

**BEFORE THE FORUM**  
**FOR REDRESSAL OF CONSUMER GRIEVANCES**  
**IN SOUTHERN POWER DISTRIBUTION COMPANY OF A.P LIMITED TIRUPATI**  
**On this the 14<sup>th</sup> day of December' 2022**  
**C.G.No.23 /2022-23/ Anantapur Circle**

*Present*

**Sri. K.Rama Mohan Rao**

**Chairperson (I/c) &  
Member (Finance)**

**Sri.S.L.Anjani Kumar**

**Member (Technical)**

**Smt.G.Eswaramma**

**Independent Member**

*Between*

U.K. Nair,  
General Manager,  
M/s.Shri Tirupati Steelcast Ltd.  
Plot No.#58,  
APIIC, Gollapuram,  
Industrial Park  
Hindupur  
Anantapur Dt.

Complainant

*AND*

1.Superintending Engineer/O/Anantapur  
2. Chief General Manager/Finance/APSPDCL/Tirupati  
3.Senior Accounts Officer/O/Anantapur

Respondents

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**ORDER**

1. Mr.U.K.Nair General Manager of M/s.Shri Tirupati Steelcast Ltd.,Gollapuram presented a complaint stating that they are having HT service vide HT SC No.ATP 459 with a CMD of 20000KVA.The company is engaged in manufacture of M.S.Billets and TMT Bars and has established its manufacturing unit at Plot No.58, Gollapuram IDA, Gollapuram (V) Hindupur (M) Anantapur Dt. They are having HT agreement with the APSPDCL for a CMD of 20000KVA (Dedicated feeder) at 33KV voltage and is availing power supply with HT service connection No.ATP-459.

During the month of January'2022 due to HT power factor correction problem and PDLM failure they exceeded CMD of 20000KVA for 15minutes on 20.12.2021 @ 02.44A.M the RMD was 20028 KVA. Immediately they rectified the defect and the unit's normal performance was restored. Due to exceeded CMD the department issued the CC bill for

the month of January'2022 by including an amount of Rs.56,89,998.35 towards voltage surcharge.

During the month of March'2022 may be due to HT voltage fluctuations they further exceeded CMD of 20000KVA for 15minutes. On 12.2.2022 @ 16.59 hrs the RMD recorded was 20004KVA and again the unit's normal performance was restored. Due to exceeding of CMD, Senior Accounts Officer/O/APSPDCL/Anantapur Circle has issued the CC bill for the month of March'2022 by including an amount of Rs.64,02,222.38 towards voltage surcharge.

He further stated that for exceeding CMD, voltage surcharge is not applicable to their unit as per Retail Supply Tariff Order for F.Y. 2021-22 due to exceeding of RMD over 100% to 200% and that as the MD has been exceeded only by 0.0002%, two times normal demand charges on excess demand are applicable which is Rs.3,800/- and the said amount has already included in the bill and also paid by him. The complainant further stated that in an identical matter, the Hon'ble High Court has passed order in W.P.5310 of 2012 on 27.8.2015 wherein the relevant clauses pertaining to levy of voltage surcharge and additional charges for exceeding the CMD has been interpreted and it was held that for exceeding the CMD voltage surcharge cannot be levied.

The complainant also stated that regarding similar matter during May'2015 this forum passed orders in C.G.No.70/2017-18/Anantapur Circle in favour of consumer for the same relief. Hence requested the forum to revise the CC bills issued for the months of January'2022 and March'2022 by excluding the voltage surcharge amount levied.

