

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

On this the 7th day of February' 2023
C.G.No.71 /2022-23/ Nellore Circle

Present

Sri. K. Ramamohan Rao

Chairperson (I/c) &

Member (Finance)

Sri. S.L. Anjani Kumar

Member (Technical)

Smt. G. Eswaramma

Independent Member

Between

Mr.D.Suneel Kumar,
Krishna Nagar,
Chendodu,
Vidyanagar (P),
Kota (M),
Nellore Dt.

Complainant

AND

1. Asst. Accounts Officer/ERO/APSPDCL/Kota
2. Deputy Executive Engineer/O/APSPDCL/Kota
3. Executive Engineer/Operation/APSPDCL/Gudur

Respondents

ORDER

1. The case of the complainant is that his father Mr.Dasari Subbaramaiah died due to Covid-19 on 26.8.2020. Earlier ISC No.3121112002778 of M/s. Sri Kamal Ice factory run by his father was dismantled. The department had not refunded the Security deposit for the said service even after completion of 2 ½ year period. Hence requested the forum to refund the Security deposit against the said service in the name of M/s. Sri Kamal Ice factory.
2. The case was registered as CG.No.71/2022-23/Nellore Circle and sent to respondents for written submissions.
3. Respondent.No.1 has submitted written submission stating that, initially the consumer of SC No.3121112002778, M/s. Sri Kamal Ice Factory, Kota has requested to refund the excess security deposit due to dismantlement of service and the same was recommended by the Asst. Executive Engineer/Operation/Kota vide Lr.No.AE/O/Kota/D.No.656/21, Dt.17.03.2021. Accordingly the AAO/ERO/Kota has submitted the proposal for refund of excess security deposit of Rs.2,45,300/- against the above service to the SE/Operation/Nellore Vide Lr.No.AAO/ERO/Kota/

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D.No.121/21,Dt.29.04.2021. Further the SE/Operation/Nellore has submitted the proposal for refund of security deposit to the CGM/R&IA/Tirupathi for necessary approval vide Lr.No.SE/Operation/Nellore/D.No.623/21, Dt:23.08.2021. The CGM/R&IA/Tirupathi has re-transmitted the proposal with certain remarks to the SE/O/Nellore vide Memo No.CGM(R&IA)/TPT/D.No.260/22,Dt.19.02.2022.The Executive Engineer/ Operation/Gudur has attended remarks and re-submitted the proposals for refund of security deposit to SE/O/NLR vide Lr.No.EE/O/GDR/D.No.388/22, Dt.11.05.2022. Further stated that, the SE/Operation/Nellore has re-submitted the proposal for refund of security deposit to the CGM/R&IA/Tirupatiafter attending the remarks vide Lr. No. SE/O/Nellore, D.No.1397/22, Dt.30.08.2022 as noted below:

Security deposit available : Rs.2,45,300.00

1. Less:- Deductions:

a. Dismantlement Charges : Rs. 6,000.00
b. Unbilled FSA Charges
Pending with court : Rs. 71,014.00
c. True - up charges : Rs.1,92,786.46

Sub-Total : Rs.2,69,800.46

Net amount (to be Payable
by the Consumer) : Rs. 24,500.46(-)

As per the above data, the complainant has to pay an amount of Rs.24,500.46 to the APSPDCL instead of refund of security deposit to the complainant. Hence requested to close the case.

4. Personal hearing through video conferencing was conducted @ 11.30A.M on 11.1.2023. EE/O/Gudur, AAO/ERO/Kota and complainant present. Heard both sides.

The EE/O/Gudur has stated that true-up charges was included to the service and stated that they will submit the account statement data in detailedto the complainant soon. The same was intimated to the complainant. The complainant also

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stated that he will also submit an additional submission regarding the said case within a week.

AAO/ERO/Kota has sent a letter through mail at 12.40 P.M. on 24.01.2023 stating that the account statement copy regarding levy of true - up charges to the said service was submitted to the complainant on the same day of personal hearing conducted through video conferencing on 11.01.2023 itself with a copy to the Forum and requested to close the case.

