



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 Eleventh Day of August 2017

Appeal No. 23 of 2017

Preferred against Order Dt.15.06.2017 of CGRF In

CG.No: 2/2017-18 of Ranga Reddy North Circle

Between

M/s. Multi Poly Films Private Limited, represented by Sri.V.Manohar Rao,
MCH-7-1-54/2, Plot No.31, Anand Apartments, 3rd Floor, Dharam Karan Road,
Ameerpet, Hyderabad - 500 016. Cell: 9966558839, 9866124611 and 9849004611.

... Appellant

AND

1. The ADE/OP/Jeedimetla/TSSPDCL/RR District.
2. The DE/OP/Kukatpally/TSSPDCL/ RR District.
3. The SAO/OP/RR North Circle/TSSPDCL/RR District.
4. The SE/OP/RR North Circle/TSSPDCL/RR District.

... Respondents

The above appeal filed on 19.06.2017, coming up for final hearing before the Vidyut Ombudsman, Telangana State on 19.07.2017 at Hyderabad in the presence of Sri. Naveen on behalf of the Appellant and Sri. P.Laxman - ADE/OP/Jeedimetla, Sri. G. Madhusudhan Reddy - SAO/Circle Office/ Medchal Circle for the Respondents and having considered the record and submissions of both the parties, the Vidyut Ombudsman passed the following;

AWARD

The Appellant Company is a consumer with SC No. RRN-1968 with CMD of 450 KVA and gave a letter dt.17.9.2016 seeking termination of the agreement and adjustment of the Security Deposit. The service was disconnected on 24.8.2016 due to non payment of the CC bill for Rs 6,76,507/-. The consumer claimed that it has the Security Deposit of Rs 15,00,000/- with the DISCOM. The 4th Respondent/SE/O/RR North Circle issued a termination letter dt.21.3.2017, which is claimed by the Appellant as not correct.

2. The 4th Respondent/SE/O/RR North Circle filed his reply through letter dt.5.5.2017 stating that the Appellant has concluded HT agreement under HT Category-I and the supply was released on 03.09.2010. He stated further that the HT agreement was terminated on 20.10.2016. According to the 2nd Respondent/DE/OP/Kukatpally, the Service Connection was disconnected on 19.10.2016. He stated that the HT agreement was terminated by duly adjusting the Security Deposit as follows:

Sl.No.	Description	Amount (Rs)
1.	Security Deposit paid at the time of release of supply	6,75,000.00
2.	ACD paid vide PR No.2100027	2,61,200.00
3.	ACD paid vide PR No. 486317	5,42,500.00
	Total	14,78,700.00

3. The 2nd Respondent/DE/OP/Kukatpally further claimed that after adjustment of the Security Deposit to the outstanding CC bills, an amount of Rs 11,70,811/- remained due from the Appellant. The Appellant's claim that it has an amount of Rs 15,00,000/- towards Security Deposit with DISCOM is not correct and the Appellant is put to proof regarding the stated excess payment of Rs 21,300/- above the balance amount of deposit.

4. The representative of the Appellant stated that the bill issued for September,2016 for Rs 6,76,316/- making total bill amount to Rs 9,66,470/- is not correct and it requires revision and sought early dismantlement of the Service Connection. On behalf of the Respondents, R3/SAO/OP/ RR North Circle represented that as per the final reading recorded by R1/ADE/O/Jeedimetla, the service was disconnected on 19.10.2016 with final reading of KWH - 4933970, KVAH - 5148926. He (R3) gave the total amount due to the DISCOM by the Appellant as follows:

1. CC Dues as on 19.10.2016	:	Rs 15,07,904.00
2. 4 months minimum charges	:	<u>Rs 11,41,607.43</u>
TOTAL DUE	:	<u>Rs 26,49,511.43</u>
3. Security Deposit available LESS:		<u>Rs 14,78,700.00</u>
4. Balance payable	:	<u>Rs 11,70,811.00</u>

5. On the basis of the material on record and contentions, the CGRF came to a conclusion that the Security Deposit of Rs 14,78,700/- is available, the Respondents noted ACD amount as Rs 2,61,200/- and Rs 5,42,500/- and the Security Deposit paid by the Appellant at the time of release of the supply was Rs 6,75,000/- thus totalling Rs 14,78,700/- and the Appellant therefore has to pay the balance amount after adjusting the Security Deposit to the outstanding CC bills due as on 19.10.2016 which came to Rs 15,07,904/- plus minimum charges for 4 months, which came to Rs 11,41,607/-, minus the Security Deposit of Rs 14,78,700/- and thus, the balance amount due came to Rs 11,70,811/- which the Appellant is liable to pay to the DISCOM for termination of HT SC No. RRN 1968, through the impugned orders.

