



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

Tuesday the Twenty First Day of May 2019

Appeal No. 57 of 2018

Preferred against Order dt.10.10.2018 of CGRF in
CG No.130/2018-19 of SRD Circle

Between

M/s. Trident Woollens (P) Ltd, Kanukunta Road, Gummadidala Village,
Jinnaram Mandal, Sangareddy Dist. Cell: 8458275575..

... Appellant

AND

1. The SAO/OP/Sangareddy/TSSPDCL/Sangareddy Dist.
2. The DE/OP/Patancheru/TSSPDCL/Sangareddy Dist.
3. The SE/OP/Sangareddy Circle/TSSPDCL/Sangareddy Dist.

... Respondents

The above appeal filed on 11.01.2019, coming up for final hearing before the Vidyut Ombudsman, Telangana State on 02.04.2019 at Hyderabad in the presence of Sri. Aameruddin - on behalf of the Appellant company and Sri. P. Krishna Reddy - CGM (Revenue)/TSSPDCL and Sri. P. Marthaiiah for the Respondents and having considered the record and submissions of both the parties, the Vidyut Ombudsman passed the following;

AWARD

This is an Appeal filed against the orders of CGRF-I in SRD CG No. 130/2018-19 dt.10.10.2018.

2. The Appellant contended that he has filed a complaint vide SRD CG No. 130/2018-19 before the CGRF seeking for restoration of power supply to his HT Service Connection No. SGR 231 (MDK -231) and the learned CGRF failed to appreciate the contentions raised by him and dismissed the said complaint. As such aggrieved by the same the present appeal is filed seeking for setting aside the said order and for

restoration of connection.

3. The averments made in the Appeal are that the Appellant i.e. M/s. Trident Woollens Pvt Ltd. has a HT SC No. SGR-231 and the same has been disconnected for want of payment of arrears and that later when they sought for restoration of the power supply to the said service connection under sick unit, the Respondents demanded for payment of Rs 55,54,696/- towards minimum charges and Rs 7,16,951/- towards FCA charges totalling to Rs 66,50,772/-, which is not liable to be paid by them.

4. The Appellant in support of its contentions filed the following written submissions:-

a. The Appellant entered into an agreement for supply of electricity High Tension dt.31.07.2013 with the Respondents, for a maximum load not exceeding 490 KVA with connected load of 1031 HP.

b. The Appellant addressed letter dt.28.04.2014 to the office of the Respondent that the Appellant has suspended its operations since Dec,2013 and requested for disconnection consequent to which the Respondent on 03.11.2014 vide Lr.No.SE/OP/MDK/SAO/HT/D.No.1506/2014 and the Respondent again on 29.12.2015 issued a letter vide Lr.No.SE/OP/MDK/SAO/HT/DNo.817/2015 to the Appellant that the said HT supply was terminated with the effect from 27.09.2014 and further informed that an amount of Rs 16,61,058/- is pending towards consumption charges.

c. A letter dt.13.12.2017 was addressed by Appellant for restoration of power supply under sick unit revival scheme to which no response was received from the Respondents. It is further submitted that the Respondent addressed a letter dt. 27.01.2018 intimating the pending bills with regard to the Appellant total amounting to Rs 16,61,508/- (dues upto date after adjusting deposit Rs 3,79,125/- + minimum charges Rs 12,63,006/- + FSA Charges Rs 18,927/-).

d. The Respondents addressed another letter dt.19.04.2018 wherein the Respondent claimed an amount of Rs 55,54,696/- towards minimum charges and Rs 7,16,951/ towards FSA charges aggregation to Rs 66,50,772/- as arrears and further submitted that the power will be restored only after the said amounts are paid. It was further indicated in the said letter that the approval for registration of power supply was given under sick unit revival scheme. In reply to the said letter addressed by the Respondents, the petitioner addressed a letter dt.27.04.2018 seeking clarifications regarding the breakup of minimum charges and FSA dues as demanded by the Respondent

and schemes extended under sick unit revival scheme as indicated by the respondents in the letter dt.19.04.2018. Thereafter it is submitted that the Respondent issued another letter dt.14.06.2018 demanding an amount of Rss 55,55,184/-.

