

CONSUMER GRIEVANCES REDRESSAL FORUM
SOUTHERN POWER DISTRIBUTION COMPANY OF A.P LIMITED,
TIRUPATI

This the 19th day of June'2024

C.G.No.148/2023-24/Nellore Circle

CHAIRPERSON **Sri. V. Srinivasa Anjaneya Murthy**
Former Principal District Judge

Members Present

Sri. K. Ramamohan Rao	Member (Finance)
Sri. S.L. Anjani Kumar	Member (Technical)
Smt. G. Eswaramma	Member (Independent)

Between

Sri. V. Sudharshan Reddy, C/o. M/s. APL Health Care Ltd,
Unit-IV, Plot No.16, Naidupet APIIC, M.P. SEZ, Menakuru,
Nellore Dist.

Complainant

AND

1. Executive Engineer/O/Naidupeta
2. Senior Accounts Officer /Circle Office/Nellore
3. Superintending Engineer/O/Nellore
4. Superintending Engineer/O&M/APTRNSCO/Nellore
5. Chief Engineer/Zone/APTRNSCO/Vijayawada

Respondents

This complaint came up for final hearing before this Forum through video conferencing on 29.05.2024 in the presence of the complainant and respondents and having considered the material placed by both the parties, this Forum passed the following:

ORDER

01. The complainant filed the complaint stating that it made a request to the respondents for conversion of existing 33 KV common feeder into



33 KV dedicated feeder, that the 220/132/33 KV SS was constructed almost 5 years back with 9 No's 33 KV bays, that in this SS 7 Nos.33 KV idle bays are available, that the substation was constructed to serve industrial loads as the existing Menakuru 132 KV SS is not able to cater the existing loads, that as per the scheme, the purpose of 220 KV SS is to serve 132 KV and 33 KV industrial consumers, that the complainant is facing more interruptions and the quality of end product is getting effected, that the DISCOM/APSPDCL communicated an estimated amount of Rs.63,12,336/-, that the complainant after making the requisite payment completed the work and after completion of 33 KV service line work, APTRNSCO communicated its estimated cost of Rs.71,57,000/-, that the purpose of installing 220/132/33 KV SS is to meet the loads in SEZ, that once the 220/132/33 KV SS is completed the DISCOM/APTRNSCO should have taken up the shifting of loads to the newly constructed 220 KV SS voluntarily to minimize the losses and interruptions, but the DISCOM/APTRNSCO kept idle 7 No's 33 KV bays without serving the existing loads in and around SEZ, that keeping 7 No's 33 KV bays idle for the past 4 years will not serve any purpose, that if power supply is extended on a dedicated feeder it results into less losses compared to a common feeder, that the Hon'ble



APERC has powers to determine the tariffs as mentioned under Sec.62 of the Electricity Act, 2003, that the DISCOM is the authorized entity to collect service line charges of 33 KV voltage of supply, that APTRNSCO is not entitled to issue demand notice for making payment to provide 33 KV Bay, that the APTRNSCO levied the estimate at Rs.1.31Crores and after making representation the estimate was revised to Rs.71.57 Lakhs by levying 35.5% of establishment and overhead charges and other percentage of charges which is grossly incorrect and in the estimate every item is inflated and no detailed estimate was given, that the DISCOM/APTRNSCO cannot implement their own percentage of charges/rates indiscriminately as per their wish without prior approval of the Commission, that the Hon'ble APERC has given approval for development charges only and no approval was given for individual items, that APTRNSCO is to be directed to prepare a genuine estimate and hence it is requested to direct APSPDCL and APTRNSCO to seek approval of the Hon'ble APERC for schedule of rates and to declare percentage of charges mentioned in Para 7 of the estimate are null and void as there was no approval from the Hon'ble APERC and to declare that the schedule of rates



implemented by APSPDCL and APTRNSCO are null and void as the same are not approved by the Hon'ble APERC.

02. The said complaint was registered as C.G.No.148/2023-24 and notices were issued to the respondents calling for their response. The respondents submitted their response stating that the complainant has HT service No. NLR-743 and the service was released on 10.09.2014 through 33 KV common feeder emanating from 220 KV SS Naidupeta at Palacheru Village, that the said 33 KV feeder provides supply to 33/11 KV Substations of APSPDCL apart from 7 No's HT services with 33 KV supply, that the complainant in June/July'2022 applied for conversion of existing common feeder to dedicated feeder, the SE/O/APSPDCL/Nellore requested SE/O&M/APTRNSCO/Nellore for 33 KV bay extension vide Letter Dt.11.07.2022, that the SE/O&M/Nellore communicated the approved scheme cost to SE/O/Nellore vide letter dt.29.04.2023, that the SE/O/APSPDCL/Nellore communicated an estimated amount of Rs.63,12,336/- for required modifications to provide supply to the complainant, that after queries raised by the complainant vide letter Dt.30.05.2023, APTRNSCO communicated revised scheme cost of Rs.71,57,000/- for 33 KV Bay works to provide dedicated 33 KV supply vide letter dated 05.09.2023,



