



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 Fourth day of March 2016

Appeal No. 76 of 2015

Preferred against Order Dt. 23-02-2015 of CGRF In

CG.No: 01 /2015 of Medak Circle

Between

M/s Mehra Mac Industries Pvt Ltd, H-No-8-7-171/6/6, Ground Floor
Fortune Home, Military Dairy Farm Road, Old Bowenpally, Secunderabad-500011
Cell 9391033606

... Appellant

AND

1. The SAO/OP/Medak/TSSPDCL/at sangareddy.
2. The SE/OP/Medak Circle.TSSPDCL/at sangareddy.

...

Respondents

The above appeal filed on 28.10.2015 coming up for hearing before the Vidyut Ombudsman, Telangana State on 18.02.2016 at Hyderabad in the presence of Sri. Ravi on behalf of the Appellant and Sri. B. Veera Reddy - ADE/OP/Toopran and Sri. C.V.Sharma - JAO/HT/Medak on behalf of SAO/OP/Medak for the Respondents and having considered the record and submissions of both the parties, the Vidyut Ombudsman passed the following;

AWARD

The Appellant is a HT consumer with service connection No. MDK 1515 with CMD of 200 KVA. The Appellant sought deration of CMD to 100 KVA and as a consequence, sought refund of proportionate security deposit amounting to Rs 2,00,000/- and submitted an application to that effect seeking commencement of deration from 16.9.2014. The 1st Respondent/SAO/OP/Medak through his letter dt.3.2.2015 stated before the CGRF that R&C supplementary bills were already

revised from September,2012 to January,2013 under the option 'continuous 60%' and an amount of Rs 6,90,889/- was withdrawn. He stated that the Appellant's service was under continuous 60% option from February,2013 to July,2013 and therefore, R&C bills could not be revised during this period.

2. The Appellant represented before the CGRF that he needed monthwise R&C details along with MRI data for reconciliation of electricity bills from September, 2010 to July 2013 before 13.2.2015 and that his power supply should not be disconnected without proper notice under S.56(1) of the Electricity Act.

3. The 1st Respondent stated before the CGRF that she would provide the required R&C bills along with MRI data by 13.2.2015 and stated further that ACD notice for FY 2013-14 was issued under letter dt. 30.08.2013 to the Appellant for making balance payment of Rs 3,46,200/- which was served on 1.9.2014. When the amount due was not paid by 30.09.2014, she admitted that the service was disconnected and on payment of Rs 1,50,000/-, the power was restored on 3.12.14.

4. After hearing both sides, the CGRF directed the Respondents to furnish the bill data from September,2012 to July,2013 along with MRI dump on or before 13.2.2015 to the Appellant and carry out the deration of CMD as per Clause 5.9.4.2 of GTCS and report compliance by 20.2.2015, through the impugned orders.

5. Aggrieved and not satisfied with the impugned orders, the Appellant preferred the present Appeal alleging that through letter dt.12.8.2014, the Appellant issued one month notice to the Respondent No.2 requesting deration of the service connection of the Appellant from 200 KVA to 100 KVA as per the amended clause 5.9.4.2 of GTCS, through the Proceedings of APERC/Secy/96/2014 dt. 31.5.2014. The Appellant claimed that when the Respondents failed to respond to this notice, it has approached the CGRF with a complaint. The Appellant stated that the Respondent No.2 gave deration w.e.f 5.3.2015 ignoring one month notice dt. 12.8.2014 The Respondent No.2 has not responded to the notice of the Appellant regarding the effective date of deration w.e.f 16.8.2014, as requested by the Appellant.

6. In this Appeal, the ADE/OP/TOOPRAN submitted a reply disclosing the following important aspects:

a. The Appellant addressed the circle office, Medak for deration of CMD from 200 KVA to 100 KVA vide letter dt. 12.8.2014 which was received in the office on 16.8.2014.

b. A consumer of HT service has to register his application at the consumer service center with 5 sets of relevant documents.

c. If there are any outstanding arrears of R&C, they need to be cleared before the process of deration is to be effected.

d. The Respondents stated that the ACD amount of Rs 6.2Lakhs was due and not cleared in spite of several notices. Therefore, they claimed that the service was disconnected and it was reconnected on 3.12.2014 after payment of Rs 1,50,000/-.

e. The CGRF ordered deration of CMD. Accordingly, the CMD to the service connection was derated from 200 KVA to 100 KVA w.e.f 22.05.2015.

7. The Appellant filed a reply to the reply of the ADE/OP/Toopran/TSSPDCL alleging that the Appellant served one month notice on the 2nd Respondent for deration of CMD from 200 KVA to 100 KVA through letter dt. 12.8.2014 as required under the amended clause 5.4.9.2 of GTCS. Accordingly, the Appellant claimed that the 2nd Respondent ought to have given effect to the deration of CMD form 200 KVA to 100 KVA w.e.f 16.9.2014.

8. The Appellant claimed that the arrears of R&C measures were never brought to the notice of the Appellant. As per the orders of the Vidyut Ombudsman dt. 7.12.2015 in Appeal No. 44/2015, the Respondent No. 2 gave effect to 50% waiver in the respective billing months, the delay payment charges were withdrawn and therefore, there was no R&C amount due. It is further claimed that there is no provision either in the Electricity act 2003 or in the regulations of the TSERC for withholding deration.

9. The effort for mediation could not succeed, because of the stated position of both sides and there is no middle path. Hence the matter is being disposed of on merits.