e. The Appellant filed complaint vide SRD CG No. 130/2018-19 before the CGRF-I aggrieved by the action of the Respondent in not restoring the power supply with regard to the HT SC No. SGR-231 (MDK231) as the same is arbitrary, illegal and contrary to the principles of natural justice. The Hon'ble forum vide order dt.10.10.2018 disposed the complaint as follows:-

i. The Respondents are directed to thoroughly verify the records before issuing the orders in respect of termination of agreements and arithmetical accuracy.

ii. As per the terms and conditions approved by the ERC in respect of sick industries revival scheme, the concerned officials have calculated the amounts payable by the consumer for restoration of power supply to their industry, which is in order.

iii. The Respondents are directed to take suitable departmental action for recovery of amounts in 10 (TEN) equal instalments as per Regulation 7 of 2013 Clause 4.6.1 duly restoring after collection of 1st instalment.

5. Aggrieved by the order dt.10.10.2018 of CGRF in CG No.130/18-19 the Appellant preferred the present Appeal on the following grounds:-

a. That the order of the Hon'ble CGRF-I is erroneous and contrary to law having regards to the facts of the case.

b. That the Hon'ble forum ought to have seen that the amounts reflecting in the Respondents letters dt.27.01.2018,19.04.2018 and 14.06.2018 are contrary to each other. The amount that has to be paid by the petitioner according to the letter dt.27.01.2018 amounts to a total of Rs 16,61,508/- the amount that has to be paid by the petitioner according to the letter dt.19.04.2018 amounts to a total of Rs 66,50,772/- and the amount that has to be paid by the consumer according to the letter dt.14.06.2018 amounts to a total of Rs 55,55,184/-. The Respondents during the three different dates addressed entirely different and staggering amounts as arrears to the petitioner.

c. That the Hon'ble forum ought to have seen that in view of the letter dt.29.12.2015, wherein the Respondent informed that the supply agreement was terminated on

27.09.2014 the said amounts need not be paid as they are barred by the law of limitation, The Respondents did not initiate any recovery proceedings since the agreement was terminated on 27.09.2014. According to section 24-A of the Consumer Protection Act, 1986 *“The District Forum, the State Commission or the National Commission shall not admit a complaint unless it is filed within two years from the date on which the cause of action has arisen.”* Since the limitation period of 2 years has expired the respondents cannot now ask for payment of amount, since the Respondents did not initiate recovery proceedings within the limited period of 2 years.

d. That the Hon’ble forum ought to have seen that when the agreement itself was terminated much before its tenure, is it not legally valid to claimed minimum demand charges for the period between terminating of the agreement and the original tenure of the agreement.

e. That the Hon’ble forum ought to have seen that the Respondents set a letter dt. 02.12.2015 amounting to a total of Rs 16,61,058/- and later termed it as a mistake by oversight as the date of termination of agreement was taken as 27.09.2014 without reckoning the completion of agreement. This clearly shows malicious intention on the part of the Respondent as the Respondent later in letter dt.19.04.2018 amounted to a total of Rs 66,50,772/- and letter dt.14.06.2018 amounted to Rs 55,55,184/- and again under clause 5.9.6 of GTCS the total amount was calculated as Rs 57,88,583/-.

f. That the Hon’ble forum has not exercised its jurisdiction properly in allowing the Respondent to verify the records and issue orders in respect of termination of agreements which is an afterthought to rectify the lacuna in the case.

g. The Hon’ble forum ought to have seen that the Appellant is a sick unit, and the Government through a beneficial scheme has attempted to bring up and rejuvenate the same. The Respondents acted in an unfair arbitrary and inequitable manner by not considering the fact that the Appellant is sick unit and that the petitioner is exposed to further loss and opportunities thereby resulting in the deterioration of the Appellant’s company, The Appellant through the payment of the said amount will have to suffer irreparable loss and further hardship.

h. That it is Appellant’s Right to practice trade, occupation or business which is covered under article 19(1)(g) of the constitution of India is also violated.

i. The Hon’ble forum ought to have given a reasoned order having regard to the facts and circumstances of the case.

- j. The learned judge erred in not properly exercising his discretion and has failed to consider the evidence on record.
- k. Other grounds would be urged at the time of hearing.

