



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

Monday the Sixteenth Day of September 2019

Appeal No. 11 of 2019-20

Preferred against Order dt:30.04.2019 of CGRF in
CG No.787/2018-19 of Vikarabad Circle

Between

M/s. SMS Steels Private Limited, represented by its Director Smt. Sheela,
Sunder Chamber, #5-3-1001, N.S.Road, Osmangunj, Hyderabad - 500 012.
Cell: 7036205211, 9391042180.

... Appellant

AND

1. The ADE/OP/Parigi/TSSPDCL/Vikarabad District.
2. The DE/OP/Vikarabad/TSSPDCL/ Vikarabad Dist.
3. The SAO/OP/Vikarabad Circle/TSSPDCL/Vikarabad Dist.
4. The SE/OP/Vikarabad Circle/TSSPDCL/Vikarabad Dist.

... Respondents

The above appeal filed on 31.05.2019, coming up for final hearing before the Vidyut Ombudsman, Telangana State on 06.09.2019 at Hyderabad in the presence of Kum. Nishitha - On behalf of the Appellant Company and Sri. M.Madhav - SAO/OP/Vikarabad for the Respondents and having considered the record and submissions of both parties, the Vidyut Ombudsman passed the following;

AWARD

This is an Appeal against the orders of the CGRF Vikarabad Circle in CG No. 787/2018-19 dt.30.04.2019.

2. The contention of the Appellant is that they have filed a complaint before the CGRF seeking for deration of the CMD on their service connection from 1300 KVA to 60 KVA w.e.f. 07.03.2019 as per the amended clause 5.9.4.2 of GTCS and also to adjust an amount of Rs 12,40,806/- of CC charges from the month of Feb'2019 which was demanded in the CC bills dt.26.02.2019 that was served on the Appellant on 13.03.2019 from the available SD amount of the Appellant with the Respondents which is more than 1.6 lakhs and also to refund the balance SD amount after adjustment of initial SD amount of Rs 40,000/- for derated CMD of 60 KVA or 80 Hp and the learned CGRF rejected the said complaint without considering their pleas. As such aggrieved by the same the present appeal is filed.

3. The Appellant averred in the Appeal that the appellant is a company registered under the Companies Act under the name and style of M/s. SMS Steels private limited situated 5-3-1001, N.S.Road, Osmangunj, Hyderabad-500012, represented by its director Smt. sheela and having a HT consumer bearing No HT.No VKB 1338 with contracted maximum demand(CMD) of 1300 KVA for supply of energy and demand from the respondents.

That the appellant vide its letter dated 4.2.2019 filed the representation before CGM and SE, vikarabad on 5.2.2019 and 6.2.2019 respectively with a request to reduce the CMD from 1300 KVA to 60 KVA. Further, requested to adjust the payment of february, 2019 from the security deposit available with the respondents. But the respondents have not given any response hence, the appellant approached before Hon'ble CGRF II vide C.G.No 787/2018-19/vikarabad circle. A copy of C.G No. 787/2018-19 vikarabad circle is enclosed as Annexure II (Page No 2-11) and same may be treated as part and parcel of the present appeal.

That the respondents No. 3 vide its letter no DEE/OP/VKB/Comml/F.NO CGRF/D.NO 7/2019 dated 8.4.2019, filed its counter before hon'ble CGRF. A copy of letter no DEE/OP/VKB/Comml/F.NO CGRF/D.NO 7/2019, dated 8.4.2019 is enclosed as Annexure III.

That apart from the above stated facts, the following provisions which are extracted duly highlighting the relevant portion also to be noted.

“Section 47 of Electricity Act, 2003:

47. Power to require security: (1) subject to the provision of this section, a distribution licensee may require any person, who requires a supply of electricity in pursuance of section 43, to give him reasonable security, as determined by regulation, for the payment to him of all monies which may become due to him.

In respect of the electricity supplied to such persons; or Clause 4(2) of regulation 6 of 2004 dated 17.5.2004:

(2) The HT consumers shall at all times maintain with the licensee and amount equivalent to consumption charges(i.e demand charges and energy charges etc. as applicable) of two months as security during the period the agreement for supply of energy to such HT consumers is in force.”

That the respondent No. 1 vide its order 30.4.2019 rejected the complaint No.C.G No 787/2018-19/vikarabad circle without considering the facts and evidence filed by the appellant, provision of electricity act 2003, and regulation hence the same is liable to be set aside.