6. Aggrieved and not satisfied with the impugned orders, the Appellant preferred the present Appeal stating that R4/SE/OP gave termination receipt on 21.3.2017 which is totally wrong, when the Appellant gave letter dated 17.9.2016 requesting termination to the ADE/OP/Jeedimetla and that the last KVAH reading was 20933.

7. In the Appeal, the 4th Respondent/SE/O/RR North submitted a reply dt.15.7.2017 stating that the service was disconnected on 30.08.2016 due to non payment of CC charges. He stated that the consumer made a representation, which was received on 20.2.2017 with a request to terminate the HT agreement, in view of the closure of the business due to unavoidable circumstances. He claimed that the 2nd Respondent/DE/OP/Kukatpally has furnished final reading with a request to terminate the HT agreement of the Appellant and issue No Dues Certificate. The 3rd Respondent/AAO/OP/RR North Circle arrived at the CC charges due and 4 months minimum charges as follows:

i.	a) CC charges up to 19.10.2016 i.e. date of disconnection of supply b) As per R4, the service was disconnected on 30.8.2016 due to non payment of CC charges	Rs 15,07,904.00
ii.	4 Months Monthly Minimum Charges up to 19.02.2017	Rs 11,41,607.43
iii.	Total Dues	Rs 26,49,511.00
iv.	Adjustable available Consumption Deposit (-)	Rs 14,78,700.00
v.	Balance payable by the consumer	Rs 11,70,811.00

8. The 3rd Respondent/AAO has notified the Appellant for arranging payment with a view to terminate HT agreement and stated that the Appellant has to pay the balance amount of Rs 11,70,811/- to enable her to issue a “No Due Certificate” for dismantling the HT service.

9. The efforts at mediation have not been successful and therefore, the matter is being disposed of on merits.

Arguments heard.

10. On the basis of material on record, the following issues arise for determination:

1. Whether the Appellant has Rs 15,00,000/- Deposit against the Service Connection No. RRN 1968 with the DISCOM?
2. The Appellant claimed that he gave termination letter dt.17.9.2016 and whereas the power was disconnected on 24.08.2016 for non payment of CC charges. The 4th Respondent SE claimed that his office received the termination letter dt.17.9.2016 on 20.2.2017 and whereas, SE himself in his letter dt.15.11.2016 stated that the HT agreement was terminated w.e.f. 19.10.2016. Which is correct?
3. What is the amount the Appellant is entitled to towards refund of deposit?
4. Whether to implement the Amended GTCS Clause 5.9.4.2 based on the Appellant request for termination dt.17.9.2016?
5. Whether to implement GTCS Clause 5.9.4.3 based on the actual date of disconnection?
6. Whether the impugned orders are liable to be set aside?

Issues 1 to 6

11. The appellant pleaded for revision of the final bill consequent to termination of the agreement, due to closure of the industry M/s. Multi poly films Pvt Ltd., Sy. No 252 and 301/1/part , IDA, Jeedimetla, Qutbullapur, with CMD of 450KVA, SC No RRN -1968 and released on 03.09.2010. The Appellant further stated that the service was disconnected before 24-8-2016 due to non payment of the bill of Rs 6,76,507/-. In addition, the Appellant pleaded that it has Rs 15 lakhs to its credit towards the Security Deposit and whereas, the Respondents denied such claim. The

Respondents, as on the date of HT agreement, admitted to have had the available Security Deposit of Rs 14,78,700/- only.