2. The case was registered as CG.No.23/2022-23/Ananthapur Circle and sent to respondents for written submissions.
3. Respondent. No. 1 has submitted written submission stating that the HT service ATP 459 of M/s. Shri Tirupathi Steelcast Limited, Gollapuram(V), Hindupur (M) was released on 08.11.2012 with a CMD of 20000KVA under Cat III(A), 33KV voltage level and the supply is availing at Independent feeder. The consumer is availing supply in Open Access and has exceeded the CMD during January'2022 and March'2022 due to which voltage surcharge has been levied as per Tariff order for F.Y. 2021-22 to the said HT service and the details are furnished below:-

Month	Contracted MD	Recorded MD	Voltage Surcharge levied
Jan'2022	20000 kVA	20028 kVA	Rs.56,89,998-35
Mar'2022	20000 kVA	20004 kVA	Rs.64,02,222-38

As per the specification as laid down in the Tariff order approved by the Hon'ble APERC the department levied the voltage surcharge which is as follows:-

RMD	Demand Charges on excess demand	Energy charges on excess energy
100 to 120% of CMD	2 times of normal charge	Normal
Above 120% and upto 200% of CMD	2 times of normal charge	1.5 times of normal charge
More than 200% of CMD	2 times of normal charge	2 times of normal charge
Excess demand and energy charges shall be computed as follows: Excess demand = (RMD-CMD) if RMD is more than CMD with Licensee Excess energy =(Excess Demand/RMD) X Recorded Energy		

Hence requested to close the case.

4. Respondent No.2 submitted written submission. But the contents are almost similar in nature to the written submission submitted by Respondent. No.1.

Detailed report given by the Respondent. No.2 for the said case is as follows:-

The HT SC.No. ATP459 of M/s. Tirupathi Steelcast Limited, Gollapuram (V), Hindupur(M) was released on 08.11.2012. At present the HT service is running with CMD of 20000 KVA under Cat-III(A) at 33KV voltage potential by availing with dedicated feeder. Consumer has exceeded the Recorded Maximum Demand (RMD) over Contracted Maximum Demand (CMD) in the month of Jan'2022 & March'2022 due to which, the Voltage Surcharge has been levied as per Tariff Order for F.Y.2021-22 which is as follows:

Month	Contracted MD	Recorded MD	Voltage Surcharge levied
Jan'2022	20000 kVA	20028 kVA	Rs.56,89,998-35
Mar'2022	20000 kVA	20004 kVA	Rs.64,02,222-38

The HT Sc. No.ATP 459 of M/s. Shri Tirupati Steelcast Ltd, is having the CMD of 20000 KVA emanating from 132/33 KV Thummakunta SS under 33 KV dedicated feeder. The low

voltage surcharge was levied in the month of Jan'2022 and March' 2022 in accordance with the Tariff orders for the year 2021-22, the details are as follows:-

As per Hon'ble APERC Retail Supply Tariff Order for F.Y. 2021-22, Chapter-X, Part-B, HT Supply vide *Clause 6.1 of (2) describes: "HT consumers seeking to avail supply through independent(dedicated) feeders from the substations where transformation to required voltage takes place shall be:"*

For total Contracted Demand with the Licensee and all other sources	
Capacity	Supply Voltage
Upto 3000 kVA	11 KV or 33 KV
3001 kVA to 5000 kVA	33 KV
5001 kVA to 20,000 kVA	33 KV or above
Above 20,000 kVA	132 KV or 220 KV as may be decided by the licensee

As per the Hon'ble APERC Retail Supply Tariff Order for F.Y. 2021-22, Chapter-X, Part-B, HT Supply vide *Clause 6.2 Voltage Surcharge describes:*

*"HT 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:".....*

S.No	Contracted Demand with Licensee	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
<b>(A) HT consumers availing supply through common feeders:</b>					
1.	2501 kVA to 5000 kVA	33	11	12%	10%
2.	5000 kVA to 10000 kVA	33	11	12%	10%
3.	Above 10000 kVA	132 or 220	33 or below	12%	10%
<b>(B) HT consumers availing supply through independent feeders:</b>					
1.	3001 to 20000 kVA	33 or Above	11	12%	10%
2.	Above 20000 kVA	132 or 220	33	12%	10%

As per Hon'ble APERC Retail Supply Tariff Order for F.Y. 2021-22, Chapter-X, Part-B, HT Supply vide *Clause 6.6 Additional Charges for Maximum Demand in excess of the Contracted Demand describes:*

*“ If any month the Recorded Maximum Demand (RMD) of the consumer exceeds his Contracted Maximum Demand (CMD) with Licensee, the consumer will pay the following charges on excess demand and on energy (penal charges only on excess energy) calculated in proportion to the excess demand:”*

