

**BEFORE THE CONSUMER GRIEVANCES REDRESSAL FORUM  
OF NORTHERN POWER DISTRIBUTION COMPANY OF A.P.  
LIMITED: WARANGAL.**

**10<sup>th</sup> Day of January, 2011.**

**Present :** Sri. T. Sadarlal : Chairman  
Sri. M. Venkata Narayana : Member (Accounts)  
Sri. K. Ramesh : Member (Legal)  
Sri. A. Sudharshan Reddy : Co – Opted (Member)

**C.G. No. 297/2010 of Karimnagar Circle**

**Between**

Sri. P. Rajesham  
S/o. P. Shankaram  
M/s. Mallikarjuna Rice Mill,  
S.C. No. GDK-691  
H. No. 1-42/13, Plot No. 13,  
Pravelli Enclave, Miyapur,  
Hyderabad.

**Complainant**

**AND**

1. Assistant Divisional Engineer/Operation/Godavarikhani.
2. Assistant Accounts Officer/ERO/Godavarikhani.
3. Divisional Engineer/Operation/Peddapally.

**Respondents**

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Sri. P. Rajesham, S/o. Shankaram, M/s. Mallikarjuna Rice Mill, Godavarikhani, Karimnagar-Dist., hereinafter called as the complainant in his complaint dated. 22-11-10, received and registered on 24-11-10, under Clause 5(7) of APERC Regulation 1 of 2004 read with Section 42(5) of Electricity Act 2003, stated the following :-

- i. Sri. P. Rajesham, S/o. P. Shankaram having S.C. No. 691 at Godavarikhani (M/s. Mallikarjuna Rice Mill).
- ii. in the earlier instance the department has imposed low power factor surcharge + penalty to the above service connection and disconnected the service.

**Contd.2**

- iii. he has filed the complaint at Consumer Grievances Redressal Forum on 06.02.2006. The Forum has issued orders in C.G. No. 52 giving instructions to pay the 50% of pending arrears against his service connection.
- iv. based on the orders issued by the Forum, the consumer has approached to the Vidyut Ombudsman, the appeal considered and given instructions by the Vidyut Ombudsman stating that the all arrears towards low power factor surcharge + capacitor surcharge + penalty shall be waived to the consumer.
- v. after considering his appeal by the Vidyut Ombudsman, thereafter two months the machinery was spoiled due to which the industry has not survived till-to-date.
- vi. the complainant has requested to waive the minimum charges for the period not running the industry without taking into consideration of the earlier benefit given by the department.

2. As a sequel to the above complaint, Assistant Divisional Engineer/ Operation/Godavarikhani, Assistant Accounts Officer/ERO/Godavarikhani and Divisional Engineer/Operation/Peddapally, were directed to file their written submissions vide notice dated. 26.11.2010.

I. The Assistant Accounts Officer/ERO/Godavarikhani, in his filings received on 09-12-2010, stated the following :-

**Para Wise Remarks :-**

- i. the service was disconnected in 11/2003 for non payment of arrears of Rs. 61,573/- then the consumer was applied and got sanctioned III installments for the amount of Rs. 80,234/- (C.C. charges 61,573/- + ACD Rs. 18,751/-) as indicated below :-

I Installment	-	30,324 = 00 (Paid on 08.12.2003)
II Installment	-	25,000 = 00
III Installment	-	<u>25,000 = 00</u>
Total :		<u>80,324 = 00</u>

- ii. an amount of Rs. 29,379/- paid by way of cheque towards 2<sup>nd</sup> instalment along with current consumption bill of 01/2004 (Rs. 25000 = 00 + 4329 = 00).

