



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**

Monday, the Sixth Day of July 2015

Appeal Nos. 45 and 52 of 2015

Preferred against Order Dt. 9.12.2014 of CGRF In
CG.No:316/2014 of Rangareddy South Circle

Between

M/s Sugna Metals Limited,
Represented by Sri. Bharat Kumar, Managing Director
1-8-673,
Azamabad, Hyderabad - 500020.

... Appellant

And

1. The DE/OP/Vikarabad/TSSPDCL/RR DIST.
2. The SAO/OP/RR South Circle/TSSPDCL/Hyderabad
3. The SE/OP/ RR South Circle/TSSPDCL/Hyderabad

... Respondents

The above appeals filed on 22.01.2015 and 6.6.2015 coming up for hearing before the Vidyut Ombudsman, Telangana State on 1.07.2015 at Hyderabad in the presence of Sri. N. Vinesh Raj (Advocate) on behalf of the Appellant and M.T.N Rani 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

Both the Appeals are filed against orders Dt. 9-12-2014 in CG No. 316/2014 RR Circle.

2. The Appeal No. 45 of 2015 is filed seeking revision of CC charges of April, May and July 2014 bills, withdrawal of excess claim of Rs 3,73,796/-, Rs 2,75,699/- and

Rs 8,91,775/- for the billing months of April 2014, May 2014 and July 2014 respectively. The Appeal No. 52 of 2015 is filed seeking a direction to the Respondents to implement the direction of CGRF to revise the Aug 2014 bill to exclude the voltage surcharge.

3. The Appellant company has a HT connection bearing No RRS - 1247 with Contracted maximum demand of 9,999 KVA with the respondents.

4. The Appellant contended that on a verification of Aug' 2014 bill, it found that demand charges have been levied with voltage surcharge, which is not applicable to the Appellant. The Appellant claims that they are entitled to CMD upto 9999 KVA through their dedicated feeder with 33 kv and RMD for Aug 2014 is 9330/9348 KVA and CMD being 9999 KVA, which is less than 10000 KVA and therefore, the Appellant claims that it is not liable for voltage surcharge. In all, the Appellant sought withdrawal of Voltage surcharge amounting to Rs 49,33,676/- for the period from April 2014 to August 2014.

5. The Respondents claimed that the Appellant is HT consumer bearing No RRS 1247 with CMD OF 9999 KVA which is fed through a 33 kv dedicated feeder. The Respondents claim that CC bills of the consumers who avail open access facility have been settled provisionally and later based on final settlement, CC bills were revised and in the course of final settlement where there is likelihood of the variation of open access based on MOU and other conditions, the consumer was informed with day wise exceeded load and units.

6. The respondents further claimed that regarding the bill relating to levy of voltage surcharge in the month of August 2014, the Appellant had purchased about 18 KVA from 3rd party by way of Open Access and since CMD and KVA purchased through third party exceeded 10000 kva, the voltage surcharge has been levied as per the tariff order 2013-14 which was intimated to the Appellant.

7. The CGRF, after hearing both sides and on consideration of the material on record, observed that the Respondents shall obtain clarification from TSERC

regarding voltage surcharge, they shall recalculate the Aug' 2014 bill with the open access adjustments excluding the voltage surcharge, directing the Appellant to pay the difference amount excluding voltage surcharge for the month of Aug' 2014 subject to receipt of clarification from TSERC.

8. Aggrieved and not satisfied with the orders of the CGRF, the Appellant preferred the present Appeals.

9. Efforts at mediation could not succeed, as both parties stood their ground without conceding any part of the claim.

Arguments heard.

10. The point for determination is whether the respondents are justified in billing voltage surcharge in the CC bills of the Appellant for the month of August 2014?

POINT:

11. The Appellant is a HT Consumer with SC No. RRS 1247. Its CMD is 9999 KVA being fed through 33 KV dedicated feeder. During the month of August' 2014 the appellant purchased about 18 KVA (8,33,978 units) through a third party on open access. The respondents claim that through this additional drawal of power of 18 KVA through open access, the Appellant exceeded the CMD $9990+18 = 10,008\text{KVA}$ and therefore, as per the Tariff orders 2015-16 issued by the TSERC, the Appellant is liable to pay voltage surcharge.