In view of the above said facts the appellant pray that hon'ble Vidyut Ombudsman for the state of Telangana may be pleased appeal directing the Respondents.

UNDER SUB CLAUSE 3.35 OF REGULATION 3 OF 2015:

1. To set aside the order dated 30.4.2019 of CG.No 787/2018-19/Vikarabad circle passed by respondents no 1.
2. To effect the deration of CMD from 1300 KVA to 60 KVA with effect from 7.3.2019.
3. To adjust Rs.12,40,806/- of CC charges of February,2019 bill dated 26.2.2019 as on 12.3.2019 from the available Security Deposit.
4. To refund balance security deposit amount after adjustment of initial security deposit of Rs.40,000/- for derated CMD of 60KVA or 80 HP and.

5. Any other order or orders as may deem fit and proper by Hon'ble Vidyut Ombudsman for the State of Telangana under the circumstances of the case, in the interest of justice and fair play.

4. Written submission from Respondent No.3 SAO/OP/Vikarabad:

That the consumer M/s. SMS Steels Pvt. Ltd. HT.SC No.VKB1338., has applied for restoration of Load from 70KVA to 1300KVA which was sanctioned and released. Accordingly agreement was also entered by the consumer which came into effect from 9-11-2018 or the date of commencement of supply which is 20.11.2018, whichever is later i.e. 20.11.2018.

As per the GTCS amendment of clause 5.9.4.2 the following clause shall be substituted namely "5.9.4.2 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 of the HT Agreement after the expiry of the maximum 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(amended to one year) period of agreement, the CMD will be derated or the Agreement will be terminated with effect from the date of expiry of the initial 2 year(amended to one 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.

As per the above clause consumer has to pay the charges until the expiry of the agreement period i.e. 19.1.2019.

The consumers representation for deration of loads is not applicable as the agreement period for 1300KVA is not completed. Even if the consumers desired for early termination of the agreement. He has to pay the minimum charges for the period

of the agreement on the actual amounts levied. In view of the above, it is requested to drop the case of the consumer as the deration of load and adjustment of CD is not as per the GTCS without paying the dues pending to TSSPDCL.

5. REJOINDER FILED BY APPELLANT:

The Respondent No 4. categorically admitted that the appellant has restored its CMD taken long back by the appellant. Accordingly revised HT agreement for original CMD of 1300 KVA is entered on 9.11.2018 from temporarily derated CMD of 70KVA. The clause No.6 of revised HT agreement dated 9.11.2018 i.e period of agreement is extracted hereunder as follows:-

“I /We undertake to avail supply for a minimum period of one year from the date of this agreement comes into force.

Accordingly the one year period of the agreement to avail power supply will expire on 8.11.2019.

The amended clause no 5.9.4.2 of GTCS is pertaining to deration or termination of HT agreement which will be incorporated in HT agreement first time or initially when the HT consumer avail Power supply from the respondents. Accordingly the initial period to maintain the CMD of 1300 KVA was applicable for initial two years period of agreement from original CMD of 1300 KVA. In the present case the appellant complains initial two years period to maintain CMD of 1300 KVA long back.

Due to bad market condition the appellant derated its CMD 1300KVA to 70KVA on temporary basis and again on 9.11.2018 restored its CMD to 1300KVA. Again due to market bad conditions the appellant applied for deration of CMD from 1300kVA to 70KVA on 11.9.2018 vide registration no HT27320768 at Pargi CSC which was due to be effected on 10.10.2018 as per amendment clause 5.9.4.2 of GTCS. But the respondents denied and not affected the duration of CMD from 1300KVA to 70 KVA with effect from 10.10.2018 under the shelter of the above mentioned one year period clause. It is pertinent to note that as per above said clause the appellant is obliged to avail power supply for one year but the quantity is not mentioned in the said clause. Also to be noted that the right of the appellant to apply for deration of CMD once again. Second

time from 1300KVA to 70KVA is not barred by clause 5.9.4.2 of GTCS or by HT agreement dated 9.11.2018 clause. Period of agreement as an initial period of two years is complied by the appellant long back in respect of original CMD of 1300kVA.

This appellant while filing rejoinder before Hon'ble CGRF II filed a copy of order dated 20.11.2018 of Appeal No 44 of 2018 passed by this Hon'ble authority in the similar grievance. But the Hon'ble CGRF II not considered and expressed its views as the orders of the Hon'ble Vidyut Ombudsman is not binding on them.