The Appellant further stated that the impugned order was passed by CGRF in SRD CG No.130/2018-19 on 10.10.2018 the order copy was made available to the applicant on 28.12.2018. Therefore the present appeal is filed within limitation.

That in view of the above facts and circumstances this Hon'ble forum may be pleased to set aside the order dt.10.10.2018 in SRD CG No. 130/2018-19 on the file of the Hon'ble CGRF-1, TSSPDCL and consequently allow the complaint filed by the Appellant and pass such other order or orders as deems fit and proper in the circumstances of the case.

That pending disposal of this Appeal, the Hon'ble forum may be pleased to suspend the order dt.10.10.2018 in SRD CG No. 130/2018-19 on the file of the Hon'ble CGRF-I TSSPDCL.

That pending disposal of this Appeal, the Hon'ble forum may be pleased to direct the Respondents to restore the power supply to the complainant @ 350 KVA vide meter No. HT SC No MDK-231 and pass such order or orders as the Hon'ble forum may deem fit and proper in the interest of justice.

That pending disposal of this Appeal, the Hon'ble forum may be pleased to direct the Respondents not to take any coercive action against the petitioner in view of the letters dt,27.01.2018, 19.04.2018 and 14.06.2018 and pass such other order or orders as this Hon'ble Forum may deem fit and proper in the interest of justice.

6. The Respondents on the other hand denied the said averments of the Appellant and made the following submissions through the written statement of Respondent No.3 vide Lr.No. SE/OP/SRD/SAO/AAO-HT/D.No.727/19 dt.08.02.2019 stating that the Appellant The Appellant M/s. Trident Woolens (Pvt) Ltd. SGR-231 has entered into a HT agreement initially on 02.11.2017 with a CMD of 490 KVA. Since the Appellant is not paying the monthly CC bills regularly, the said HT service was disconnected on 27.11.2008. Subsequently the HT agreement was terminated and the same has been communicated to the Appellant vide letter dt.29.08.2012.

While so, the Appellant has again approached TSSPDCL and requested for extension of HT power supply with a CMD of 490 KVA vide his representation dt.12.12.2012 as they were planning to re-start the operations. Accordingly the power supply was restored and

the Appellant has again entered into a fresh HT agreement on 31.07.2013.

That the Appellant has again defaulted in payment of monthly CC charges and represented vide letter dt.28.04.2014 for disconnection of power supply to their service and represented vide letter dt.28.04.2014 for disconnection of power supply to their service connection SGR-231, mentioning that due to adverse market conditions they have discontinued their production activity since Dec,2013. Accordingly, the power supply to the said service connection was disconnected on 27.05.2014 leaving an arrears of Rs 3,79,1225/- after adjustment of available consumption deposit of Rs 7,35,000/-. Meanwhile the Appellant was addressed a letter dt.03.11.2014 to pay the arrears existing as on that date together with surcharge for delayed payment and obtain reconnection order from the SAO/OP/Sangareddy. Since there was no response from the Appellant the said Ht agreement has been terminated w.e.f.27.09.2014 by oversight instead of 31.07.2015 (date of completion of two years agreement period as per Clause 5.9.4.2 of GTCS) and the same was communicated to the Appellant vide letter dt.29.12.2015 duly demanding an amount of Rs 16,61,058/- towards arrears after adjustment of available consumption deposit.

Further submitted that with the above introductions of the case, the following points were submitted:-

a. While arriving at the arrears, the date of termination of agreement was taken as 27.09.2014 by oversight instead of 31.07.2015 (date of completion of two years agreement period as per clause 5.9.4.2 of GTCS) without reckoning the completion of minimum two years agreement period for termination of the said agreement. Hence an amount of Rs 16,61,058/- was communicated by mistake to the appellant as arrears payable by him vide letter dt.29.12.2015.

b. That the Appellant has not paid the said amount of arrears communicated to him. Since the Appellant did not pay the arrears communicated to him vide letter dt.29.12.2015 the service connection was not dismantled, though the agreement was terminated on paper. Had the Appellant paid the said arrears of Rs 16,61,058/- and got the service dismantled then the contention of the agreement and the original tenure of the agreement is illegal would have been correct. Since the Appellant has not paid the communicated arrears and got the service dismantled, the contention of the Appellant that claiming the minimum demand charges for the period between the termination of the agreement and the original tenure of the agreement is illegal is not tenable as the