12. The Respondents gave different dates of disconnection. As per the statement of R2/DE/OP/Kukatpally, the date of disconnection of the service was stated to be 19.10.2016. R4/SE/OP/RR North vide Lr No. 71 dt.5.5.2017 gave the following details of deposits of the Appellant with the DISCOM:-

Sl.No.	Description	Amount (Rs)
1.	Security Deposit paid at the time of release of supply	6,75,000.00
2.	ACD paid vide PR No.2100027	2,62,200.00
3.	ACD paid vide PR No. 486317	5,43,500.00
	Total	14,48,700.00

The AAO/OP/RR gave the details of the amount due by the Appellant as follows:

1. CC Dues as on 19.10.2016	:	Rs 15,07,904.00
2. 4 months minimum charges	:	<u>Rs 11,41,607.43</u>
		<u>Rs 26,49,511.43</u>
3. Security Deposit available	:	<u>Rs 14,78,700.00</u>
4. Balance payable by the Appellant	:	<u>Rs 11,70,811.00</u>

13. At this stage, it is necessary to note the procedure for termination of agreement in respect of HT supply which is applied in accordance with the Amended Clauses 5.9.4.2 and 5.9.4.3 of GTCS amended by proceeding No.96/2014 of TSERC which is reproduced here under for clarity:

The amended clause 5.9.4.2, of the GTCS :-

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 HT Agreement** after the expiry of the minimum 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 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 One year(further amended as per Proceedings of TSERC dt.26.10.2016) 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.”

The amended Clause 5.9.4.3 of the GTCS :-

Termination of LT Agreement and HT Agreement on **account of disconnection**: Where any consumer, whose supply is disconnected for nonpayment of any amount due to the Company on any account, fails to pay such dues and regularise his account within three Months from the date of disconnection, the Company shall after completion of 3 months period, issue one Month notice for termination of the LT or HT Agreement, as the case may be. If the consumer still fails to regularise the account, the Company shall terminate the Agreement with effect from the date of expiry of the said one-Month notice. Such termination shall be without prejudice to the rights and obligations incurred or accrued prior to such termination.

Provided that where the Company fails to issue notice or terminate the Agreement as prescribed above, the consumer shall not be liable to pay the minimum charges for the period beyond 4 months from the date of disconnection and the Agreement shall be deemed to have been terminated at the end of 4 months period from the date of disconnection.

Provided further that where the minimum period of the Agreement is not yet completed by the date of such termination, the consumer shall be liable to pay the minimum charges as otherwise applicable calculated up to the date of completion of the period of Agreement.”

14. It is clear that the above Clauses guide the termination of the agreement under the following specific circumstances such as :
 - a. If the consumer chooses to terminate his agreement by giving not less than one month notice in writing expressing his intention to do so.

- b. The Company can also terminate the HT agreement at any time giving one month notice if the consumer violates the terms of HT agreement or the GTCS or the provision of any law touching the agreement.
- c. Where any consumer, whose supply is disconnected for non payment of any amount due to the company on any account, fails to pay such dues and regularise his account within 3 months from the date of disconnection.

15. The Appellant stated that the service was disconnected before dt.24.8.2016 and it has given a letter for termination of agreement dt.17.9.2016 to the ADE/Jeedimetla and also to SPDCL/Gunrock.

16. The SE/OP/RR North vide Lr.No.217 dt.15.7.2017 has submitted that the service was disconnected on 30.8.2016 due to non payment of CC charges and the representation of the Appellant for termination of HT agreement (dt.17.9.2016) was received by their office on 20.02.2017. He stated that accordingly, DE/OP/Kukatpally has furnished final readings with a request to terminate the HT agreement of the Appellant, further giving the following details:

i.	CC charges up to 19.10.2016 i.e. date of disconnection of supply	Rs 15,07,904.00
ii.	4 Months Monthly Minimum Charges up to 19.02.2017	Rs 11,41,607.43
iii.	Total Dues	Rs 26,49,511.00
iv.	Adjustable available Consumption Deposit (-)	Rs 14,78,700.00
v.	Balance payable by the consumer	Rs 11,70,811.00

17. The condition at para 14(b) supra is nullified in this case, since there is no such violation of HT agreement. Hence there are two conditions remaining in this case mentioned at para 14(a) and 14(c) supra for application in the present case.