1. Hence the respondents have to affect the deration of CMD from 1300 KVA to 70 KVA with effect from 10.10.2018.
2. In view of the above stated facts, the appellant pray to this Hon'ble authority to allow the appeal as prayed for.

Heard both sides

6. In the face of the said contentions by both sides the following issues are framed:-

1. Whether the Appellant is entitled for deration of the CMD from 1300 KVA to 60 KVA?
2. Whether the Appellant is entitled for adjustment of payment of February 2019 CC bill from the Security Deposit available as prayed for? And
3. To what relief?

Issue Nos. 1&2

7. The Appellant M/s. SMS Steels Pvt Ltd, situated at Sy No.127,128 and 130, Khudavandpur (V), Pargi, RR Dist has a HT Service connection bearing SC No. VKB-1338, under HT Category-I. The Appellant preferred to derate the CMD as per their requirement from 1300 KVA to 60 KVA. That their request for deration was initially rejected at CSC/Vikarabad and were advised to file the application before CGM/Commercial and SE/OP/Vikarabad, thereby they have applied for the said deration vide letter dt.04.02.2019 to the CGM/Commercial and also vide letter dt.05.02.2019 and 06.02.2019 to the SE/OP/Vikarabad. In addition to their request

of deration, they have requested to adjust the amount of Rs 12,40,806/- of CC charges for the month of Feb,2019 against the Security Deposits available with the Respondents and further requested to refund the balance security deposit duly adjusting the required security deposit to be maintained for the CMD of 60 KVA or 80 HP i.e. Rs 40,000/- (@ Rs 80HP X Rs 500/- = Rs 40,000/-).

The Appellant relied on the following grounds towards his appeal

- a. That the date for effecting the deration of CMD by Respondents No.2 from 1300 KVA to 60 KVA is 7.3.2019 treating the application acknowledgement dt.05.02.2019 as per amended clause No.5.9.4.2 of GTCS issued vide proceeding No.APERC/Secy/96/2014 dt.31.05.2014.
- b. After effecting the deration of CMD of 60 KVA as on 07.03.2019, the category falls under LT Category III Industrial Category. Accordingly the initial security for derated CMD of 60 KVA will work out to Rs 40,000/- i.e. 80 HP X Rs 500 per HP = Rs 40,000/-.
- c. The Security Deposit of the complainant with Respondent No.2 is more than Rs 16,00,000/-. Hence after adjustment of Feb'2019 CC charges of Rs 12,40,806/- and initial security deposit of Rs 40,000/- an amount of around Rs 3,20,000/- will be refundable.
- d. If the Feb'2019 CC bill of Rs 14,40,80/- is not adjusted by the Respondent No.2 as on 12.03.2019 there will be threat of disconnect of power supply.
- e. If the deration of CMD from 1300 KVA to 60 KVA is not affected as on 07.03.2019 the Minimum Charges bill will be raised on 1300 KVA of CMD for March'2019 billing month by the Respondent No.2 due to which the appellant will be put into huge financial losses.

Further the Appellant relied on the following provisions of the Electricity Act 2003 and Regulation of TSERC.

“Section 47 of Electricity Act, 2003:

47. Power to require security: (1) subject to the provision of this section, a distribution licensee may require any person, who requires a supply of electricity in pursuance of section 43, to give him reasonable security, as determined by regulation, for the payment to him of all monies which may become due to him.

In respect of the electricity supplied to such persons; or Clause 4(2) of regulation 6 of 2004 dated 17.5.2004:

(2) The HT consumers shall at all times maintain with the licensee and amount equivalent to consumption charges(i.e demand charges and energy charges etc. as applicable) of two months as security during the period the agreement for supply of energy to such HT consumers is in force.”

8. On the other hand the Respondent No.3/SAO/OP/Vikarabad, held that on the request of the Appellant the CMD of 70 KVA was restored to 1300 KVA, accordingly an agreement was entered by the Appellant on 09.11.2018 and supply was commenced from 20.11.2018. He has relied on the amended clause 5.9.4.2 of the GTCS and maintained that as per the said clause the Appellant has to pay the charges until the expiry of the agreement dt:09.11.2018, entered towards restoration of derated CMD from 70 KVA to 1300 KVA. That the deration of load is not applicable in view of non completion of the existing agreement, though the appellant can terminate the said agreement, but at the cost of payment of minimum charges as on the completion of the agreement.

