

BEFORE THE FORUM FOR REDRESSAL OF CONSUMER GRIEVANCES OF
SOUTHERN POWER DISTRIBUTION COMPANY OF A.P LIMITED
TIRUPATI

On this the 23rd day of March 2013

C.G.No:04/2012-13/ Guntur Circle

Present

Sri K. Paul
Sri A.Venugopal
Sri T.Rajeswara Rao
Vacant

Chairperson
Member (Accounts)
Member (Legal)
Member Consumer Affairs

Between

Sri Peram Subramanyam
Srungarapuram Village & Post
Duggirala Mandal
Guntur-Dist

Complainant

And

1. Assistant Accounts Officer/ERO/Tenali
2. Assistant Engineer/Operation/Duggirala
3. Assistant Divisional Engineer/Operation/Rural-1/Tenali
4. Senior Accounts Officer/Operation/Guntur
5. Divisional Engineer/Operation/Tenali

Respondents

Sri Peram Subramanyam resident of Srungarapuram Village & Post, Duggirala Mandal, Guntur-Dist herein called the complainant, in his complaint dt:11-04-2012 filed in the Forum on dt:11-04-2012 under clause 5 (7) of APERC regulation 1/2004 read with section 42 (5) of I.E.Act 2003 had stated that

1. He is having one flour mill with contracted load of 5 HP under Cat-III, bearing SC.NO.557 at Srungarapuram village of Guntur District.
2. Supply was given to the service above in the year of 2007 duly erecting a transformer.
3. Their village is a small one and the usage also was very little.

4. He received bill for the above service in the year 2008 for an amount of Rs.34,000/- additionally towards Special guarantee.
5. He was not having any dues to the department till then.
6. He is very poor and he can not pay such a huge bill.
7. The department persons disconnected his service above.
8. In 2009, he again received bill for an amount of Rs.65,000/- towards Special guarantee.
9. His family lost livelihood because of the disconnection of his service and he is having only female children.
10. The department is threatening that his domestic service also will be disconnected if the said amounts are not paid.
11. Requested for waival of Special Guarantee and extension of single phase supply to his service above and render justice.

Notices were served upon the respondents duly enclosing a copy of complaint.

The respondents 2 and 3, i.e. the Assistant Engineer/Operation/Duggirala and the Assistant Divisional Engineer/Operation/Rural-1/Tenali in their separate written submissions dt:24-4-2012 and 25-4-2012 received in this office on dt:2-5-2012 and 5-5-2012 stated that:

1. The Sc.No.557, Cat-III, Srungarapuram village, Duggirala Mandal was released on 12-12-2006 under Special Guarantee.
2. Due to non payment of C. C. Charges, the service was disconnected on 10-11-2009 and is continued in the same status till to date.
3. If the consumer desires to take the reconnection, he has to pay the total arrear amount of Rs.1,22,711/- as per the departmental rules in vogue.

The respondents 1 and 4, i.e. the Assistant Accounts Officer/ERO/Tenali and the Senior Accounts Officer/Guntur in their Combined written submissions dt:20-4-2012 and received in this office on dt:27-04-2012 stated that:

1. The power supply released to Sri. Peram Subramanyam, Srungarapuram for his Pooja Flour Mill under Category –III, and the date of supply is 12-12-2006 with a contracted load of 5 HP.
2. The service was released annual minimum special guarantee of Rs.21195/- per year and up to 5 years under condition-11 of LT Industrial agreement based on which the year wise amount which included bill are here under.

Year	Amount in Rs.	Actual consumption in Rupees.	Period
First	17497-00	3698.00	1/2007 to 12/2007
Second	17021-00	4174.00	1/2008 to 12/2008
Third	17182-00	4013.00	1/2009 to 12/2009
Fourth	18829-00	2366.00	1/2010 to 12/2010
Fifth	18455-00	2740.00	1/2011 to 12/2011

3. In view of the above, the consumer has to pay the Special Guarantee amount up to 5 years irrespective of consumption amount.
4. The consumer has an arrear amount of Rs.1,22,711/- (CC Charges Rs.33,727/- plus special Guarantee Rs.88,984/-).
5. Hence Special Guarantee has to be paid by the consumer.

The premises of the complainant was inspected by the Chairperson /CGRF along with the DE/Opn/Tenali and the AE/OPn/Duggirala the

respondent-2 in the presence of the complainant on 17-7-2012 and during the time of inspection it was noticed that

1. The service is under disconnection, but the meter is still in the premises, but is not accessible due to dumping of agl wastages.
2. The Machinery also found dismantled and kept idle and there are 2 numbers 5HPmotors in the premises, but not connected.
3. The supply to the complainant was released by erecting one number 3 phase 16 KVA transformer and converting 6.3KVA line to 11KV three phase line for a length of 4 spans measuring to 160 mts approximately.
4. The complainant also accepted that his service was released for 5HP load duly carrying out the above said development works, but he is not aware of the contents of the agreement and the special guarantee he has to pay.

The respondent-5, i.e. the Chief General Manager/ Operation/ SPDCL/ Tirupati in his written submission dt:09-01-2013 and received in this office on the same day stated that:

1. If the consumer contributes for extension of supply to their premises, the special annual minimum guarantee clause is not applicable as stipulated in the circular memo dt.23-08-2007 of the APSPDCL.
2. In case of services under disconnection, that were released under special guarantee, the consumer is liable to pay the arrears of CC charges due to APSPDCL as on the date of disconnection and four months minimum charges as per the rules at tariff guarantee rate

without insisting the special annual minimum guarantee amount for the balance period. The circular memo dated 31-05-2005 is enclosed.

3. Clarification issued against ISC.No.235042 of Nellore circle in this office memo dated 04/2008 as a part of case study is also enclosed for reference.

