



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

Wednesday, the Sixteenth Day of March 2016

Appeal No. 7 of 2016

Preferred against Order Dt. 29.12.2015 of CGRF In

CG.No: 443/2015 of Rangareddy South Circle

Between

M/s Binjusaria Metal Box Co. Pvt.Ltd, Represented by Sri. Sunder Murthy, GM
102, A Block, White House, Begumpet, Hyderabad - 500 016
Cell.No. 9866969490.

... Appellant

AND

1. The ADE/OP/Gaganpahad/TSSPDCL/RR District.
2. The DE/OP/Rajendera Nagar/TSSPDCL/ RR District.
3. The SAO/OP/ RR South Circle/TSSPDCL/Hyderabad.
4. The SE/OP/ RR South Circle/TSSPDCL/Hyderabad.

... Respondents

The above appeal filed on 28.01.2016 coming up for hearing before the Vidyut Ombudsman, Telangana State on 15.03.2016 at Hyderabad in the presence of Sri.M. Sundermurthy (GM) - On behalf of the Appellant Company and Sri. M. Srinivas Rao - SAO/OP/RR South 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 has HT Category - 1 Service Connection No. RRS 346 with CMD of 3800 KVA at 33 KV which was subsequently derated to 70 KVA w.e.f. 26.11.2015. A revised agreement for the derated CMD was concluded. The Appellant claimed that the deration was requested because there was no production activity and therefore, it made a request that the Security Deposit available with the Respondents may be adjusted towards the Consumption bill and filed a complaint before the CGRF to that effect.

2. The 4th Respondent SE/OP/RR South Circle/Hyderabad submitted a reply before CGRF vide letter dt.8.12.2015 wherein he admitted that the ACD amount available was Rs 1,55,75,934/- upto FY 2015-16 as per Clause 5.3.1 of GTCS. He stated that as per the Clause 6(1) of the Regulation 6 of 2004, the adjustment of ACD/SD in the middle of the Financial Year is not permissible and adequacy of the Security Deposit will be reviewed by the Licensee once in a year preferably after the issue of Tariff Order based on the average consumption from April to March of the previous year. He further stated that refund of ACD amount or adjustment in the CC bills is possible only in case the service is dismantled in the middle of the Financial Year.

3. At the hearing before the CGRF, the representative of the Appellant company claimed that due to financial constraints, they were unable to pay the CC bill of Rs 59,61,952/- and sought adjustment of the excess Security Deposit of Rs 1,55,75,934/- with the DISCOM. On behalf of the Respondents, the 3rd Respondent/SAO/O/RR South Circle relied on the Clause 6(1) of the Regulation 6 of 2004 to state that generally ACD amount shall be reviewed by the Licensee once in a year, preferably after revision of Tariff and in the present case, the ACD would be reviewed after receipt of Tariff Orders 2016-17 and admitted that the excess of security deposit would be adjusted towards CC charges.

4. The CGRF, after going through the record, hearing both sides and after examining Clause 2(b) of the Regulation 6 of 2004 which is to the effect that “If the existing Security Deposit of a consumer is found to be in excess by 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 of any amount becoming due from the consumer to the Licensee immediately thereafter” and after having found the present load as 70 KVA(after deration) and the available Security Deposit as Rs 1,55,75,934/- which is found to be more than 10% of the required Security Deposit for 70 KVA, directed that the available Security Deposit may be adjusted towards the Current Consumption Charges and that it shall not be avoided for the sake of review during 2016-17, through the impugned orders.

5. Aggrieved and not satisfied with the impugned orders, the Appellant preferred the present Appeal. The Appellant felt aggrieved also when the impugned orders were not implemented.

6. In this Appeal, the 4th Respondent admitted the facts as such, but when it came to the question of refund of excess Security Deposit after deration of load from 3800 KVA to 70 KVA, he relied on Clause 2(b) of the Regulation 6 of 2004 which provided that if the Security Deposit is more than 10% of the required amount, the Licensee shall refund the excess amount by way of adjustment against the dues. He qualified this provision by stating that he addressed the CGM commercial with a copy of order of CGRF for instructions in the matter.

7. The 4th Respondent/SE/OP/RR South through his letter dt.10.2.2016 in addition to the information he gave to the CGM Commercial, has stated that since the subject pertains to the policy matter and the directions of the CGRF might be against the Tariff Orders, his office sought clarification from the CGM Commercial and that he was awaiting instructions to implement the orders of CGRF.

8. The efforts at mediation is successful. The matter has been placed before the representatives of the parties, since the facts are admitted and the only question that remains to be decided is whether the orders of the CGRF have to be implemented. Clauses 2.53 and 2.54 of Regulation 3 of 2015 mandates compliance of orders of the CGRF with penalty for non compliance. Thus there could be no issue as to whether orders of CGRF are binding on the Respondents.

9. The Appellant, during the hearing, submitted a letter dt.15.3.2016 in this Appeal seeking "No Due Certificate" for the CC bill of November,2015 along with a letter addressed by the 3rd Respondent/SAO/OP/RR South Circle requesting the Appellant to pay the balance amount after deducting the Late Payment Charges and Interest on ED from the amount available as Security Deposit. The details furnished in this letter dt.14.3.2016 from the 4th Respondent are as follows:

CC bill for February,2016	Rs 1,28,952.00
Less: Late payment charges	Rs 89,680.55
Less: Interest on ED	<u>Rs 466.63</u>
Net payable	Rs 38,804.82

10. The Respondents wanted some internal communication to formalise this net payable amount. The Appellant admitted that an amount of Rs 59,61,952/- was already adjusted from the Security Deposit. The Electricity bill for the month of February,2016 was already paid, as shown in the letter of 4th Respondent dt.14.3.2016. As per this statement, admittedly there are no dues. The Appellant has also admitted the liability to pay the dues and also about the implementation

of the orders of the CGRF. Thus the mediation proved a success and the Appeal is disposed of accordingly.

Typed by CCO, Corrected, Signed and Pronounced by me on this the 16th day of March, 2016.

Sd/-

VIDYUT OMBUDSMAN

1. M/s Binjusaria Metal Box Co. Pvt.Ltd, Represented by Sri. Sunder Murthy, GM
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5. The SE/OP/ RR South Circle/TSSPDCL/Hyderabad.

Copy to:

6. The Chairperson, CGRF (Greater Hyderabad Area), TSSPDCL, GTS Colony, Vengal
Rao Nagar, Erragadda, Hyderabad.
7. The Secretary, TSERC, 5th Floor, Singareni Bhavan, Red Hills, Hyderabad.