

BEFORE THE FORUM
FOR REDRESSAL OF CONSUMER GRIEVANCES
IN SOUTHERN POWER DISTRIBUTION COMPANY OF A.P LIMITED TIRUPATI
On this the 30th day of December' 2021
C.G.No.48/2021-22/Tirupati Circle

Present

Sri. Dr. A. Jagadeesh Chandra Rao	Chairperson
Sri. Y. Sanjay Kumar	Member (Technical)
Sri. K. Ramamohan Rao	Member (Finance)
Sri. Dr. R. Surendra Kumar	Independent Member

Between

M/s. ATC Telecom Infrastructure Pvt Ltd,rep. by Aradala Gopaiah(Cluster in-charge Tirupati) Gowra Plaza, D.No. 1-8-304/308/444, 4 th Floor, Sardar Patel Road, Begumpet, Secunderabad,	Complainant
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AND

1. Assistant Accounts Officer /ERO/Tirupati 1	Respondents
2. Dy. Executive Engineer/O/Tirupati CCO	
3. Executive Engineer/O/Tirupati Town	

ORDER

1. Aradala Gopaiah authorized signatory of M/s. ATC Telecom Infrastructure Pvt Ltd (Herein after called as complainant) filed the complaint .The case of the complainant is that they have received a bill for ₹.6,37,110 after considering the existing deposit of ₹.7,69,572. Clause.5.2.3 of GTCS refers about the initial security deposit to be collected during requisition for supply which is not applicable for calculating the annual additional security deposit. Clause.6.1 and

DESPATCHED

DATE

31/12

Clause.4.1 of GTCS clearly specified the methodology of “Review and payment of additional security deposit for the electricity supplied”.

In view of above provisions, it is requested to withdraw the demand for three (3) times consumption charges as security deposit and it is delayed payment charges.

2. Respondents filed written submission stating that notice was issued for payment of ₹.6,37,110 towards additional consumption deposit which is three (3) times average monthly CC charges to be paid out of which ₹.1,68,210 was paid in the month of September’2021 and the balance amount of ₹.4,68,900 is to be paid.

Clause. 5.2.3 of GTCS is applicable for new services while taking new service connection as well as for the existing services also. The adequacy of the amount of additional consumption deposit (ACD) shall be reviewed by the Licensee generally once in a year based on the average consumption of the previous year, an amount equivalent to three times average of CC charges in case of leased services, two times average of CC charges in case of normal consumers will be collected as ACD. At present only monthly cycle is followed and monthly bills are issued.

Clause.5.2.3 of GTCS is referred for levying ACD to the existing services based on ownership but not based on monthly/bi- monthly billing.

3. Personal hearing through video conferencing was conducted on 08.12.2021. Praveen Kumar on behalf of complainant present and AAO present. Heard both sides.
4. The point for determination is whether the licensee is empowered to collect three times average of CC charges as security deposit from the complainant herein on the ground that complainant obtained service for lease hold premises?

Respondents relied on Clause.5.2.3 of GTCS for issuing notice to the complainant to deposit three times average of CC charges on the ground that service is obtained for the lease hold premises.

Clause.5 of GTCS relates to Supply of Electricity and is as follows:

“An applicant who is not the owner of the premises he occupies and intending to avail of supply shall submit an Indemnity Bond drawn by the owner of the premises in favour of the company whereby the owner of the premises undertakes to indemnify the company for any loss caused to the company by the applicant (who is the tenant/ occupant of the Premises) arising out of the release of service to the tenant/ occupant. Otherwise he shall be required to pay three times the normal security deposit apart from providing proof of his being in lawful occupation of the premises”

On perusal of above clause, it shows that when an applicant who is not owner of the premises and is in lawful possession of the premises intending to avail supply has to fulfill one of the two alternative conditions:

The first one is he has to file an indemnity bond drawn by the owner of the premises that the owner of the premises undertakes to indemnify the company for any loss caused to the company arising out of the release of service and the alternative condition is that in case he fail to comply the above first condition, he has to pay three times the normal security deposit apart from his being in lawful occupation of the premises.