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

- i) Whether the Appellant is entitled to deration of CMD from 200 KVA to 100 KVA w.e.f 15.9.2014 i.e 30 days after receipt of the request letter dt. 16.8.2014?

ii) Whether the impugned orders are liable to be set aside?

ARGUMENTS HEARD

ISSUES 1 & 2

11. The Appellant sought deration of CMD from 200 KVA to 100 KVA vide his letter dt.12.8.2014 which was acknowledged on 16.8.2014. This letter was addressed to the 2nd Respondent/SE/OP/Medak Circle at Sangareddy showing postal acknowledgement on 16.8.2014. A copy of the letter was addressed to the CGM, Finance, Corporate Office, Hyderabad showing that it was received in the office on 25.8.2014. It is important to note that the statutory requirement for deration of load is governed by the amended Clause 5.9.4.2 of GTCS which is reproduced for clarity:

“5.8.4.2 Deration of CMD or Termination of Agreement in respect of HT Supply: The consumer may seek reduction of contacted 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 the effect from the date of expiry of the initial 2 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.”

12. The reply of the ADE/OP/Toopran shows that no action was taken on the application dt.12.8.2014 of the Appellant received by the 2nd Respondent on 16.8.2014 for deration and on the other hand, he claimed that in the 1st instance, the R&C measure arrears were needed to be cleared before the process of deration

could be started. Thereafter, it appears that when the Appellant failed to deposit the ACD amount of Rs 6.20 Lakhs, the service was disconnected and on payment of Rs 1.50 lakhs, the service was restored on 3.12.2014 and therefore, the ADE/OP claimed that the deration could not be effected.

13. The claim of the ADE/OP/Toopran that the Appellant ought to have registered his application at the Customer Service Centre with 5 sets of relevant documents and only then the consumer request will be exhibited in the HT tracking system and then the work of deration would be taken up to explain the delay, fortunately is not insisted on. Even if the application for deration is submitted to the wrong officer of the DISCOM, it is that officer's duty to guide the consumer to compliance, which has not been done in this case.

14. The ADE/OP/Toopran stated that arrears of R&C measures have to be cleared first before taking up the process of deration and that this was intimated to the Appellant. Having said so, the Respondents failed to show any provision either under the GTCS or under the Tariff Orders requiring clearing of arrears before deration could be taken up. Having claimed that the arrears have to be cleared in the first instance for effecting deration, even with arrears pending, the CMD was derated w.e.f 22.5.2015. This is totally forgetting about the request of the Appellant for deration with one month notice as required under Clause 5.9.4.2 of GTCS, as disclosed from the record submitted by the Appellant. The letter dt. 12.8.2014 for deration of CMD from 200 KVA to 100 KVA after one month was received in the office of the 2nd Respondent on 16.8.2014 and by the CGM Finance on 25.8.2014. The Receipt of this notice dt. 12.8.2014 is not disputed by the Respondents. Their only objection is that there were R&C measure arrears to be cleared before the deration could be considered. The Respondents could accept the request of the Appellant for deration as per the registration dt. 5.2.2015(subsequent letter) at the Customer Service Centre, Toopran and the 2nd Respondent by letter dt.13.2.2015 could order deration of CMD from **200 KVA TO 100 KVA, HOWEVER SUBJECT TO THE PAYMENT OF DUES, IF ANY, W.E.F. 5.3.2015 OR FROM THE DATE OF AGREEMENT FOR THE CMD OF 100 KVA** whichever is later,(inspite of R&C measure arrears pending) by treating the letter dt.5.2.2015 of the Appellant as one month notice as per the amended Clause 5.9.4.2 of GTCS.

15. The 2nd Respondent had no qualms accepting the fresh request for deration through his application registered on 5.2.2015 and ordering deration, in

spite of there being R&C measure arrears. He has no answer why deration was not carried out as requested by the Appellant by the letter dt. 12.8.2014, when through registration of the request dt. 5.2.2015 of the Appellant with R&C measure arrears still intact, deration was carried out. This discriminatory action by the Respondents in not considering deration of CMD from 200 to 100 KVA about one month after registration of the request on 5.12.2015, that too after the agreement period was over, with Customer Service Center, Toopran cannot be sustained on any ground.

16. In view of the foregoing discussion, it is clear that the Respondents have wrongly denied deration of CMD from 200 to 100 KVA to the Appellant, about one month after registration of the request letter dt. 12.8.2014 received in the Corporate office on 25.8.2014 and by the 2nd Respondent on 16.8.2014, as per Clause 5.9.4.2 of GTCS and it cannot be sustained on any ground.

17. The CGRF, without referring to the request of the Appellant for deration w.e.f 15.9.2014, merely directed the Respondents to carry out the deration as per clause 5.9.4.2 of GTCS and comply by 20.2.2015 and thus the CGRF failed to examine the issue in the correct prespective and passed a purfunctory order, which is unsustainable. Both the issues are answered accordingly.

18. In the result, the Appeal is allowed. The Appellant is found entitled to:

- i) Deration of CMD from 200 KVA to 100 KVA w.e.f 30 days after 16.8.2014 and adjustment in the bills consequent on the deration.
- ii) The impugned orders are set aside.

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

Typed by CCO Corrected, Signed and Pronounced by me on this the 4th day of March, 2016.

Sd/-

VIDYUT

OMBUDSMAN

1. M/s Mehra Mac Industries Pvt Ltd, H-No-8-7-171/6/6, Ground Floor Fortune Home, Military Dairy Farm Road, Old Bowenpally.
2. The SAO/OP/Medak/TSSPDCL/at sangareddy.
3. The SE/OP/Medak Circle.TSSPDCL/at sangareddy.

Copy to:

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