12. The issue of CC bill with voltage surcharge for August, 2014 relates to Tariff order of 2013-14 (TO of 2014-15 has not been issued) and not of 2015-16 as claimed by the Respondents. Now it is to be seen how the voltage surcharge is prescribed in the tariff order to apply to the matter on the hand.

13. Clause 6(4), Part B of chapter X1V relates to voltage surcharge and contains criteria in a table form for imposing voltage surcharge. The entire clause is reproduced below for clarity.

VOLTAGE SURCHARGE

“H.T Consumers who are now getting supply at voltage different from the declared voltages and who want to continue taking supply at the same voltage will

be charged as per the rates indicated below:

Sl.No	Contracted demand with licensee and other sources (in KVA)	Voltage at which supply should be availed (in kV)	Voltage at which consumer is availing supply (in kv)	Rates % extra over the normal rates	
				Demand Charges	Energy Charges
A. For HT consumers availing supply through common feeders					
1	1501 to 5000	33	11	12%	10%
2	Above 5000	132 or 220	66 or below	12%	10%
B. For HT consumers availing supply through independent feeders					
1	2501 to 10000 kVA	33	11	12%	10%
2	Above 10000 kVA	132 or 220	66 or below	12%	10%
Note: In case of consumers who are having supply arrangements from more than one source, the RMD or CMD only with the Licensee, whichever is higher shall be the basis for levying voltage surcharge.					

14. In the present case, the Respondents claim that during August' 2014 the Appellant availed 9999 KVA plus 18 KV through open access totalling 10017 KVA and thus the Appellant exceeded CMD which falls in Column No. 2 of “B” category in the Table above and thus the Appellant is liable to pay voltage surcharge. When the Respondents 1 & 2 are asked how this table is applicable, they have represented that once the power drawn exceeds 10000 KVA, the last column of the table applies and the Appellant should then draw power at 132 or 220 voltage and further the Appellant should have been availing at 66 KV or below, without understanding the Table and

the purpose behind imposing voltage surcharge.

For imposition of voltage surcharge the preamble itself gives the guidance. It has three components. They are:-

- i) HT Consumers should have contracted for supply of power through a particular voltage
- ii) HT Consumers should be getting supply at different voltage from the declared voltage.
- iii) HT Consumers should be continuing to take/draw supply through the said different voltage.

For example the Ht Consumers availing supply through independent feeders have to fall within the parameters prescribed in the table.

15. If a consumer has CMD of 2501 to 10000 KVA, voltage at which supply should be availed is 33 KV and the consumer in a given case instead should be drawing power at 11KV. In the present case, there is no allegation that the Appellant, who was getting supply at 33 KV through independent feeders, has deviated in any way and availing supply in 11 Kv. When the Appellant is availing power in 33 KV, there is no deviation and no question of applicability of 11 KV as shown in the table. Consequently, the three requisites for the application of voltage surcharge are not met. The repetition of Respondents that once the CMD of 9999 exceeds, the 2nd column of clause "B" applies and therefore, suddenly the Appellant should have drawn power at 132 or 220 KV is totally absurd, does not stand to reason and it is not the intention of the Tariff order. The application of the entire clause 6(4) to the present bill is unwarranted, unreasonable and it is vitiated.

16. The CGRF, instead of proper application of the law, has shrunk from its responsibility and directed the Respondents to seek clarification, which is not legal.

17. In the result, the Appeals are allowed. The voltage surcharge imposed on the Appellant in August' 2014 bill is set aside.

Corrected, Signed and pronounced on this 6th day of July 2015.

VIDYUT OMBUDSMAN

To

1. Sri. Bharat Kumar,
Managing Director,
M/S Suguna Metals Limited,1-8-673,
Azamabad,Hyderabad - 500020.
2. The DE/OP/TSSPDCL/Vikarabad/Ranga Reddy Dist.
3. The SAO/OP/TSSPDCL/RR South Circle/Hyderabad.
4. The SE/OP/TSSPDCL/RR South Circle/Hyderabad.

Copy to:

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