Appellant has not accepted the termination of agreement.

c. That, without paying the arrears, the Appellant has approached the Respondents for restoration of power supply under sick industries revival scheme. While restoring power supply under sick industries revival scheme, the guidelines issued by the TSERC need to be followed. Accordingly the arrears payable by the Appellant for restoration of power supply has been communicated vide letter dt.19.04.2018 duly following the guidelines issued by the TSERC/TSSPDCL under sick industries revival scheme.

d. Moreover when the Appellant is approaching the Respondents for restoration of power supply under sick industries revival scheme which attracts provisions of the said scheme, the arrears from the date of disconnection of service need to be paid by the Appellant with certain reliefs extended as per the scheme.

e. Accordingly. The Respondents have communicated to the Appellant vide letter dt.19.04.2018 and 14.06.2018 the amount of arrears and other charges payable by the Appellant under sick industries revival scheme.

f. Even if the Appellant is treated as a fresh consumer the arrears pending against the previous service need to be cleared for obtaining new HT service connection as per Clause 5.9.6 of GTCS which reads as follows:-

“Clause 5.9.6: Dismantlement of service line after termination of agreement:- On the termination of the LT or HT agreement, the company is entitled to dismantle the service line and remove the materials, meter, cut out etc. After termination of the agreement, the consumer shall be treated as a fresh applicant for the purpose of giving supply to the same premises when applied for by him provided there are no dues against the previous service connection.”

In view of the aforesaid reasons, the Appellant has to pay an amount of Rs 48,97,283/- towards arrears plus surcharge as per the rate applicable till the date of payment.

Apart from the above the Appellant has to pay the other charges as applicable as per the sick industries revival scheme for restoration of power supply.

While on this, aggrieved by the letters of TSSPDCL, the Appellant has approached the Hon'ble CGRF, TSSPDCL, and filed complaint vide SRD CG No. 130/2018-19. The Hon'ble CGRF has passed orders vide reference 1st cited in favor of TSSPDCL. The gist of the order

passed by the Hon'ble CGRF is placed below for perusal:

“As per the terms and conditions approved by Electricity Regulatory Commission in respect of sick Industries Revival Scheme, the concerned officials have calculated the amounts payable by the consumer for restoration of power supply to their industry which is in order.”

The Respondents are directed to take suitable departmental action for recovery of the amounts in 10 (Ten) equal instalments as per Regulation 7 of 2013 Clause 4.6.1 duly restoring after collection of 1st instalment.”

The Hon'ble CGRF upheld the submissions of TSSPDCL and passed orders for collecting the arrears amount as per the calculations in accordance with the rules and regulations in vogue.

In view of the above, it is submitted that since the Appellant has not paid the arrears and not got the service dismantled, he has to pay the arrears arrived at as per the reliefs extended to him under the sick industries revival scheme for restoration of power supply as requested by him.

7. On the basis of the said averments the following issues are framed:-

1. Whether the Appellant is liable to pay the arrears of minimum charges and FSA charges demanded by the Respondents and if not whether the Appellant is entitled for restoration of the disconnected HT SC No. SGR-231?
2. To what relief?

Heard Both Sides

Issue No.1

8. The averments of the Appellant and the Respondent are placed under in the chronological order as follows:-

a. The Appellant had entered into the agreement with the Licensee for release of CMD of 490 KVA on 02.11.2007.

b. In the month of March,2009 the Respondent No.3 vide Lr.No. SE/OP/MDK/SAO/HT/D.No.1089 dt.09.03.2009 issued notice to the Appellant stating that the HT service connection MDK-231(SGR-231) was disconnected on 27.11.2008 for nonpayment of electricity charges for an amount of Rs 7,66,506/-, thereby requested

the Appellant to pay CC charges by the end of Feb,2009 failing which the HT agreement entered will be terminated and the HT metering will be dismantled.