**Contd.3**

- iii. but the same cheque was dishonored by the bank and simultaneously the service was again disconnected in the month of 03/2004 at that time the service is having an arrears of Rs. 74,289/- which includes the current consumption charges bill for the month of 02/2004 for Rs. 24,114/- and dishonored of cheque demand of 2<sup>nd</sup> installment and current consumption bill of 01/2004 for Rs. 29,329/- and etc, the service is bill stopped in 08/2004.
- iv. then the consumer has applied for revival of his service under sick industry in 03/2006 and the NPDCL has also accorded approval vide Memo. No. CMD/NPDCL/CGM/P&RAC/F. Industries/D. No. 1306/06/Dt. 11.03.06.
- v. based on the approval the sick industry benefit was allowed by withdrawing the minimum charges and surcharge from 04/2004 to 12/2005 for Rs. 82,323/- in 04/2006 and reconnected in 02/2006.
- vi. further the consumer has approached the Consumer Grievances Redressal Forum/NPDCL/Warangal on 06.02.2006 on levy of low power factor surcharge and the Consumer Grievances Redressal Forum has decided to collect the low power factor surcharge @ 25 % per month of bill amount to the tune of Rs. 35,716.39 only and also ordered that if the consumer has paid any low power factor surcharge earlier the same may be deducted vide C.G. No. 52/2006 of Karimnagar Circle, Dated. 18.05.2006.
- vii. in compliance to the Consumer Grievances Redressal Forum orders an amount of low power factor surcharges and surcharges of Rs. 42,089/- was withdrawn in the month of 06/2006.
- viii. again the consumer approached the Vidyut Ombudsman, Hyderabad on 22.06.2006 vide V.O. Appeal No. 12/2006 the Vidyut Ombudsman, Hyderabad has awarded on the appeal that the "The low power factor surcharge levied during the period from December, 2002 to February 2004 shall be withdrawn as it is not leviable" vide Lr. No. VO/Appeal No. 12/2006-1/Dt. 01.09.06.
- ix. in compliance of the orders an amount of low power factor levied along with surcharge of Rs. 46,035/- withdrawn in the month of 09/2006.
- x. further the consumer has again approached the Consumer Grievances Redressal Forum/NPDCL/Warangal on 01.03.2007 vide C.G. No. 146/2007 of Karimnagar Circle for the capacitor surcharge. In the C.G. No. 146/2007, Dated.09.04.2007 the Consumer Grievances Redressal Forum ordered to withdraw the capacitor surcharge for 02/2002 and additional charges thereon.

- xi. in compliance of the orders an amount of Rs. 12,954/- was withdrawn in 04/2007. After that the service was again disconnected for non payment of the arrears of Rs. 28,733/- to end of 04/2007 and bill stopped in 06/2007.
- xii. the consumer has again applied for revival of sick industry in 11/2007 but the same was disallowed vide Memo. No. CGM/P&RAC/NPDCL / WGL/RAC/F. Industries/D. No. 754/07/Dt. 17.01.2008 on the plea that the consumer has availed the benefit under sick industry vide Memo. No. CMD/NPDCL/CGM/P&RAC/RAC/F. Industries/D. No. 1306/06/Dt. 11.03.2006 and also consumed 7680 units from 03/2006 to 04/2007.
- xiii. again the consumer applied for revival of sick industry vide his application dated. 26.08.10 and the same was submitted to the Superintending Engineer/Operation/Karimnagar vide T.O. Lr. AAO/ERO/GDK/JAO/NS/D. No. 388/10/Dt. 25.09.10, but the same was not considered as the unit had already availed sick industry benefits and also consumed 10596 units during 02/2006 to 04/2007 vide Memo. No. SE/OP/KNR/AO (Rev)/JAO (CRS)/D. No. 586/10/Dt. 16.11.10.
- xiv. therefore it is to submit that the consumer was already availed and allowed the sick industry benefit in the month of 04/2006 as per the Memo. No. CMD/NPDCL/CGM/P&RAC/RAC/F. Industries/D. No. 1306 / 06/Dt. 11.03.06 by withdrawing the monthly minimum along with surcharge to the tune of Rs. 82,323/- for the period from 04/2004 to 12/2005 and he is repeatedly applying for the same benefit. Hence the complaint may be disallowed please.

**II.** The Chief General Manager/Operation, Commercial & IPC/NPDCL/Warangal, in his filings received on 09-12-2010, stated the following :-

- i. M/s. Mallikarjuna Rice Mill, S.C. No. 691, Cat-III (A), Gouthaminagar, Godavarikhani, Karimnagar Circle was extended sick industry benefits vide this office Memo. No. CMD/NPDCL/CGM/P&RAC/F. Industries/D. No. 1306/06/Dt. 11.03.2006, as per the consumer representation dated. 11.03.2006.
- ii. since the service was under long UDC.
- iii. the sick industry benefits were extended to the consumer as he was due on account of C.C. Charges, ACD and low power factor charges, but not on account of low power factor arrears.
- iv. further, the consumer has again represented this office to get benefit under sick industry vide his letter dated. 07.11.07.