that the estimates by APTRNSCO and by APSPDCL were prepared basing on approved cost data and SSR of the concerned units and as per established procedure in vogue. It is further submitted that APTRNSCO based on the requirement of DISCOMs concerned in general construct new EHT substations of 400 KV, 220 KV and 132 KV to cater power requirements of different categories of HT/LT consumers and provide supply at 33 KV level, that in case of requirement of sub stations or independent bays at 33 KV or above the APTRNSCO provides the same on cost basis as per the prevailing cost data and SSR rates and as per approved and established processors. In the case on hand, the estimate is based on the approved cost data and SSR rates which are being approved every year and overhead charges includes supervision charges and entire establishment charges which includes O& M charges of the scheme and the scheme cost is arrived based on the approved procedure in vogue. APSPDCL will not provide any dedicated feeder without request of consumers and as per Clause.3.2.2.3 (ii) of GTCS the consumer requesting for dedicated feeder shall have to pay full cost of the service line and bay. As per the standards specified by the company which includes take off arrangements at substations and considering all the aspects the



estimations are prepared and communicated, but the complainant erroneously filed this complaint. The revised estimate cost is communicated directly to the complainant to avoid delay and APTRNSCO always act through Distribution Licensee as applicants are direct consumers to the distribution licensee whereas providing necessary network is obligatory to APTRANSCO. The stores overhead on materials and services @ 15% and contingencies on materials and services @ 5% are auto generated in SAP for estimates and these provisions are included in SAP by APSPDCL as per reference Memo. No. CGM/E&C/GM/SAP/TPT/D.No.96/2017 Dt: 31.07.2017 and the engineering charges @ 2.5% are towards design aspects and the establishment and overhead charges @ 35.75% levied as per TOO (CE-Construction-2) MS.No.20 Dt: 23.04.2012 (Table-1) (Sl. No. E). Overhead charges levied are towards O&M of the scheme which includes updating of technology in metering and protection systems apart from training to meet the requirement of the organization to ensure safety of equipment and personnel and updating the improved technology. Investment approval was obtained from the Hon'ble APERC for erection of 220/132/33 KV SS Naidupeta vide Proceedings APT/220/INVEST-F:E-500-46/06/2017. Since the

necessary approval was obtained from the Hon'ble APERC for erection of 220/132/33 KV SS, Naidupeta, there is no truth in the allegations made in the complaint. Thus, the respondents prayed for dismissal of the complaint.

03. Heard both the parties through video conferencing.

04. Now the points for determination are :

1. Whether the respondent Nos.4 and 5 obtained prior approval from the Hon'ble APERC for the schedule of rates mentioned in the sanctioned estimate for conversion of existing 33 KV common feeder to 33 KV dedicated feeder?

2. Whether the schedule of rates mentioned in the sanctioned estimate by respondent Nos. 4 and 5 are genuine?

3. Whether the complainant is entitled to the reliefs as claimed in the complaint?

4. To what relief?

05. Point Nos. 1 to 4: The complainant applied for conversion of existing common feeder to dedicated feeder for its HT SC.No. NLR-743 and on such request APTRNSCO communicated the approved scheme cost at Rs.71,57,000/- to the complainant for 33 KV bay works to provide dedicated 33 KV supply. The first objection raised by the complainant against the action of the APTRNSCO was that it has no authority to

prepare approved scheme cost and APSPDCL is concerned with preparation of the same. We are unable to agree with this contention because, based on the requirement of concerned DISCOM in general the APTRNSCO takes up/construct new EHT substations of 400 KV, 220 KV and 132 KV to cater power requirements of different categories of HT/LT consumers and provide supply at 33 KV level and in case of requirement of independent bays at 33 KV or above, APTRNSCO will provide the required substation/bays on cost basis as per the prevailing cost data and SSR rates and as per approved and established processors. Hence, it is APTRNSCO which is competent to prepare approved scheme cost for allocation of dedicated 33 KV bay to the complainant. Hence, the objection raised by the complainant in this regard is not sustainable.

- 06.** Another objection raised by the complainant was as per Clause No.9 of Regulation. No. 04 of 2013, the distribution/transmission licensee shall submit the schedule of rates to the Commission for approval on an annual basis and publish the cost data book by 1st April of the year which shall be the basis of making the initial estimate for erection of electric line or plant to extend supply to the applicant and in the case on hand the DISCOM/APTRNSCO did not obtain prior approval of the



schedule rates from the Hon'ble APERC and on that ground the cost estimated by APTRNSCO is illegal. On the otherhand, APTRNSCO vehemently contended that the 33 KV bay proposed to be allocated to the complainant was commissioned long back by taking prior approval from the Hon'ble APERC in the year 2017 itself and basing on the said cost now the APTRNSCO estimated the schedule cost for 33 KV bay proposed to be allocated to the complainant. APTRNSCO also produced the approval of the Hon'ble APERC vide Lr. No. E-500-46/DD-Trans/2017 dt: 15.05.2017 in which the Hon'ble APERC approved the proposed estimate for erection of 220/132/33 KV substation at Menakuru/Naidupeta and this clearly shows that with the prior approval of the Hon'ble APERC only 220/132/33 KV substations at Naidupeta were commissioned in accordance with Clause No.9 of Regulation. No. 04 of 2013.