9. Deration of CMD from 1300KVA to 60 KVA

Here the main dispute is on date of effect of deration of CMD from 1300 KVA to 60 KVA. The Appellant relying on the amended clause 5.9.4.2 of the GTCS, pleaded to restrict the billing to 1300 KVA upto 07.03.2019, treating the acknowledged application for deration dt.06.02.2019, as one month notice and issue further bills with CMD of 60KVA. Whereas the Respondents relying on the same amended clause 5.9.4.2, held that in view of non completion of mandated minimum period of agreement i.e. one year, the minimum charges are to be paid

against 1300KVA CMD until the completion of the Agreement i.e, 19.11.2019, otherwise it was stated that the Appellant can opt for prior termination of the said Agreement, subject to payments of all the minimum bills that would arrive until the expiry of the Agreement.

In view of the rival contentions of the Appellant and the Respondents, the GTCS Clause 5.9.4.2 specifying the conditions applicable when a consumer seeks deration of CMD is reproduced hereunder:-

“5.9.4.2 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 of the HT Agreement after the expiry of the minimum period of the Agreement by giving not less than three months 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 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 three months notice period whichever is later. The company can also terminate the HT agreement, at any time giving three months 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 above given clause was amended two times, firstly in the year 2014, vide proceeding No.APERC/Secy/96/2014 dt.31.05.2014, wherein the notice period for reduction of maximum demand was amended from **three months to one month**, under clause 8 of the said proceedings. Secondly the said Clause 5.9.4.2 was again amended vide proceeding No.TSERC/Secy/56/2016 dt.26.10.2016, wherein for the words “ **two years**”, the words “**one year**” was substituted. In other words the minimum period of Agreement for amended from two years to one year.

Amendment to the clause 5.9.4.2 of the GTCS makes clear that there are two mandatory conditions before implementation of deration of the CMD. The 1st condition is minimum one month notice period and 2nd condition is expiry of one year period of agreement. In case of non completion of one year period, the deration shall be after completion of the minimum agreement period. The Respondents claimed that the 2nd condition of the said clause, minimum period of one year agreement entered in view of restoration of CMD from 70 KVA to 1300 KVA is not completed as a result the deration is not possible from the date of completion of one month notice period i.e. 07.03.2019.

In reply to the above, the Appellant vide rejoinder dt.03.07.2019, claimed that the mandatory provision of completion of 2 years agreement period to maintain the CMD of 1300 KVA is already complied with long back. That due to bad market conditions the Appellant previously preferred to derate its CMD from 1300 KVA to 70 KVA on temporary basis at that time and again restored the CMD to 1300 KVA. The Appellant refers to another application given earlier to the effect of the restoration of CMD from 70 KVA to 1300 KVA dt.09.11.2018, applied for the deration of CMD from 1300 KVA to 70 KVA on dt.11.09.2018 at CSC - Pargi, vide registration number HT27320768 and held that the Respondents denied and not affected the deration of CMD from 1300 KVA to 70 KVA w.e.f. 10.10.2018, under the shelter of the above mentioned one year period clause. It was held that the deration from 1300 KVA to 70 KVA is not barred by the clause 5.9.4.2 of GTCS or by the HT agreement dt.09.11.2018, since the initial period of agreement is complied by the Appellant long back in respect of original CMD of 1300 KVA.

Now the question is whether the condition of non completion of minimum one year period for the agreement towards restoration of derated CMD from 70 KVA to 1300 KVA restricts the present demand for deration. The agreement in question is towards restoration of derated CMD from 70 KVA to 1300 KVA, which means prior to this agreement the subject service connection has agreement for the demand upto 1300KVA. The Hon'ble Commission given clarity on this issue, the clarification given by the erstwhile APERC vide LR.No.APERC/E/223/TD-Dist-2009 dt.15.10.2009 is reproduced here under:-

ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

From

Secretary, APERC,
4th Floor, Singareni Bhavan,
Red Hills, Hyderabad – Reg

To

The Chairman & Managing Director,
APCPDCL, Hyderabad.

The Chairman & Managing Director,
APEPDCL, Vishakapatnam.

The Chairman & Managing Director,
APNPDCL, Warangal.

The Chairman & Managing Director,
APSPDCL, Tirupati.

Lr.No. APERC/E- 223/DD-Dist/2009 dated 15-10-2009

Sir,

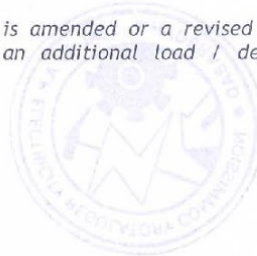
Sub: - De-ration of Contract Demand - Implementation of GTCS provisions-
Clarification - Reg.

