



TAMIL NADU ELECTRICITY OMBUDSMAN

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Before The Tamil Nadu Electricity Ombudsman, Chennai

Present : Thiru. S. Devarajan, Electricity Ombudsman

A.P. No. 25 of 2018

Thiru. P.Srikanth,
No.45/3, Bye-pass Road,
Opp to RTO Office,
Musiri -621 201,
Trichy District

..... Appellant
(Rep by Thiru. P. Nagamuthu)

Vs

The Executive Engineer/O&M/Musiri,
Trichy Electricity Distribution Circle/Metro,
TANGEDCO,
110 KV SS Complex,
T.Pet Road, Musiri – 621 211.

The Junior Engineer/O&M/Town/Musiri,
Trichy Electricity Distribution Circle/Metro,
TANGEDCO,
70, Bye-pass Thuraiyur Road,
Musiri – 621 211.

..... Respondents
(Thiru.P. Anandkumar, EE/Musiri(i/c) &
Thiru. K. Kariyan, JE/T/Musiri)

Date of hearing: 09.08.2018

Date of order : 28.12.2018

The Appeal Petition dt. 14.5.2018 filed by Thiru. P.Srikanth, No.45/3, Bye Pass Road, Opp to RTO Office, Musiri - 621 211, Trichy was registered as Appeal Petition No. 25 of 2018. The above appeal petition came up for hearing before the Electricity Ombudsman on 9.8.2018. Upon perusing the Appeal Petition, Counter affidavit, written argument and the oral submission made on the hearing date from both the parties, the Electricity Ombudsman passes the following order;

ORDER

1. Prayer of the Appellant:

The Appellant prayed to cancel all letters communicated by the licensee right from 27.8.2014, continuation of existing tariff and compensation towards non performance of standards.

2. Brief History of the case:

2.1 Appellant industry is manufacturing mosquito net fabrics for mosquito net using HDPE mono filament yarns from 2008. They have been charged under Tariff IIIA-1, for the SC No.292-016-395 from the date of service connection effected on 28.01.2008. The tariff IIIA1 has been changed to IIIA2 on 19.07.2008.

2.2 The service connection was inspected by the Revenue Supervisor on 25.08.2014 and recorded in the white meter card that the meter was sluggish. The meter was replaced by Static Electronics Meter with MD recording facility on 06.09.2014.

2.3 The Accounts Officer Revenue Intelligent Squad (AO/RIS), Metro Trichy inspected the service connection on 22.11.2016 along with Junior Engineer/O&M/Town/Musiri, raised shortfall demand considering Tariff IIIA1 for an amount of Rs.1,17,172/- as there was powerloom machine and energy is utilized for masquito net fabrics.

2.4 Later, the Executive Engineer/O&M/Musiri issued notice to the appellant demanding Rs.1,81,448/- stating that the demand has exceeded 10 HP under Tariff IIIB (from 9/2008 to 11/2014 under tariff IIIA1 and from November 2014 to 24.05.2017 under tariff IIIB).

2.5 The Appellant approached the CGRF. The CGRF Trichy EDC/Metro have held hearing on 21.07.2017 and issued an order dated 28.08.2017. Aggrieved over the order, the appellant preferred this appeal petition before the Ombudsman.

3. Orders of the CGRF :

3.1 The CGRF of Trichy Electricity Distribution Circle have issued its order on 28.08.2017. The relevant portion of the order is extracted below :-

Forum Conclusion:

On enquiry in the forum on the both sides and as per the conclusion and Members of forum. Regarding the disconnect of the Service Connection as per TNERC's Supply code Chapter - 3 (21) Service Connection can be disconnected on default of the payment reads as follows.

Regarding the excess demand that is where out consumer excess the sanctioned demand. The TNERC Supply Code regulation 5(2)(II) reads as follows:

i. In the case of HT supply, the maximum demand charges for any month shall be based on the KVA demand recorded in that month at the point of supply or such percentage of sanctioned exceeded demand shall alone be charged at double the normal rate.

ii. In case of LT supply,

(a) For Domestic and Agricultural category of service, the excess demand charges shall not be applicable.

(b) "For other categories of LT services with contracted demand equal to or less than 18.6 KW (25HP), the excess demand charges shall not be applicable where the connected load is equal to- or less than the contracted demand.