c. Again in the year 2012 the Respondent No.3 vide Lr.No. SE/OP/MDK/SAO/HT/D.No.667 dt.29.08.2012 terminated the HT agreement w.e.f. 27.07.2012 due to non payment of CC dues of Rs 12,31,874/-. After adjustment of the existing consumption deposit the Appellant was due for an amount of Rs 2,19,804/-.

d. The Appellant requested for restoration of power supply under sick unit revival scheme. Subsequently vide Memo No. CGM(Comml.)/SE(C)/DE(C)/ADE-III/Sick Unit/D.No.704/13 dt.28.05.2013, the CGM/Commercial accorded approval for restoration of power supply under sick unit revival scheme subject to payment of the arrears.

e. Thereafter the Appellant concluded a fresh agreement for restoration of supply under sick unit revival scheme for a CMD of 490 KVA on 31.07.2013.

f. On 28.04.2014 the Appellant addressed a letter to the Respondents seeking disconnection of the HT service as they are suspending all the operations, in view of the bad market conditions. Again they will approach for restoration of power supply as and when the market situation improves.

g. The Respondent No. 3 vide Lr.No. SE/OP/MDK/SAO/HT/D.No.1506 dt.03.11.2014 addressed to the Appellant stating that the HT service was disconnected on 25.04.2014 for non payment of electricity charges. Further requested to pay the arrears of Rs 26,56,996/- accumulated to the end of 10/2014 CC bill.

h. Again in the year 2015, vide Lr.No. SE/OP/MDK/SAO/HT/D.No.817 dt.29.12.2015, the Respondent No.3 stated that the HT agreement is terminated w.e.f. 27.09.2014 on nonpayment of dues of Rs 23,96,508/-. After adjustment of the available consumption deposit of Rs 7,35,000/- balance Rs 16,61,058/- was stated to be payable by the Appellant.

i. After two years, on 13.12.2017 the Appellant sought restoration of power to start up the production activity requesting for waiver of minimum charges levied from March,2014.

j. Vide Memo No. CGM (Comml.)/SE(C)/DE(C)/ADE-III/Sick Unit/D.No.149 dt.19.04.2018,CGM(Commercial) accorded approval for restoration of supply under sick unit revival scheme duly derating CMD from 490 KVA to 350 KVA subject to

payment of (i) dues up to date of disconnection Rs 3,79,125/- (ii) Additional charges for belated payment of the CC dues (iii) minimum charges upto the date of termination of agreement Rs 55,54,696/- (iv) consumption deposit @ Rs 500/- per KVA for 3 shifts and (v) development charges @ Rs 1200/- per KVA for the CMD of 350 KVA (vi) cost of the estimate if any (vii) FSA charges of Rs 7,15,951/-.

9. The Appellant sought for clarification vide letter dt.27.04.2018 from Respondents over the calculation of the dues demanded vide approval of CGM/Commercial No. 149 dt.19.04.2018 over the amount of Rs 55,54,696/- and FSA charges of Rs 7,15,951/- and also calculations under sick unit revival scheme. Addressing to the Appellants request the Respondent No. 3 vide Lr.No. SE/OP/SRD/SAO/HT/D.No.173 dt.14.06.2018, provided the details of the calculation of the dues pending and FSA charges as following:-

| Month | Units | Rate | FSA Amount | Due date | Cut off date | No.of days | Surcharge amount |
|------------------|-------|--------|--------------|----------------|--------------|------------|------------------|
| 2008-09 | | | | | | | |
| 11/2008 | 13578 | 0.9 | 12220 | 3/12/2011 | 5/31/2018 | 2637 | 16112 |
| 12/2018 | 1464 | 0.9 | 1318 | 4/9/2011 | 5/31/2018 | 2609 | 1719 |
| | | | 13538 | | | | |
| 2009-2010 | | | | | | | |
| Month | Units | Rate | FSA Amount | Due date | Cut off date | No.of days | Surcharge amount |
| 5/2009 | 2826 | 0.4255 | 1202 | 9/9/2012 | 5/31/2018 | 2090 | 1256 |
| 6/2009 | 4326 | 0.4255 | 1841 | 10/10/201 2 | 5/31/2018 | 2059 | 1895 |
| 7/2009 | 5310 | 0.4938 | 2622 | 11/9/2012 | 5/31/2018 | 2029 | 2660 |