<b>RMD</b>	<b>Demand Charges on Excess Demand</b>	<b>Energy Charges On Excess Energy</b>
100 to 120% of CMD	2 times of normal charge	Normal
Above 120% and upto 200% of CMD	2 times of normal charge	1.5-times of normal charge
More than 200% of CMD	2 times of normal charge	2 times of normal charge
Excess demand and energy charges shall be computed as follows: Excess demand = (RMD-CMD) if RMD is more than CMD with Licensee. Excess Energy = (Excess Demand / RMD) X Recorded Energy		

The Respondent.No.2 further stated that the said penal charges to a tune of Rs. 30,400/- and voltage surcharge to a tune of Rs.1,20,92,221/- have been levied in respective CC charges bills of Jan'22 & March'22 based on the Terms and Conditions prescribed by the Hon'ble APERC in Retail Supply Tariff Order for FY 2021-22,Chapter-X, Part-B of HT Supply. *No excess charges have been levied in the CC bills beyond the Terms and Conditions of the APERC Retail Supply Tariff Order against the HT SC.No.ATP459 of M/s.Shri Tirupati Steelcast Ltd.*

5. Personal hearing through video conferencing was conducted @ 11.30A.M on 25.8.2022. Complainant, CGM/Finance/APSPDCL/Tirupati and SAO/Circle Office/Ananthapur present. Heard both sides.

The CGM/Finance/APSPDCL/Tirupati has requested one day time to submit additional written submissions regarding the said case. Hence directed the CGM/Finance/APSPDCL/Tirupati to submit additional written submission with a copy addressed to complainant also.

6. Respondent. No. 2 submitted additional written submission along with documentary evidence (enclosed Chapter-X of Clause 6.2 and 6.6 vide Page No.225&226 of the Hon'ble APERC Retail Supply Tariff Order for the F.Y. 2021-22 enclosed) against complaint C.G. No.23/2022-23/Ananthapur Circle , the details are as follows:-

The voltage surcharge of Rs.1,20,92,221/- has been levied in respective CC charges bills of Jan'2022 & March'2022 against the HT SC No.ATP 459 of M/s. Shri Tirupati Steelcast Limited is in order in accordance with *the Clause Nos.12.3.1 & 12.3.2 of GTCS and Chapter-X of Clause 6.2 and 6.6 vide page No.225 & 226 of Hon'ble APERC Retail Supply Tariff order for the FY 2021-22*

Since the consumer is availing the supply under 33KV voltage by emanating from 33KV Tirupati Steels Industrial Dedicated feeder of 33/132 KV SS Thumukunta. In this connection, there is no ambiguity between the levy of Differential Voltage Surcharge and Penal Demand Charges. These two components are separate and are levied separately as preventive and control measures to protect the equipment of DISCOM such as lines, transformers and feeders. In Clause Nos 12.3.1 & 12.3.2 of GTCS, there is clear mention of the levy of Voltage Surcharges and Penalties when RMD exceeds the CMD. As such, there is no misinterpretation of Paras. 6.2 and 6.6 of the Tariff Order.

He further submitted that the complainant frequently exceeding the RMD over CMD for the same reason i.e. HT Power Factor Correction problem effected during the year 2017 & 2022 and without rectifying the same, the consumer simply seeking for withdrawal of surcharge levied in the month of Jan'2022 & March'2022, due to non-rectifying the said error which effects burden on DISCOM system i.e., **lines, transformers and feeders.**

7. Respondent. No.1 has also submitted the additional written submissions which are similar to the contents submitted by the Respondent.No.2 in his written submission.
8. The complainant filed reply on the additional written submission submitted by the respondents. The details are as follows:-

The company is engaged in manufacture of M.S.Billets and TMT Bars and has established its manufacturing unit at Gollapuram IDA, Gollapuram (V), Hindupur (M), Anantapur Dt. They are having HT agreement with the APSPDCL with a CMD of 20000KVA (Dedicated feeder) at 33KV voltage and is availing power supply with HT service connection No.ATP-459.