**Contd.5**

- v. the application was rejected vide this office Memo. No. CMD/ NPDCL / CGM/P&RAC/RAC/F. Industries/D. No. 754/07/Dt. 17.01.2008 duly stating that the above service was already received under sick industrial benefits and it cannot be considered second time.

3. The hearing was proposed to conduct on 20.12.10 at 3. 30 PM in the Chamber of Chairperson/Consumer Grievances Redressal Forum/NPDCL/Warangal on that day only complainant has attended to the hearing but the respondents have not attended. Hence the hearing was conducted on 21.12.2010, during the hearing conducted the complainant has attended and respondents i.e., Assistant Divisional Engineer/Operation/Godavarikhani and Assistant Accounts Officer/ ERO /Godavarkhani have attended the hearing. The following are the remarks made by the complainant and respondents during the hearing conducted as follows :-

#### **I. Complainant :-**

The complainant has submitted that in the month of 05/03 low power factor surcharges included without no fault on him for payment. He has paid only C.C. charges excluding the low power factor surcharge even though the department has disconnected his service connection in 11/2003. As per the instructions of the departmental officials he has paid an amount of Rs. 30,324/- and given a cheque towards instalment amount. But the low power factor surcharges are not waived due to which he has approached the Consumer Grievances Redressal Forum, and based on the orders of the Forum he has approached to the Vidyut Ombudsman given his appeal there. Accordingly his appeal was considered by the Vidyut Ombudsman and waived all the charges pending against him with effect from 04/04to 02/2005 duly implying the sick industry benefit to him. The benefit accorded for this period is due to the wrong imposing of low power factor surcharges to his industry by the department. Actually his industry was sicked after 02/2006 only. Hence he has requested to give an

opportunity to him for allowing his industry under sick benefit after 02/2006 only without taking into consideration of the 1<sup>st</sup> time given benefit to his industry. Due to the above he has suffered loss to the tune of Rs. 15,00,000/- for not surviving his Rice Mill.

**II.** The Assistant Divisional Engineer/Operation/Godavari Khani and Assistant Accounts Officer/ERO/Godavari Khani are stated as follows :-

- i. the service was disconnected for non-payment of arrears for Rs. 61573-00 to end of 11/03, but the consumer has agreed that the arrears are pertaining to the low power factor surcharge only.
- ii. the NPDCL has issued orders under revival of sick industries vide Memo. No. CMD/NPDCL/CGM/P&RAC/F.Industries/D. No. 1300/06/Dt. 11.03.06, withstanding that "however the order for the liability of payment of low power factor surcharge will be sent separately as the matter of levy of low power factor surcharge in this service and other similar cases are pending with the Consumer Grievances Redressal Forum".
- iii. the sick industry benefits was allowed by withdrawing of minimum charges and surcharges from 04/2004 to 12/2005 in 04/06.
- iv. afterwards the Consumer Grievances Redressal Forum/NPDCL/Warangal and Vidyut Ombudsman/Hyderabad has ordered for withdrawal of low power factor capacitor charges and surcharges. The order of Consumer Grievances Redressal Forum/NPDCL/Warangal and Vidyut Ombudsman/ Hyderabad were also implemented.
- v. the consumer has again applied for sick industry benefits in 11/2007 and the same was rejected vide Memo. No. CGM/P&RAC/ NPDCL / WGL/RAC/F.Industries/D. No. 754/07/Dt. 17.01.08 as the consumer already availed the benefits in 03/06, and again the consumer has applied for revival of sick industry in 08/2010 and the same was also disallowed on the same reason i.e., the consumer has already availed the benefit in 03/06 at the level of he Superintending Engineer/ Operation/Karimangar.

**4. Analysis of the Case :-**

The contention of the complainant is that the department has given sick industry benefit to him in the earlier instance and waived the low power factor

**Contd.7**

surcharge along with C.C. charges pending against his service But the imposing of low power factor surcharges to his S.C. No. GDK-691 (9102-00691) is not correct by the department as he has no way responsible for imposing the low power factor surcharge as he is having sufficient capacitors to this service connection as per the rules of the department. Due to this reason only he has lodged a complaint at Forum in the Year 2006. The Forum has issued orders in the earlier instance vide C.G. No. 52/2006 considering some of the part in connection with waiver of low power factor surcharge to the consumer.