| | | | | | | | |
|----------------|--------------|-------------|-----------------------|-----------------|-------------------------|-----------------------|-----------------------------|
| 8/2009 | 9852 | 0.4938 | 4865 | 12/10/201 2 | 5/31/2018 | 1998 | 4860 |
| 9/2009 | 16440 | 0.4938 | 8118 | 1/9/2013 | 5/31/2018 | 1968 | 7988 |
| 10/2009 | 29790 | 0.4938 | 2913 | 2/9/2013 | 5/31/2018 | 1937 | 2821 |
| 11/2009 | 41040 | 0.0978 | 4014 | 3/12/2013 | 5/31/2018 | 1906 | 3825 |
| 12/2009 | 56994 | 0.0978 | 5574 | 4/9/2013 | 5/31/2018 | 1878 | 5234 |
| 1/2010 | 53268 | 0.3384 | 18026 | 5/10/2013 | 5/31/2018 | 1847 | 16647 |
| 2/2010 | 53112 | 0.3384 | 17973 | 6/9/2013 | 5/31/2018 | 1817 | 16328 |
| 3/2010 | 51432 | 0.3384 | 17405 | 7/10/2013 | 5/31/2018 | 1786 | 15543 |
| | | | 84553 | | | | 79057 |
| | | | | | | | |
| Month | Units | Rate | FSA Amount | Due date | Cut off date | No.of days | Surcharge amount |
| 2010-11 | | | | | | | |
| 04/2010 | 52686 | 0.1513 | 7971 | 11/9/2012 | 5/31/2018 | 2029 | 8087 |
| 05/2010 | 80934 | 0.1513 | 12245 | 12/10/201 2 | 5/31/2018 | 1998 | 12233 |
| 06/2010 | 78846 | 0.1513 | 11929 | 1/9/2013 | 5/31/2018 | 1968 | 11738 |
| 07/2010 | 55944 | 0.1422 | 7955 | 2/9/2013 | 5/31/2018 | 1937 | 7704 |
| 08/2010 | 81492 | 0.1422 | 11588 | 3/12/2012 | 5/31/2018 | 2271 | 13158 |
| 09/2010 | 10543 2 | 0.1422 | 14980 | 4/9/2013 | 5/31/2018 | 1878 | 14066 |
| 10/2010 | 14273 4 | 0.2941 | 41978 | 5/10/2013 | 5/31/2018 | 1847 | 38767 |
| 11/2010 | 13071 6 | 0.2941 | 38444 | 6/9/2013 | 5/31/2018 | 1817 | 34926 |

| | | | | | | | |
|---------|------------|--------|---------------|-----------|-----------|------|---------------|
| 12/2010 | 11403 0 | 0.2941 | 33536 | 7/10/2013 | 5/31/2018 | 1786 | 29948 |
| 01/2011 | 15513 6 | 1.2239 | 189871 | 8/9/2013 | 5/31/2018 | 1756 | 166707 |
| | | | 370497 | | | | 337334 |

| Details of arrears including minimum charges | | |
|---|--------|---------|
| Date of disconnection i.e. 27.05.2014 | | 1114125 |
| Minimum charges are not applicable as the initial agreement period expires on 31.07.2015, as date of last agreement entered on 31.07.2013 | | 0 |
| Minimum bills from 06/14 | 353676 | |
| Minimum bills from 07/14 | 320401 | |
| Minimum bills from 08/14 | 293818 | |
| Minimum bills from 09/14 | 295111 | |
| Minimum bills from 10/14 | 279865 | |
| Minimum bills from 11/14 | 284936 | |
| Minimum bills from 12/14 | 287764 | |
| Minimum bills from 01/15 | 292799 | |
| Minimum bills from 02/15 | 296809 | |
| Minimum bills from 03/15 | 295740 | |
| Minimum bills from 04/15 | 250392 | |
| Minimum bills from 05/15 | 319693 | |
| Minimum bills from 06/15 | 324691 | |

| | | |
|--|---------|----------------|
| Minimum bills from 07/15(up to 14.97.2015) | 326543 | |
| From 15.07.2015 to 31.07.2015 for 16 days | 4441059 | 4441509 |
| | | 5555184 |

10. The Appellant relied on the following two factors for his claim towards non payment of any charges for want of restoration of power supply:-

a. The letters of the Respondents dt.27.01.2018, 19.04.2018 and 14.06.2018 are contrary to each other towards the liable amount to be paid by the Appellant.

b. The limitation period of 2 years has expired, since the Respondents has not initiated any recovery proceedings from the date of termination of the agreement on 27.09.2014.