In the first instance, if the consumer chooses to terminate his agreement as per the amended Clause 5.9.4.2,

The minimum agreement period is already completed since the service was released on 3.9.2010. The amended clause 5.9.4.2 mandates one month notice period for termination of the agreement. Here there is a dispute between both the parties on the

date of application. The Appellant stands on the date of application as 17.9.2016 and whereas, the Respondents hold that they have received the Application dt 17/09/2017 on 20.2.2017.

The SE/OP/RR North vide lr.No. 217 dt.15.7.2017 stated that based on the representation of the Appellant received by their office on 20.2.2017 for termination of HT agreement, the DE/OP/Kukatpally has furnished the final readings to issue No Dues Certificate and accordingly, it was arrived at by taking the CC charges and 4 months minimum charges as detailed at Para 7 supra and raised an amount of Rs 11,70,811/- as the balance payable by the Appellant, duly deducting the available consumption deposit.

A careful perusal of the final bill raised by the Respondents for Rs 11,70,811/- is found not in line with the amended clause 5.9.4.2 of GTCS. When a consumer seeks termination of agreement, the Clause permits only levy of 1 month minimum charges as against the 4 months minimum charges levied by the Respondents.

Hence, if date of application is to be considered as per the Appellant's version i.e.,17.09.2016, the date of termination of agreement as per the amended clause shall be 17.10.2016 and whereas, according to the Respondents, the application though dated 17.09.2016, was stated to have been received on 20.02.2017 and date of termination of agreement then should be on 20.03.2017.

18. In the Second instance, if any consumer whose supply is disconnected for non payment of any amount due:

Clause 5.9.4.3 of the GTCS comes into play, which mandates the Licensee to issue one month notice for termination of the HT agreement. If the consumer fails to regularise the account even after three months, the company shall terminate the agreement w.e.f. the date of expiry of the said one month notice. Hence in this way 4 months minimum charges can be levied. This procedure was initiated by the Respondent No.4/SE/OP/RR North by giving one month notice dt.15.11.2016 to the Appellant wherein the Appellant was informed that the agreement was terminated w.e.f. 19.10.2016 and was demanded to pay an amount of Rs 11,70,811/- else FORM-A under revenue recovery Act would be issued for realisation of the arrears.

There is contradiction over date of disconnection also. The SE/OP/RR North vide Lr.No.217 dt.15.7.2017 stated that the service was disconnected on 30.08.2016 due to

non payment of CC charges. As per the clause 5.9.4.3 of GTCS, the initial notice dt. 15.11.2016 was issued by the R4/SE/OP/RR North(one month notice). Instead of completing the process of termination of agreement following the Clause 5.9.4.3 of the GTCS, wherein 4 months minimum charges shall be levied while terminating the agreement, the Respondents have acted on the Appellant's representation for termination of the agreement before 17.9.2016 which was received on 20.02.2017 according to R4/SE/OP/RR North who under Clause 5.9.4.2 of GTCS has computed the balance payable amount as shown in para 7 supra.

19. There are contradictions and lapses noticed in the procedure adopted by the Respondents over implementation of the amended Clauses 5.9.4.2 and 5.9.4.3 of the GTCS and they are:

1. The letter issued by SE/OP/RR North in D.No.1069 dt.15.11.2016 was based on clause 5.9.4.2 of GTCS which mandates giving not less than 3 months notice to the consumer seeking termination of the agreement. This Clause was amended vide Proceeding No.APERC/Secy/96/2014 dt. 31.05.2014 which is reproduced at para No. 13 supra and the notice period was reduced to one month from three months. This amended provision was not implemented in the given notice. The date of termination was taken w.e.f. 19.10.2016 and CC dues were calculated for 4 months up to 19.2.2017 raising the CC dues to Rs 26,49,511/- which is not correct.
2. The letter of SE/OP/RR North D.No.217 dt.15.7.2017 states at para 3 therein that the date of disconnection of the service was on 30.08.2016 due to non payment of CC charges. This date of disconnection again was stated as 19.10.2016 attributed to the statement given by the DE/OP/Kukatpally before CGRF and also in the letter dt.15.7.2017 of SE/OP/RR North creating confusion over the actual date of disconnection.
3. The implementation of the procedure laid down in the Clauses of GTCS by the Respondents over the termination of agreement is questionable. It is quite a surprise to see the letter with D.No.1069 dt.15.11.2016 of SE/OP/RR North Circle referring to the consumer representation dt. 20.2.2017, which clearly reveals that the Respondents received the

letter from the Appellant even before 15.11.2016 indicating manipulation of the record.