The complainant Mr.D.Suneel Kumar has sent a mail to this forum on 2.2.2023 stating that, after closure of the Sri Kamal Ice Factory as per their representation, the said service connection SC No.3121112002778 was dismantled prior to 17.03.2021 and also the concerned departmental authorities recommended the proposal for refund of the security deposit and submitted to the higher authorities. Instead of refund of the said security deposit, the departmental authorities concerned raised the demand under various heads including true-up charges and adjusted the amount raised from the Security deposit amount outstanding against the said service, which is highly objectionable and unlawful.

He further stated that on the date of the closure of their said unit, they are not having any dues to the APSPDCL authorities against the said service connection. The alleged claims under various heads by the APSPDCL authorities are not applicable to their service and also stated that, whatever the orders passed by the APSPDCL after closure & Dismantlement of service are not applicable to their case and the same is barred by limitation. Hence requested the forum to arrange for refund of the subject security deposit in the interest of principles of natural justice.

6. Point for determination is whether complainant is entitled for refund of security deposit to the SC No.3121112002778 or not?

As seen from the account statement submitted by AAO/ERO/Kota, this forum noticed that true - up charges for an amount of Rs. 1,92,786.46 was levied as per Retail Supply Tariff Order for F.Y. 2022-23 Volume -II in Chapter XIII at page No. 378 of 534 issued by Hon'ble APERC for the period from March' 2014 to March'2019.

The True-up for Retail supply Business is defined as follows:-

12.5 True-up for Retail Supply Business

a. The Distribution Licensee shall include the power purchase cost variation over the previous year Power Purchase cost in the Tariff Order as expense (in the event of incurring excess cost)/rebate (in case of cost saving) in the ARR as a special item with relevant details. To arrive the power purchase cost variation, the least of the following power purchase quantity is to be considered: i) Actual power purchase quantity procured by the DISCOMs for its consumers.

ii) Power purchase quantity computed based on actual sales except LT Agriculture sales. LT Agricultural sales will be limited to Tariff Order quantity. These aggregated sales will be grossed up with approved losses for the relevant year in the MYT orders.

b. Since the complete information of cost actually incurred relating to previous year will not be available at the time of filing of ARR for a particular tariff year, the Licensee may include provisional cost variation for the previous year in ARR filings which will be subject to final correction by the Commission as and when final accounts for that year become available.

c. The Licensees shall also include in the ARR the amounts to be collected on final basis being the difference between the cost incurred based on audited annual accounts report and costs provisionally approved by the Commission in the Tariff Order for the year immediately preceding the previous year.

d. The amount to be true-up for Retail Supply Business in a tariff year shall be determined as follows:

$$\sum_1^n \Delta C_{trp(t)} = \left[\sum_1^n C_{prv(t-1)} - \sum_1^n C_{apr(t-1)} \right] + \sum_1^n C_{fnl(t-2)} - \mu(t-2)$$

Where,

\sum_1^n Summation extends over all Power Purchase sources $i = 1, 2, \dots, n$

$\sum_1^n \Delta C_{trp(t)}$ True-up cost summed over all sources for the tariff year (t).

$\sum_1^n \Delta C_{prv(t-1)}$ The Power Purchase cost summed over all sources based on provisional estimates for the previous year (t-1)

$\sum_1^n \Delta C_{apr(t-1)}$ The power purchase cost summed over all sources as approved in Tariff Order for the previous year (t-1) as per the relevant Tariff

Order.

$$\sum_1^n \Delta C_{fnl(t-2)} = \sum_1^n \Delta C_{actb(t-2)} - \sum_1^n \Delta C_{prv(t-2)}$$

(The Difference between actual power purchase cost as per Audited Balance

Sheet for (t-2) year and provisional power purchase cost of the year (t-2) adopted in the year (t-1) by the Commission

$\Sigma_t \Delta Cactb(t-2)$ *The actual power purchase cost summed over all sources based on the audited balance sheet for the year (t-2).*

$\Sigma_t \Delta Cprv(t-2)$ *The Power Purchase Cost summed over all sources based on provisional estimates adopted in year (t-1) for the year (t-2).*

$\mu(t-2)$ *Charges on Ineligible items and Interest amounts paid on capital borrowed for financing the power purchase cost where they have been included in determination of power purchase cost in the accounts for the year (t-2).*