The letters of the Respondents dt.27.01.2018, 19.04.2018 and 14.06.2018 are contrary to each other towards the liable amount to be paid by the Appellant.

In the letter dt.27.01.2018, the SE/OP/Medak vide Lr.No.SE/OP/SRD/HT/D.No.584/17-18 dt.27.01.2018 submitted the information sought by the CGM/Commercial over the Appellant's request for restoration of power supply under sick unit revival scheme, wherein a total of Rs 16,61,058/- was stated to be payable by the Appellant.

In the letter dt.19.04.2018, the CGM/commercial accorded approval for restoration of power supply under sick unit revival scheme and waiver of minimum charges duly derating from 490 KVA to 350 KVA CMD vide Memo No. CGM (Comml.)/SE(C)/DE(C)/ADE-III/Sick Unit/D.No.149 dt.19.04.2018, wherein it was requested to pay Rs 66,50,772/- and

In the letter dt.14.06.2018 the SE/OP/SRD circle vide Lr.No. CGM (Comml.)/SE(C)/DE(C)/ADE-III/Sick Unit/D.No.149 dt.19.04.2018 provided the clarification sought by the Appellant over the calculation of minimum charges and FSA charges wherein the total amount of arrears including minimum charges without deducting the available consumption deposit was shown as Rs 55,55,184/-.

Counting on the differences in the amounts of dues to be paid the Appellant held that the amounts are staggering and entirely different and contrary to each other. Based on this pleaded to set aside the payable amount.

The analysis of the demands raised during different time period through three different letters as stated above is given below:-

| Description of the arrears | As per letter dt. 27.01.2018 | As per letter dt. 19.04.2018 | As per letter dt. 14.06.2018 | Remarks |
|--|------------------------------|------------------------------|------------------------------|--|
| Dues pending upto date of disconnection 27.05.2014 | 3,79,125/- | 3,79,125/- | 11,14,125/- | Rs 11,14,125/- includes available consumption deposit of Rs 7,35,000/- excluding CD, the due amount shall be Rs 3,79,125/- |
| Monthly minimum charges | Rs 12,63,006/- | Rs 55,54,696/- | Rs 44,41,059/- | Rs 12,63,006/- pertains to 4 months minimum charges from the date of disconnection. Whereas the mandatory 2 years agreement period was not completed. Minimum charges until the date of completion of 2 years period as on 31.07.2015 is Rs 44,41,059/. 55,55,184/- includes arrears up to date of disconnection. |

| | | | | |
|-------|-------------|-------------|-------------|---------------------------------------|
| FSA | 18,927/- | 7,15,951/- | ---- | FSA charges varies from time to time. |
| Total | 16,61,058/- | 66,50,772/- | 55,55,184/- | |

As can be seen from the above table there is no difference in the dues as on the date of disconnection i.e. Rs 3,79,125/- is same in all the letters. Whereas there is a difference in calculation of monthly minimum charges in the letter dt.27.01.2018 which was addressed to the CGM/Commercial and not the Appellant, the monthly minimum charges was reported as Rs 12,63,006/- i.e. 4 months minimum charges from the date of disconnection. This is the internal communication letter which was not reported to the Appellant. The Respondent No.3/SE/OP/Sangareddy reported that there was mistake in calculation of minimum charges as the 2 years agreement period was supposed to commence on 31.07.2015 and monthly minimum charges shall be raised up to 31-07-2015 instead of 27.09.2014. Consequently an amount of Rs 44,41,059/-- was raised. Whereas FSA charges varies from time to time and differs every year. Hence there is difference in the FSA charges.