The situation which aroused for the excess in RMD over CMD of 20000KVA is not intentional, and they are operational since 2012 abiding the operational criteria of APSPDCL. Their total system load is regulated by **PDLM Programmable Dynamic Load Manager** since 2012, which acts as a buffer between the required load and the CMD of the plant.

During the month of January'2022 due to HT power factor correction problem and PDLM failure they exceeded CMD of 20000KVA for 15minutes on 20.12.2021 @ 02.44A.M. The Recorded Maximum Demand was 20028 KVA. Immediately they rectified the defect and the unit's normal performance was restored. The RMD exceeded the CMD only by 0.14% two times normal demand charges on excess demand are applicable which is Rs.26,600/- and the said amount has already included in the bill and same amount was paid by them. Further exceeded CMD of 20000 KVA for 15minutes on 12.2.2022 @ 16.59 hrs. The RMD recorded was 20004 KVA in the month of March'2022. They rectified the defect immediately and the unit's normal performance was restored. The RMD exceeded only by 0.02% and the two times normal demand charges on excess demand are applicable which is Rs.3,800/- and the said amount also has already included in bill and same amount was paid by them.

As regards the issue of levy of voltage surcharge to the HT consumers, a clear elaborative citation is available under **Point 6.6 of Chapter -X of the APERC Tariff order for 2021-22 in page No. 226 Additional charges for Maximum Demand in excess of the Contracted Demand** which explains well that :

*‘‘If in any month the Recorded Maximum Demand (RMD) of the consumer exceeds his contracted Maximum demand (CMD) with licensee, the consumer will pay the following charges on excess demand and on energy (penal charges only on excess energy) calculated in proportion to the excess demand’’*

RMD	Demand Charges on Excess Demand	Energy Charges On Excess Energy
100 to 120% of CMD	2 times of normal charge	Normal

He further stated that for exceeding CMD, voltage surcharge is not applicable to their unit as per *Retail Supply Tariff order for the FY 2021-22* as their MD has been exceeded only by 0.14% and 0.02% respectively.

They applied for Extension of HT supply from 33KV potential by changer to 132KV potential supply with a CMD of 25000KVA and an amount of Rs.2,34,24,641.46 ( Rupees two crores thirty four lakh twenty four thousand six hundred and forty one and forty six paisa only) paid already towards supervision, other charges and Development charges for the said work vide DD No.019397 dated:17.12.2021.

The discussions with AP Transco approved vendors are under process and negotiations for ROW regarding land is also going on. As a customer abides the operational conditions for APSPDCL since inception and the exceeding of RMD over CMD is not done intentionally for some benefits on other side, the meter dump and the time slot recorded showing the same. The situation is not happening frequently in the period over 10 years, the rectification measures was taken on hand in the meantime and what happened is due to some technical glitch regarding live updation and controlling of demand from an electronically controlling unit PDLM for a certain moment of the time slot, the percentage error tolerance happened was very negligible by 0.14% and 0.02% in both situations and requested to consider the error as technical error.

Hon'ble High Court has passed order in W.P.5310 of 2012 on 27.8.2015 wherein the relevant clauses pertaining to levy of voltage surcharge and additional charges for exceeding the CMD have been interpreted and it was held that for exceeding the CMD voltage surcharge cannot be levied.

He also stated that during May'2015 to the same case for exceeding of CMD, this forum passed orders in favour of consumer vide CG.No.70/2017-18/Ananthapur. Hence requested to withdraw the voltage surcharge amount levied by the department for the month of Jan'2022& March'2022.

Complainant enclosed U.O. note of CGM/Commercial/Vidyuth Soudha, Vijayawada addressed to Pay officer and letter of Pay officer, AP TRANSCO, Vijayawada to CE/Kadapa Zone/AP Transco/Kadapa and sketch regarding Extension of HT supply from 33KV potential by changer to 132KV potential supply with CMD of 25000KVA work.