- 1) M/s EPDCL sought the following two clarifications regarding de-ration of Contracted Demand vide letters dated 22-12-2008 and 05-01-2009. The details are furnished below.
 - i) If additional load is availed, whether the two years minimum period of agreement is applicable to entire contracted demand or the minimum period liability is limited to the extent of additional load.
 - ii) Whether de-ration of demand of a 33 kV consumer can be de-rated to below threshold level of 1500 kVA (capacity).
- 2) With respect to clarification (i), the relevant Clause 5.9.3.2 of GTCS reads as follows.

Clause 5.9.3.2 of GTCS :

"5.9.3.2 - Period of HT Agreement: The minimum period of HT Agreement for supply at High Tension shall normally be two years from the date of commencement of supply. The Agreement shall continue to be in force till it is terminated by the consumer or by the Company as provided in clause 5.9.4.2 hereof.

Provided that where an agreement is amended or a revised agreement executed pursuant to sanction of an additional load / demand, the



minimum period liability for the additional load shall commence from the date of commencement of supply for the additional load / demand."

- 3) With respect to clarification (ii), the relevant Clause 5.9.4.2 of GTCS reads as follows.

Clause 5.9.4.2 of GTCS :

"5.9.4.2 - De-ration 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 three months' 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 3 months notice period whichever is later. ..."

- 4) With reference to the clauses mentioned in para 2 & 3 above, I am directed to issue the following clarifications:

De-ration of contracted demand in case of amended agreement or revised agreement:

With reference to the query (i), for de-ration of contracted demand, irrespective of whether the agreement is amended or a revised agreement is executed pursuant to sanction of an additional demand, the minimum two years period liability is limited to the extent of additional demand only and shall commence from the date of commencement of supply for the additional demand. Each part of additional demand sanction shall be viewed as a separate part. The demand part which was released prior to release of additional demand, if meets the two year minimum agreement period, shall be eligible for de-ration from that part.

De-ration of Contracted Demand of 33 kV/132 kV HT services:

With reference to the query (ii), for de-ration of contracted demand, the eligibility criteria is that the consumer should have availed power supply for a minimum of two years and shall serve three months' notice seeking de-ration. As per clause 5.9.4.2, no minimum capacity is prescribed for de-ration of CMD with reference to voltage level and hence it has to be allowed without any reference to supply voltage.

Yours faithfully,


SECRETARY



The above given clarification makes clear mandate that the demand part which was released prior, if meets the mandatory two year minimum agreement period, then it shall be eligible for deration. Each part of additional load, here in this case it is restoration, shall be viewed separately. The Appellant claimed that the two year agreement period liability for 1300KVA is completed long back and hence the recent agreement towards restoration to 1300KVA does not hinder the approval to the deration. The Respondents had not given any substantial reply to clear the issue towards such claim of the Appellant. The dispute stands unresolved in the absence of the information whether the quantum of 1300KVA load has attained the minimum two years agreement period, which is the key factor towards accepting or rejecting the request of deration from 1300KVA to 60KVA. The respondents were called on to submit the information in regard to the agreements undergone previously. The respondents submitted the copy of the agreements i.e., The agreement at the time of release of supply for a CMD of 1501KVA dt:10.05.2010 and second agreement concluded towards deration of load from 1501KVA to 70KVA dt:20.08.2013.

The above agreements submitted by the Respondents makes clear that the two year minimum agreement period for the quantum of load 1501KVA is completed by 10.05.2012. Thereby Respondents can't reject the request for deration on account of non completion of minimum one year agreement period towards restoration of 1300KVA since the part of 1300KVA load already attained the liable two years period on Dt:10.05.2012. There is clear clarification on clause 5.9.4.2 given by the Hon'ble Commission, which envisages deration of CMD from 1300KVA CMD to 60KVA w.e.f Dt:07.03.2019 i.e, from the date of one month notice period taking their application dt: 06.02.2019 submitted to the Respondent no 4, SE/OP/Vikarabad.

The Appellant initially pleaded for the date of effect of deration from 1300 KVA to 60 KVA w.e.f. 03.07.2019 with application dt:06.02.2019 and later through the rejoinder claimed to affect the application for deration from 1300 KVA to 70 KVA dt.11.09.2018 applied at CSC-Pargi, which is prior to the execution of the agreement for the restoration of derated CMD. In the event of restoration of CMD from 70 KVA to 1300 KVA on dt.09.11.2018, the application dt.11.09.2018 for

deration of CMD from 1300 KVA to 70 KVA cease to exist. Hence the date of effect of deration shall be from the completion one month notice period i.e. 07.03.2019 taking fresh application dt.06.02.2019.