The relevant clause for security deposit for LT consumers is provided in Clause.4 (1) of Reg. 06 of 2004 which is as follows:

4. “Security deposit for the electricity supplied / to be supplied:

(1) *The LT consumers shall at all times maintain with the licensee an amount equivalent to consumption charges (i.e. demand / fixed charges and energy charges etc., as applicable) of three months wherever bi-monthly y billing is in vogue and two months' charges in the case of monthly billing cycle, as security during the period the Agreement for supply of energy to such LT consumers is in force:
Provided that as and when the bi-monthly cycle is replaced with monthly billing cycle, the licensee shall refund the excess amount, if any, over the two months' charges by adjustment against the then outstanding dues to the Licensee or any amount becoming due to the Licensee immediately thereafter”.*

The relevant clause for initial security deposit is given in Clause. 5 of Reg.06 of 2004 . The relevant clause for the purpose of this case is Clause. 5(1) (iv) which is as follows:

“₹.800 per KW or part thereof contracted load (for monthly billing)”

The relevant clause for review of additional security deposit is provided in Clause. 6(1) of Reg. 6 of 2004 which is as follows:

6. *Review and payment of Additional Security Deposit for the electricity supplied:*

(1) *General Review:*

“Subject to the billing periods of three months or two months specified in Clauses4, the adequacy of the amount of security deposit in respect of consumers shall be reviewed by the licensee generally once in every year (preferably after revision of tariff or the respective year) based on the average consumption for the period representing 12(twelve) months from April to March of the previous year”.

Provided that in case of HT consumers, the adequacy of the amount of security deposit shall also be reviewed based on the previous six(6) months average consumption by the Distribution Licensee during October of every year and shall serve one month notice for making payment, if required.

In Clause. 6(1) of Reg. 06 of 2004 only stated that adequacy of security deposit in respect of consumers shall be reviewed by the licensee generally once in a year based on the average consumption for the period representing 12 months from April to March of the previous year preferably after revision of tariff. In this clause no distinction is given between freehold premises and lease hold premises.

Respondents did not show any other provision apart from Clause.5.2.3 of GTCS which authorizes them to collect amount equivalent to three (3) months consumption charges in case of monthly billing services for the lease hold premises.

According to us, Clause. 5.2.3 of GTCS is applicable only at the time of releasing of supply and not for reviewing the additional security deposit every year.

The initial security deposit has to be paid as per the contracted load. Whereas additional security deposit has to be paid based on the average consumption for a period of 12 months of the previous year. So the initial deposit provided as per Clause. 5.2.3 of GTCS read with Clause.5 of Reg. 06 of 2004 is separate and distinct from review and payment of additional security deposit provided in Clause.6 of Reg. 06 of 2004.

In the absence of any specific provision in the regulations issued by the Hon'ble APERC authorizing respondents, they are not empowered to demand an amount equivalent to three (3) months consumption charges as security deposit. Respondents are only entitled to collect security deposit as per Clause.4 (1) a read with Clause. 6 of Reg.06 of 2004 only.

In view of the above reasons, the notice issued for additional security deposit by the respondents is not sustainable and liable to set aside. The point answered accordingly.

5. In view of above reasons, Respondents are directed to review the ACD as per Clause.4 read with Clause.6 of Reg. 06 of 2004 and if any excess amount is already collected, the same shall be adjusted towards future bills or issue notice to pay the shortfall amount. Respondents are directed to review the ACD within 15 days from the date of receipt of this order and submit compliance report within 15 days thereon.

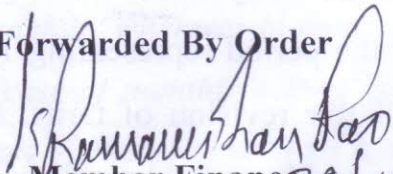
Sd/-
Member (Technical)

SD/-
Member (Finance)

Sd/-
Independent Member

Sd/-
Chairperson

Forwarded By Order


Member Finance 30/12/2021

This order is passed on this, the day of 30th December'2021

If aggrieved by this order, the Complainant may represent to the Vidyut Ombudsman, Andhra Pradesh, 3rd Floor, Sri Manjunatha Technical Services, Plot No:38, Adjacent to Kesineni Admin Office, Sri Ramachandra Nagar, Mahanadu Road, Vijayawada-520008, within 30 days from the date of receipt of this order.

To

The Complainant

The Respondents

Copy to the General Manager/CSC/Corporate Office/ Tirupati for pursuance in this matter.

Copy to the Nodal Officer (Chief General Manager (O&M)/ Operation)/ CGRF/ APSPDCL/ Tirupati.

Copy Submitted to the Vidyut Ombudsman, Andhra Pradesh , 3rd Floor, Sri Manjunatha Technical Services, Plot No:38, Adjacent to Kesineni Admin Office, Sri Ramachandra Nagar, Mahanadu Road, Vijayawada-520008.

Copy Submitted to the Secretary, APERC, 11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Lakdikapool, Hyderabad- 500 004.