9. In continuation to the additional submission and also explanation submitted by the complainant, Respondent. No.1 has submitted the following for consideration:

The complainant is trying to mix up two different concepts and present it as a single notion. It is crystal clear as per the GTCS that the two entities i.e., Penal Demand Charges & Voltage Surcharge are totally different and are charged for different transgressions with the former being levied for exceeding of the actual Contractual Maximum Demand while the later being levied for exceeding the range prescribed for the specific voltage level. It is self-explanatory that these penalties are not duplicate but unique in their own domain. The levy of one of these penalties does not and cannot hinder the levy of the other.



In the specific case, the Penal Demand Charges were levied in Jan'2022 and March'22 CC bills for exceeding the actual CMD of 20 MVA and co-incidentally, the consumer transgressed the prescribed range for that voltage level i.e., 33 KV for which, the consumer got and ought to be penalized by means of Voltage Surcharge. The levy of Penal Demand Charges and/or Voltage Surcharge is independent of the time lap and percentage of transgression. The penalties levied are absolutely justified from the perspective of the GTCS.

In the complainant explanation, the complainant has quoted the orders of the Hon'ble High Court and earlier orders of the Hon'ble CGRF. In this context the Respondent.No.1 has stated that there are several instances where the judicial entities have reviewed their own decrees/verdicts and passed completely differing orders quashing the earlier issued ones.

Hence, requested the Hon'ble Forum to pass order directing the complainant to pay the Voltage Surcharge as levied by APSPDCL.

10. Personal hearing through video conferencing was conducted on 11.10.2022@ 11.30A.M.

Complainant and EE/O/Hindupur present. Heard both sides.

The Complainant stated that 132KV migration survey work is going on, after completion of work they will go for 132KV potential supply for a CMD of 25000KVA. Hence requested to withdraw the voltage surcharge amounts levied by the department.

The EE/O/Hindupur stated that the survey work was taken up by the TRANSCO and it will take about one year for completion of the work.

11. Point for determination is whether to withdraw the voltage surcharge amounts levied to the complainant due to exceeded CMD of 20000KVA for the said service in the months of January'2022 and March'2022 by the department or not?

The complainant also stated that this forum passed orders during the year 2017 in favour of consumer by *directing the respondents to withdraw low voltage surcharge included in the CC bill during May'2015*. As per the W.P.No.5310 of 2012 of Hon'ble High Court orders, this forum passed the orders in favour of consumer.

While reviewing the complete cases filed by the same complainant it is noticed by this forum that the complainant frequently approaching this forum for withdrawal of the Voltage surcharge amount levied by the department with the same reason of PDLM failure problem. But not finding the solution for not exceeding the RMD.

After keen observation of the respondent's written submission, it is also noticed that the Voltage surcharge and penal demand charges are different parameters which were levied by the department. If the complainant exceeds the CMD, it impacts on the DISCOM total system such as lines, transformers and feeders. If the total system failed due to excess utilization of load than CMD, the complainant himself will face the supply interruption problem until replacement/rectification of the failed equipment due to over load. The question is that the complainant exceeding CMD frequently since 2015 due to same technical problem of **PDLM failure**. Whenever the department raising the voltage surcharge and includes the voltage surcharge amount in the CC charges the complainant approaching the forum to revise the bill. The complainant every time producing the same judgment copy issued by Hon'ble High Court in W.P.5310 of 2012 on 27.8.2015

***"Wherein the relevant clauses pertaining to levy of voltage surcharge and additional charges for exceeding the CMD voltage surcharge cannot be levied"*** which is issued in favor of consumer and also orders passed by this forum in favor of consumer duly considering the points in the Judgment issued by the Hon'ble High Court regarding voltage surcharge.

To avoid supply interruption and also to maintain un-interrupted supply the department should take remedial measures to rectify the problem permanently. At the same time when the supply interruption or supply failure occurs due to failure of system equipment due to usage of overload by the consumer, the consumer should also take responsibility from his/her end and have to take remedial measures to rectify the technical problem/ to utilize contracted load only. Here in this case the complainant repeatedly exceeded the CMD since 2015 and stating that he exceeded only maximum to fraction % of actual CMD, the exceeded load may be less fraction of % when compared to the CMD that will also cause impacts on the DISCOM equipment. The complainant further stated that the 132KV migration survey work is going on after completion of work, they will go for 132KV potential supply for a CMD of 25000KVA. As per the respondents, the execution of the said work will take for about one year.