In view of the above discussion supra there is no discrepancy in the calculation of the arrears, there was mistake in the internal communication over the minimum charges payable, which was suitably rectified as per the GTCS Clause 5.9.4.3 and informed to the consumer. Hence the stand taken by the Appellant to set aside the dues pending due to contradiction of amount pending is not tenable.

11. The Appellant further contended the termination of agreement took place on 27.09.2014 but the Respondents has not initiated any proceedings from the date of termination of the agreement on 27.09.2014, hence the claim of the Respondents is beyond the period of limitation of two years and as such cannot demand for the same. The Respondents on the other hand denied the same.

12. A perusal of the evidence on record shows that the The Appellant held that as per the letter dt.29.12.2015 of the Respondents it was stated that the supply agreement was terminated on 27.09.2014, the said amounts need be paid as they are barred by the law of limitation. The Respondents did not initiate any recovery proceedings since that date and according to Section 24-A of the consumer protection act 1986

“The District forum, the State Commission or the National Commission shall not admit a complaint unless it is filed within two years from the date on which the

cause of action has arisen.” Since the limitation period of 2 years has expired, the Respondent cannot now ask for payment of amount, since the Respondent did not initiate recovery proceedings within the limitation period of years.

13. And also the Appellant has produced extract of “ Laws relating Electricity in India” page No.264, 318, 292 the relevant portion is placed below:-

“In view of S.56(2) of the Electricity Act,2003 company is not empowered to issue notice and disconnect electricity supply. Amount due from the consumer could be recovered by revenue recovery proceedings if at the energy charges was due to the Board prior to the coming of the Electricity Act,2003 which is effective prospectively. The Court reduced the interest on dues @ Rs 12% p.a. from Rs 24% claimed. In the case S.56(2) of Act of 2003 is not applicable. The section states that no such due from any consumer shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrears of charges for electricity supplied and the licensee shall not cut-off the supply.”

Here the issue is restoration of power supply to the HT SC No. SGR-231, M/s. Trident Woolens Pvt. Ltd., where the supply is under disconnection for want of payment of CC arrears and FSA charges. Nowhere in the foregoing paras there was direction to restore the power supply to the disconnected premises, without payment of dues after the lapse of 2 years period, as claimed by the Appellant. Moreover the present dispute is not hit by the Section 56(2) of the Electricity Act,2003 since the Respondents through various letters of communication demanded the arrears pending and shown continuously that arrears are pending to be paid by the Appellant. Hence there is no limitation for recovering the arrears pending by the Respondents, the Appellant is liable to pay the arrears amount as demanded by the Respondents.

14. More so, the Respondents could have initiated the revenue recovery act for recovery of the arrears pending, but not acted upon for the reasons unknown. On the requests made by the Appellant to waive the minimum charges under sick unit revival scheme, the Respondents accorded approvals on two occasions vide Lr.No.704, dt.28.05.2013 and Lr.No.149 dt.19.04.2018, withdrawn minimum charges restricting to 4 months at first instance and minimum charges after the date of termination of agreement i.e. 31.07.2015 at the second instance. Time and again opportunities were given to the Appellant to revive the industry but the Appellant could not do so.

15. Hence in the face of the above discussions the Appellant is liable to pay dues pending against M/s. Trident Woollens Pvt Ltd. for the purpose of restoration of power supply to HT SC No. SGR-231 and as such the Appellant's contention that the Respondents are liable to withdraw the pending dues is not in accordance with the provisions prescribed. Hence decides this issue against the Appellant.

Issue No.2

16. In the result the Appeal is dismissed and the orders of the CGRF in SRD CG No. 130/2018-19 is herewith confirmed.

TYPED BY Office Executive cum Computer Operator, Corrected, Signed and Pronounced by me on this the 21st day of May, 2019.

Vidyut Ombudsman

1. M/s. Trident Woollens (P) Ltd, Kanukunta Road, Gummadidala Village, Jinnaram Mandal, Sangareddy Dist. Cell: 8458275575.
2. The SAO/OP/Sangareddy/TSSPDCL/Sangareddy Dist.
3. The DE/OP/Patancheru/TSSPDCL/Sangareddy Dist.
4. The SE/OP/Sangareddy Circle/TSSPDCL/Sangareddy Dist.

Copy to :

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