$\Sigma_t \Delta Ctrp(t)$ *can be either a positive or a negative figure*

In Retail Supply Tariff for the F.Y.2022-23 in Volume-II, Chapter-XV Determination of the True-up for Distribution Business for 3rd control period (F.Y.2014-15 to F.Y. 2018-19) O.P. Nos.34 of APSPDCL in Clause. 406 at page No. 411 of 534 the APSPDCL sought the following reliefs in its petition:

- i. to approve the true-up of expenses and revenue for its distribution business for the 3rd control period (FY.2014-15 to FY.2018-19);*
- ii. to approve Rs.3659 Cr. which is the total gap between the actual and approved amounts of Net ARR (Gross ARR - Revenue) during the 3rd control period;*
- iii. to approve Rs. 2230 Cr. as carrying cost for the total revenue gap from the distribution business for the 3rd control period;*
- iv. to approve Rs. 5889 Cr. towards total gap including carrying cost for the distribution business for the 3rd control period.*

The Hon'ble Commission directed the DISCOMs to collect the True-up charges from all the categories of consumers.

In Retail Supply Tariff for the F.Y. 2022-23 in Vol-II, Chapter XV, Determination of the True-up for Distribution Business for 3rd control period (FY.2014-15 to FY. 2018-19) O.P. Nos.34 of APSPDCL in Clause. 470 at page No. 473 of 534, the Hon'ble Commission issued direction to collect the True-up charges from the consumers and the details are as follows:-

Clause.470 :*Based on the per unit true-up cost determined in this order, the DISCOMs shall determine the total true up amount to be recovered from each consumer based on his consumption during the 3rd control period.*

1. *The true-up charges shall be collected from the registered consumers only.*
2. *With a view to avoiding sudden financial burden on the consumers, the Commission finds it appropriate to prescribe a reasonable recovery period, as requested by many of the objectors. Considering the fact that the per unit charges true-up cost for the consumers of APSPDCL and APCPDCL is higher compared to the consumers of APEPDCL, the Commission directs that APSPDCL and APCPDCL shall recover the true-up costs in 36 monthly instalments commencing from 01- 08-2022. APEPDCL shall recover the true-up costs in 18 monthly installments commencing from 01-08-2022. With a view to spare the consumers of interest burden, the Commission further directs that the installment payments shall not carry any interest.*
3. *Equal monthly installments of True-up shall be clearly shown in the CC bills issued every month.*
4. *The true-up charges shall not be applicable to the supply connections taken on/after 01.04.2019.*
5. *In respect of the service connections which were taken over by the new entities under the corporate insolvency resolution plan approved by the committee of creditors under the Insolvency and bankruptcy code 2016 dated 16.12.2019, the DISCOMs shall act as per law.*

Thus the Hon'ble Commission has computed the true-up cost per unit and issued directions to the APSPDCL to recover the true-cost per unit from the consumers at Rs.0.23.

In this case the complainant is the legal heir of the registered consumer.(Service vide SC.No. 3121112002778 released in the name of M/s. Sri Kamal Ice Factory (Owner Late. D. Subbaramaiah), the date of release of the said service is 25-MAY-2002 as per the ledger and the date of dismantlement of the said service is 1.03.2021 as per the ledger. Now the point of objection is that the complainant is objecting regarding levy of True-up charges to the said service and also seeking refund of Security Deposit amount.

As seen from the available records and ledger, this forum is of the opinion that the respondents have correctly arrived true-up charges for the period from FY 2014-15 to FY, 2018-19 and which is already levied by the department in 36 monthly installments commencing from 01- 08-2022 monthly bills onwards.

The complainant has to pay an amount of Rs.24,500.46 towards true-up charges to the APSPDCL instead of refund of security deposit.

The complainant is advised to pay Rs.24,500.46 within 15 days from the date of receipt of this order to avoid disconnection of other live services in the name of the complainant by the respondents. There are no merits in the case. The point answered accordingly.

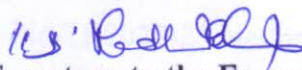
7. Hence the complaint is disposed off accordingly.

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 7th February'2022

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 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.