The respondent-5, i.e. the Divisional Engineer/Operation/Tenali in his written submission dt:21-01-2013 and received in this office on dt:04-02-2013 stated that:

1. An Industrial application was received from industries department filed by Sri Peram Subrahmanyam, in the name of M/s. Puja Flour Mill at D.No. 1-55, S.R.Puram (V) Duggirala (M) Guntur (Dt) to a load of 5 HP and the same was registered on 5-5-2006 in Division office, Tenali.
2. The premises was inspected by the departmental officials and it is proposed to provide a 16 KVA 3Ph. DTR to release the service as the near by 100 KVA DTR at SS4 Srungarapuram was over loaded with a connected load of 115 HP.
3. The proposal involved conversion of single phase 6.3 KV line to 3ph. 11 KV line to a distance of 160 mts. on the existing and proposed 9.1 mt. poles and erection of 16 KVA 3Ph. DTR with necessary switch gear arrangements.
4. Cost of the estimate works out to Rs.1,05,960/- (G&N). The Conssumer has not paid the total cost of the estimate .But paid only Service Line charges of Rs 18,548/- & Development charges of Rs

7500/- (@Rs1500/-per HP) as per T.O.O.(Comml.) M.S.No. 49/dt:26-5-2001 which was in force at that time.

5. A Special guarantee amount of Rs. 4,239/- per HP per year was levied as per the department procedure in vogue as the consumer has not paid the total cost of the estimate. As per the revised GTCS in force from January 2006, the special guarantee can not be levied if the total cost of the estimate is paid by the prospective consumer (Appendix-IA, LT Agreement Clause No. 11 of GTCS in page No. 55).
6. Instructions were issued later on 23-8-2007 for Waival of special guarantee where the consumers contributes full expenses for extension of supply to their premises issued vide Memo.No. CGM/P&C/DE/ADE/ Coml/F.Circulars/D.No.1090/07 Dt: 23-8-2007.
7. The same was also confirmed as per the latest instructions issued vide Memo.No.CMD/SPDCL/Peshi/F:Sub:DE/Comml/D.No.545/11dt:30-09-11.
8. In view of the above the proposal was sanctioned as per the department procedure in vogue in levying of special guarantee to the consumer of SC.No. 557, M/s. Puja Flour Mill, S.R.Puram and the complainant has to pay the special guarantee amount. Hence the complaint may please be disposed of accordingly and the Forum may pass necessary orders deemed fit in this regard.

Findings of the Forum:

1. The grievance of the complainant is that he was issued bills for his industrial service on high side all of a sudden duly adding the special

guarantee amount which he cannot afford to pay and requested for withdrawal of the same.

2. Both the parties i.e. the respondents as well as the complainant stated that the said service for 5HP load was released duly carrying out the works of converting the 6.3 KV line to 11KV 3 phase and erecting one number 16 KVA transformer exclusively for the industry.
3. The total cost of the estimate for the said work was Rs.1,05,960/-
4. Under the plea that the revenue return was only 2.1% which was unremunerative, the respondents proposed to collect an amount of Rs 4,239/- per HP per year for a period of 5 years towards special guarantee to make the scheme remunerative with 20% revenue return.
5. The respondents and the complainant both have concluded an agreement between them to that effect according to which the complainant is liable to pay the special guarantee amount of Rs 4,239/- per HP per annum and the revenue expected from the complainant per year was Rs.21,195/-.
6. Though the complainant mentioned that he could not run the industry due to shortage of power being located in rural areas and just because of the agreement, he concluded with the respondents, it cannot be accepted.
7. The respondents failed to review the special guarantee and its levy every year, but levied the total amount of Rs. 34,518/- (for two years)

all of a sudden in a month of 9/2009 through RJ which was a burden on the tiny consumer.

8. Had the amount for the first year Rs 17,497/-was levied immediately after the completion of the first year the consumer might have paid the said amount and averted the disconnection of his service besides taken notice of future payments and the liabilities.
9. The action of the respondents in applying the special guarantee clause is in order as per the agreement proforma approved and communicated by the Honourable APERC in Appendix –I A in its order dt:06-01-2006 and the consumer made an agreement with the licensee to that effect.
10. But the only point of consideration from the consumer side is that the imposition of special guarantee for an amount of Rs.34,518/- and including the same in the CC Bill in 9/2009, ie after 2 years 9 months all at once resulted in non payment by the consumer as it is beyond his affordability.
11. There is no other service tagged on to the network built for the complainant's service and is idle still and hence the respondents may dismantle the line along with the transformer connected to the service and the cost of the material retrieved out of such dismantlement shall be deducted from the out standing amount against the service and the consumer has to pay the balance amount.

In view of the above, the Forum passed the following order.

ORDER

The respondents are directed that

1. They shall dismantle the lines and the transformer provided for releasing of the service and deduct the cost of such material retrieved out of the said dismantlement outstanding amount of the consumer's service and to collect the balance amount from the consumer
2. The consumer is advised that he shall pay the balance amount as laid in item-1 of the order above.

Accordingly the case is allowed and disposed off

If aggrieved by this order, the complainant may represent to the Vidyut Ombudsman, O/o the APERC, 5th floor, Singarenibhavan, Redhills, Hyderabad-500004, within 30 days from the date of receipt of this order.

Signed on this the 23rd day of March 2013.

Sd/-
Member (Legal)

Sd/-
Member (Accounts)

Sd/-
Chairperson

Forwarded by Orders

Secretary to the Forum

To
The Complainant
The Respondents
Copy submitted to the Honourable Ombudsman, APERC, 5th floor, Singarenibhavan, Redhills, Hyderabad-500004.
Copy to the General Manager/CSC/Corporate office/Tirupati for pursuance in this matter.