20. Under the circumstances presented on record, there are two possibilities for termination of the agreement:

- a) **As per the amended clause 5.9.4.2 of the GTCS-**When the consumer seeks termination of the agreement, the completion of one month notice period can be taken from the date of application i.e. dt.17.9.2016 and on this basis (The letter dt.17.9.2016 of the Appellant showing Acknowledgement by the Office of the R4/SE/OP/RR North on 20.2.2017 which appears odd. Further odd is the contents of the letter dt.15.11.2016 of R4/SE/OP/RR North which mentions representation of the Appellant dt.20.2.2017 with termination as 19.10.2016 making the entire process as suspicious and reeks of manipulation. It is quite clear that the letter dt.15.11.2016 is prepared subsequently to suit the claim of the Respondents) the termination of agreement shall be w.e.f. 17.10.2016 with one month notice (Amended as per proceedings of ERC dt.31.5.2014). Therefore, the final bill shall be revised raising CC charges upto 17.10.2016 duly adjusting the available consumption deposit.
- b) **As per Clause 5.9.4.3 of the GTCS, the termination of Agreement on account of disconnection:** The termination of Agreement shall be after completion of one month notice period i.e Lr. dt 15.11.2016, while holding the date of disconnection as 30.8.2016. The arrears of Rs 6,76,507/- remained unpaid after such disconnection and the question of effecting the date of disconnection on 19.10.2016 would not arise, since the service remained disconnected by that date. In view of the above, the final bill shall be revised by taking 4 months minimum charges upto 15.12.2016(from 30.08.2016) duly adjusting the CD available.

21. The consumer/Appellant gave the date of disconnection as before 24.08.2016 in his Appeal grounds. R4/SE through his letter dt.15.7.2017 gave the date of disconnection as 30.08.2016. Again in the same letter, there is a mention that the DE/OP/Kukatpally has furnished the date of disconnection as 19.10.2016. Therefore, the Clause 5.9.4.3 of GTCS is not being applied for want of correct date of disconnection, leaving the amended Clause 5.9.4.2 of GTCS alone to be applied

by taking the date of application of the Appellant as 17.09.2016. The issues are answered accordingly.

22. In the result, the Appeal is allowed as follows:

- a. The Appellant has an amount of Rs 14,78,400/- as Security Deposit with the DISCOM against the Service Connection, which shall be adjusted against the dues.
- b. The Appellant gave termination letter dt.17.9.2016 to R4. The other version of R4 that the letter was received on 20.02.2017 is disbelieved.
- c. The Respondents shall implement Clause 5.9.4.2 of GTCS(Amended) by taking the request of the Appellant for termination through letter dt.17.9.2016 effecting termination of agreement w.e.f. 17.10.2016 and issue fresh demand notice to the Appellant accordingly and issue No Due Certificate after ascertaining the payment of dues if any.
- d. Clause 5.9.4.3 of GTCS is held as not applicable to the facts of the present case.
- e. The impugned orders are set aside to the extent indicated.

23. 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 Clerk Computer Operator, Corrected, Signed and Pronounced by me on this the 11th day of August, 2017.

Sd/-

Vidyut Ombudsman

1. M/s. Multi Poly Films Private Limited, represented by Sri.V.Manohar Rao,
MCH-7-1-54/2, Plot No.31, Anand Apartments, 3rd Floor, Dharam Karam Road,
Ameerpet, Hyderabad - 500 016. Cell: 9966558839, 9866124611 and 9849004611.
2. The ADE/OP/Jeedimetla/TSSPDCL/RR District.
3. The DE/OP/Kukatpally/TSSPDCL/ RR District.
4. The SAO/OP/RR North Circle/TSSPDCL/RR District.
5. The SE/OP/RR North Circle/TSSPDCL/RR District.

Copy to :

6. The Chairperson, Consumer Grievance Redressal Forum, Greater Hyderabad Area, TSSPDCL, Vengal Rao Nagar, Erragadda, Hyderabad - 500 045.
7. The Secretary, TSERC, 5th Floor Singareni Bhavan, Red Hills, Lakdikapool,Hyd.