Not agreeing the orders issued by the Forum, the complainant has approached to the Vidyut Ombudsman (V.O. Appeal No. 12/2006 the Vidyut Ombudsman has given instructions to the respondents considering the appeal of the complainant as follows :-

1. The low power factor surcharge levied during the period from December 2002 up to February 2004 shall be withdrawn, as it is not leviable.
2. The Respondent Assistant Accounts Officer/ERO/ Godavarikhani, shall serve a supplemental bill for the balance amount payable after revising the bills for the period as indicated in (i) above.
3. The consumer shall pay the balance amount due if any within 15 days from the date of issue of such supplemental bill failing which the respondents shall be at liberty to take appropriate action as per the Terms and Conditions of Power Supply.
4. The respondents are required to implement this award only after the appellant gives his consent for this award in terms of Clause 12 of the regulation No.1 of 2004.

Based on the Memo. No. CMD/NPDCL/CGM/P&RAC/F. Industries/D. No. 1306/06/Dt. 11.03.06, approval of the sick industry benefit was allowed to the complainant by withdrawing the minimum charges and surcharge from 04/2004 to 12/2005 for Rs. 82,323/- in 04/2006 and reconnected in 02/2006.

The complainant main contention is that due to the mistake of the department is only the low power factor surcharge was levied without any mistake on his part, due to which he has not paid the C.C. bills regularly and accumulated the amounts for which the department has disconnected his service connection during 11/2003 and based on the appeal considered by the Vidyut Ombudsman withdrawing amounts pending against his service connection in 04/2006 the department has again reconnected the service in 02/2006. Thereafter again his service connection was disconnected in 04/2007 due to non payment of bills by him for the said period as his industry really require the benefit of sick industry and requested the Forum to give an opportunity to him not taking into consideration of the earlier benefit given under sick industry by the department for which he is not at all responsible.

On going through the above entire episode, the Forum has come to a conclusion that the request of the complainant is not entertainable as the sick industry benefit will come under the purview of Licensee only according to the rules in vogue. However, the respondents are directed to confirm, whether, the industry got physically or not for taking necessary action.

5. **ORDER :-**

The Forum has examined the case as per the recorded evidences produced by the respondents and as per the information given by the Chief General Manager/Operation, Commercial & IPC/NPDCL/Warangal vide Lr. No. CGM(OP, Comml. & IPC/DE(IPC)/AO/F.CGRF/D. No. 451/2010/Dt. 09.12.10.

It is decided by the Forum that :-

- a) The case is not entertainable.
- b) The case is not under the purview of Forum
- c) The respondents are directed to act accordingly.

6. If the complainant is aggrieved by the order of the forum he may represent to Vidyut Ombudsman, APERC, Singareni Bhavan, IVth Floor, Red Hills, Hyderabad-500 004, within (30) days of receipt of this order as specified in clause (9) of Regulation 1 of 2004 of A.P. Electricity Regulatory Commission of A.P.

Signed on 10<sup>th</sup> day of January, 2011.

Sd/-  
K. RAMESH  
MEMBER (LEGAL)

Sd/-  
G. RAVEENDRANATH  
MEMBER (ACCOUNTS)

Sd/-  
T. SADARLAL  
CHAIRPERSON

**Endt. No. C.P./C.G.R.F/NPDCL/WGL/C.G. No. 297/2010-1 Dt. 10.01.2011.**

***Copy to :-***

The Divisional Engineer/Operation/NPDCL/Manthani.  
The Superintending Engineer/Operation/NPDCL/Karimnagar.  
The General Manager (IT)/Corporate Office/NPDCL/Warangal.

***(He is requested to place the order in the Company's Website).***

Sri. Dr. A. Sudharshan Reddy, President, Centre for Environmental Studies,  
H. No. 2-2-421, Kishanpura, Hanamkonda, Warangal-Dist.

***Copy Communicated to :-***

The Chief General Manager/Projects & RAC/Corporate Office/NPDCL/Warangal.  
The Chief General Manager/Operation, Comml. & IPC/Corporate Office/Warangal.  
The Stock file.

**//FORWARDED BY ORDER //**

**Member (Legal)  
Consumer Grievances Redressal Forum.**