07. It is the further objection raised by the complainant that the Hon'ble APERC has given approval for collection of development charges only but not for collection of other charges and APTRNSCO without obtaining prior approval of the Hon'ble APERC under Clause.No.6 of Regulation No.4 of 2013 cannot collect the other incidental charges on its own.



08. Clause.No.6 of Regulation 4 of 2013 reads as follows:

“6. Right of Distribution Licensee/Transmission Licensee to recover expenditure:

- 1. The Distribution Licensee shall unless otherwise specified in this Regulation or otherwise by an order of the Commission, fulfill the obligation to supply electricity to an applicant who seeks power supply.*
- 2. Subject to the provisions or Act and this Regulation and subject to such directions, orders or guidelines, the Commission may issue from time to time, every Distribution/Transmission licensee is authorized to recover from an applicant, requiring supply of electricity any expenses that the Distribution/Transmission Licensee shall be required to reasonably incurred to provide any electric line specifically for the purpose of giving such supply to the applicant.*
- 3. Before taking up the erection of electric line required for extending supply to the applicant, the Distribution/Transmission Licensee shall estimate the Service Line Charges for erecting such electric line as per the cost data and present the same to the applicant for making payment to the Distribution Licensee.*
- 4. In the event, the electricity supply is required by two or more applicants in the same area through extension of common Electric line, the expenditures in respect*




thereof, the Distribution Licensee shall apportion such expenditure amongst all such applicants”.

09. It is the contention of the complainant that under the above Clause the APTRNSCO is permitted to collect development charges and service line charges only and it cannot collect the other incidental charges. We are unable to agree with the said contention. Because, in the above Clause No.6 (2) & (3) itself it was stated that *“the APTRNSCO was given authorization to recover from an applicant any expenses that the Distribution/Transmission licensee shall be required to reasonably incurred to provide any electric line specifically for the purpose of giving such supply to the applicant and before taking up erection of electric line required for extending supply to the applicant, the Distribution/Transmission licensee shall estimate the service line charges for erecting such electric line as per the cost data and present the same to the applicant for making payment”* and this clearly shows that APTRNSCO for collection of incidental charges need not get prior approval from the Hon’ble APERC. Further *under Clause No.8 of Regulation No.4 of 2013, APTRNSCO is authorized to recover from the complainant all the expenses on normative basis towards part of abstrame network cost it has already incurred or to*



be incurred in extending power supply to the complainant. Following this Clause No.8 of Regulation No.4 of 2013 the APTRNSCO demanded the proposed development charges and other incidental charges/approved scheme cost and communicated the same to the complainant. The record produced by APTRNSCO clinchingly shows that it has constructed the 33 KV bay in 2017 itself by getting cost approval from the Hon'ble APERC and now it wants to collect already incurred cost besides incidental charges as per SSR rates for extending power supply through dedicated feeder and while arriving at revised scheme cost of Rs.71,57,000/- APTRNSCO strictly followed the guidelines/approvals of the Hon'ble APERC and the approved SSRs.

10. From the aforesaid discussion, we have no hesitation to hold that the respondents have followed the guidelines/approvals of the Hon'ble APERC and the approved SSRs while preparing the scheme cost under question and the rates mentioned in the said scheme cost are correctly made. Hence, the complainant is not entitled to the reliefs claimed in the complaint and the complaint is liable to be dismissed. Accordingly, these points are answered.
11. In the result, the complaint is dismissed. There is no order as to costs.
12. The complainant is informed that if it is aggrieved by the order of the Forum, it may approach the Vidyut Ombudsman, 3rd Floor, Plot. No.38, Adjacent to Kesineni Admin Office, Sriramachandra Nagar, Mahanadu




Road, Vijayawada-08 in terms of Clause.13 of Regulation.No.3 of 2016 of Hon'ble APERC within 30 days from the date of receipt of this order and the prescribed format is available in the website vidyutombudsman.ap.gov.in.

Typed to dictation by the computer operator-2 corrected and pronounced in the open Forum on this the 19th day of June'2024.


CHAIRPERSON


Member (Finance)
19/6/2024


Member (Technical)


Member (Independent) 19/6/2024

Documents marked

For the complainant: Nil

For the respondents: Nil

Copy to the

Complainant and All the Respondents

Copy Submitted to

The Chairman & Managing Director/Corporate Office/APSPDCL/ Tirupati.

The Vidyut Ombudsman, 3rd Floor, Plot No.38, Sriramachandra Nagar, Vijayawada-08.

The Secretary/Hon'ble APERC/Vidyut Niyantrana Bhavan, Adjacent to 220/132/33/11 KV AP Carbides Sub Station, Dinnedavarapadu Road, Kurnool-518002, State of Andhra Pradesh.

The Stock file.

