Award of the learned Forum is liable to be set aside. These points are accordingly decided in favour of the appellant and against the respondents.

Point No.(iii)

16. In view of the finding on point Nos.(i) and (ii), the appeal is liable to be rejected.

RESULT

17. In the result, the appeal is allowed by setting aside the Award passed by the learned Forum. The respondents are directed to revise the CC bills of the street lights on the National Highway in respect of Service Connection Nos.5305600588,5305600765,322701601,322701592,320102258, 320102509 and 320200082, coming under Kamareddy Section to

Category-VI(A) from Category LT-II, subject to the condition that the above Service Connections are not in and around Toll Collection Plazas and in areas where commercial activities are carried on. The respondents are directed to adjust revised excess amounts in future bills of the said Service Connections from the date of release of the Service Connections.

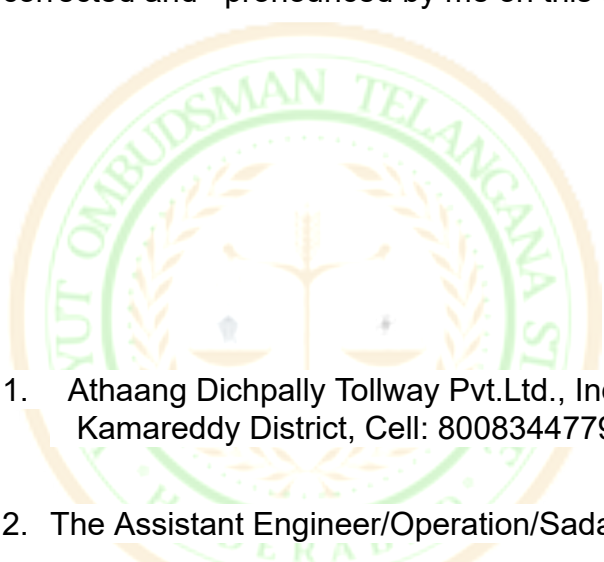
As far as Nizamabad and Perkit sections are concerned, the learned Forum has not made them as respondents. Hence, the appellant is directed to approach the learned Forum seeking relief for these areas.

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 7th day of October 2025.

Sd/-

Vidyut Ombudsman

- 
1. Athaang Dichpally Tollway Pvt.Ltd., Indalwai Village, Indalwai Mandal, Kamareddy District, Cell: 8008344779.
 2. The Assistant Engineer/Operation/Sadashiv Nagar - 8712482186
 3. The Assistant Divisional Engineer/Operation/R/Kamareddy - 8712482190
 4. The Assistant Accounts Officer/ERO/R/Kamareddy-8712482189
 5. The Divisional Engineer/Operation/Kamareddy-8712482264.

Copy to

6. The Chairperson, Consumer Grievances Redressal Forum of TGNPDCL-Nizamabad.