As per Hon'ble APERC Retail Supply Tariff Order for FY 2021-22, Chapter-X, Part-B, HT Supply vide ***Clause 6.6 Additional Charges for Maximum Demand in excess of the Contracted Demand describes:***

*“ If any month the Recorded Maximum Demand (RMD) of the consumer exceeds his Contracted Maximum Demand (CMD) with Licensee, the consumer will pay the following charges on excess demand and on energy (penal charges only on excess energy) calculated in proportion to the excess demand:”*

<b>RMD</b>	<b>Demand Charges on Excess Demand</b>	<b>Energy Charges On Excess Energy</b>
100 to 120% of CMD	2 times of normal charge	Normal
Above 120% and upto 200% of CMD	2 times of normal charge	1.5 times of normal charge
More than 200% of CMD	2 times of normal charge	2 times of normal charge
Excess demand and energy charges shall be computed as follows: Excess demand = (RMD-CMD) if RMD is more than CMD with Licensee. Excess Energy = (Excess Demand / RMD) X Recorded Energy		

This forum decided that the complainant should not exceed the CMD until completion of the work of 132KV migration survey work. As per *the clause No's.12.3.1 & 12.3.2 of GTCS and Chapter-X of Clause 6.2 and 6.6 vide page No.225 & 226 of Hon'ble APERC Retail Supply Tariff order for the FY 2021-2022* the respondents levied the voltage surcharge to the said complainant for the exceeded loads.

As per Regulation 7 of 2004 (Licensees Standard of Performance 2004) SCH-II Item No. IX -II Network expansion /Enhancement require to release supply Item- D release of supply extra High Tension –within 180 days of receipt of prescribed charges. The complainant has exceeded the CMD 2 times i.e., on 20.12.2021 @ 02.44A.M the RMD was 20028 KVA and on 12.2.2022 @ 16.59 hrs the RMD recorded was 20004KVA. The above said Regulation 7 of 2004 prescribes time limit to complete the above said work within 180 days. The complainant has made payment for migration of 132 KV potential on 17.12.2021 vide DD No.019397 and within 180 days the complainant exceeded two times of CMD even before the completion of the above said work by the Licensee. Hence the Respondents are entitled to levy voltage surcharges as per Tariff Orders to the complainant.

The complainant is liable to pay the Voltage surcharge levied by the respondents. The withdrawal of the voltage surcharge amounts levied due to the complainant exceeded the CMD of 20000KVA for the said service in the month of December' 2021 billed in

January'2022 and February' 2022 billed in March'2022 by the department cannot be considered. The point answered accordingly.

The respondents are directed to follow-up the execution of 132 KV migration survey work to be done by the TRASNCO personnel and see that the work will be completed in the stipulated time period so as to go for 132KV potential supply for a CMD of 25000 KVA for the said service to avoid such complaints in future.

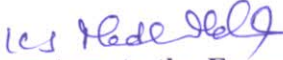
12. There are no merits in this case. In the result the complaint is dismissed. Accordingly C.G.No.23/2022-23 is disposed off.

Sd/-  
**Member (Technical)**

Sd/-  
**Independent Member**

Sd/-  
**Chairperson (I/c)**

**Forwarded By Order**

  
**Secretary to the Forum**

**This order is passed on this, the day of 14<sup>th</sup> December '2022**

If aggrieved by this order, the Complainant may represent to the Vidyut Ombudsman, Andhra Pradesh, 3<sup>rd</sup> 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 Nodal Officer (Chief General Manager (O&M)/ Operation)/ CGRF/  
APSPDCL/ Tirupati.

Copy Submitted to the Vidyut Ombudsman, Andhra Pradesh , 3<sup>rd</sup> 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, 4<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Lakdikapool, Hyderabad- 500 004.