The CGRF wrongly adjudicated that the Clause 5.9.4.2 speaks with regard to **subsequent** agreements i.e, agreement entered for enhancing load from 70 KVA to 1300 KVA, where minimum one year agreement period is not completed and held that Appellant is not entitled for deration of CMD from 1300 KVA to 60 KVA. A plain reading of the clause 5.9.4.2 clearly states that the date of expiry of the **initial** two year period of the agreement is to be taken and no where there is citation of subsequent agreements and it was also made clear by the Hon'ble Commission through its clarification in Clause 5.9.4.2.

10. ADJUSTMENT OF PAYMENT OF FEB'2019 BILL FROM THE SECURITY DEPOSIT AVAILABLE

Review and payment of additional Security Deposit for the Electricity supplied is guided by Regulation 6 of 2004 which is reproduced here under:-

Review and payment of Additional Security Deposit for the electricity supplied:-

(1) General Review

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 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.

(2) Demand notice for Additional Security Deposit

(a) Based on review as per sub clause (1) above demand for shortfall or refund of excess will be made by the licensee;

Provided, however, that of the security deposit payable by the consumer is short by or in excess of not more than 10% of the existing security deposit, no demand for

shortfall will be made for payment of Additional Security Deposit and the consumer shall not be entitled to demand the refund of the excess.

(b) If the existing Security Deposit of a consumer is found to be in excess more than 10% of the required 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.

(c) Where the consumer is required to pay Additional Security Deposit, the Licensee shall issue to the consumer a 30 days advance notice specifying the amount payable with supporting calculations.

As per the above given clause of the Regulation 6 of 2004, the general review over the adequacy of the amount of Security Deposit shall be done once every year based on the average consumption for the period representing 12 months from April to March of the previous year, preferably after revision of tariff for the respective period. Here in the event of deration of CMD from 1300 KVA to 70 KVA naturally the future consumption shall reduce, consequently if SD is reviewed on derated 60KVA CMD, the required SD to be maintained shall reduce considerably. In view of this, the Appellant demanded for review of the SD and adjust excess amount in CC arrears and refund the balance amount. The Appellant requested to withhold the security deposit equivalent to the required security deposit for the derated CMD of 70 KVA. The review of the Security Deposit in the middle of the year is not mandated by the above said clause and while the Appellant shall not be at a loss over not reviewing the security deposit at this instant, as generally the review of SD shall commence during next May month. As the Appellant request for deration is said to be temporary basis and in view of repeated changes requested by the Appellant from deration to restoration and again deration, it is apt to review the Security Deposit as mandated under Clause referred supra once in a year, as generally will done to all the consumers. Hence the request to adjust the arrears after fresh review of security deposit is not admissible.

11. Thus in the face of the above mentioned discussions and in view of the clear clarifications of the Hon'ble Commission given vide Lr.No..APERCE/E-223/DD-DIST/2009 dt.15.10.2009 over implementation of GTCS provisions under clause 5.9.4.2, the Respondents are liable to revise the bills duly affecting the deration of CMD from 1300 KVA to 60 KVA w.e.f. 07.03.2019. Further the plea of the appellant to adjust the available security deposit through fresh review in the middle of the year into the arrears to be paid is not tenable. Hence accordingly decides these issues.

Issue No.3

12. In the result the Appeal is partly allowed directing the Respondents to revise the bills duly affecting the deration of CMD from 1300 KVA to 60 KVA w.e.f. 07.03.2019.

TYPED BY Office Executive cum Computer Operator, Corrected, Signed and Pronounced by me on this the 16th day of September, 2019.

Sd/-
Vidyut Ombudsman

1. M/s. SMS Steels Private Limited, represented by its Director
Smt. Sheela, Sunder Chamber, #5-3-1001, N.S.Road, Osmangunj,
Hyderabad - 500 012. Cell: 7036205211, 9391042180
2. The ADE/OP/Parigi/TSSPDCL/Vikarabad District.
3. The DE/OP/Vikarabad/TSSPDCL/ Vikarabad Dist.
4. The SAO/OP/Vikarabad Circle/TSSPDCL/Vikarabad Dist.
5. The SE/OP/Vikarabad Circle/TSSPDCL/Vikarabad Dist.

Copy to :

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