Note: For services with contracted demand less than or equal to 18.5KW (25HP), whenever' the consumer's connected load exceeds the contracted demand, the licensee shall install meters with demand recording facility and bring the consumer under the scope of excess demand chargeable category. After installation of the meter, if the recorded demand is in excess of contracted demand, the existing demand, shall, after intimation to the consumer, be revised to the level of recorded demand and all relevant charges applicable for extension of additional demand shall be included in the next bill. No excess demand charge is leviable till such time the licensee installs meter with demand recording facility and bring the consumer under the scope of excess demand chargeable category". (Sub-clause (b) and Note Substituted vide Notification No.TNERC/SC7-4 dated 25.05.2007 w.e. from 13.06.2007)

(c). For the remaining LT services other than those service connections covered in (a) and (b) above, when the contracted demand is in excess of 18.6KW (25HP) and for such of those consumers whose contracted demand is in excess of 18.6KW (25HP) but opted for having meters with demand recording facility, the excess demand charges shall be-

1. *Where the recorded demand does not exceed 112 KW, for every KW or part thereof in excess of the sanctioned demand, at the rate of 1 % of the total energy charges;*
- II. *where the recorded demand exceeds 112KW, for every KW or part thereof in excess of sanctioned demand:-*

From 21.03.2012 onwards:-

-At the rate of 1 % of the charges for electricity supplied up to 112KW

-And at the rate of 1.5% for every KW or part thereof over and above 112KW for the first two occurrences:

-And for the third occurrence, at the rate of 3% for every KW or part thereof over and above 112KW.

-And thereafter, that is the fourth and subsequent occurrences at the rate of 10% for every KW or part thereof over and above 112KW.

(Substituted vide Notification No.TNERC/SC /7-30, dated 17.02.2012, w.e.f.21.03.2012)

III Where the recorded demand exceeds the sanctioned demand for the second and subsequent times,

(A) In case the recorded demand has not exceeded 112 KW, the existing load sanction shall, after intimation to the consumer, be revised within one month of the second occurrence to the level of recorded demand and all the relevant charges applicable to the additional load shall be included in the next bill;

(B)In case the recorded demand has exceeded 112KW, the existing load sanction shall, after intimation to the consumer, be revised within one month of the second occurrence, to the level of 112 KW and all relevant charges applicable to the additional load shall be included in the next bill; if, however, the recorded demand has exceeded 112 KW for the third or more number of times, it is open to the consumer to opt for HT service.

In the above TNERC clearly specifies that whenever, the recorded demand, excess the sanctioned demand for second and subsequent time the existing load sanction shall be revised with one month of the 2nd occurrence to the level of record demand and all the relevant charge applicable to the level of record demand and all the relevant charge applicable to the additional load shall be included in the next bill. after intimation the consumer.

TARIFF:

Regarding the determination of tariff for low tension category 3A2 reads as follows:

- i) *The connected load shall not exceed 10 HP under this category.*
- ii) *The tariff is applicable to power looms. Braided cords manufacturing and related ancillary tiny industries engaged in warping twisting and winding*

Regarding the determination of tariff for low tension category 3A1 reads as follows:.

- i) *The connected load for supply under this tariff category shall not exceed 10 HP.*
- ii) *This tariff is applicable to Cottage and tiny industries, Micro enterprises engaged in the manufacture or production of goods pertaining to any industries specified in the first schedule to Industries (Development and Regulations) Act 1951 (Central Act 65 of 1951).*
- iii) *The intending consumers applying for service connection under LT Tariff III A (1) claiming to have established the micro enterprise engaged in the manufacture or production of goods shall produce the cottage industries certificates from the industrial department/acknowledgement issued by the District Industries Centre under the Micro Small and Medium Enterprises development Act, 2006 (Act 27 of 2006) as proof for having filed entrepreneurs Memorandum for setting up of Micro Enterprises for manufacture or production of goods with District Industries centre under whose jurisdiction the Enterprise is located.*
- iv) *The existing consumers who are classified under LT Tariff III A (1) based on the SSI /Tiny Industries certificate may be continued to be charged under the same tariff.*
- v) *This tariff is applicable to Small Gem cutting units, Waste land development, laundry works and common effluent treatment plants.*
- vi) *This tariff is also applicable to coffee grinding, Ice factory, Vehicle body building units, saw mills, rice mills, flour Mills, battery charging units and Dairy units.*
- vii) *This tariff is also applicable for sericulture, floriculture, horticulture, mushroom cultivation, cattle farming, poultry & bird farming and fish/prawn culture*
- viii) *This tariff is also applicable for pumping of water / supply of water for the purpose of "agriculture and allied activities" as specified in LT Tariff IV provided that the applicant is unable to get supply under LT tariff IV as per*

the seniority maintained specifically for the purpose of providing supply to Agriculture under LT tariff IV. Such LT Tariff III-A(1) consumer is eligible to apply for LT Tariff IV. As and when such applicant becomes eligible to get regular supply under LT Tariff IV as per the specific seniority maintained for that purpose by the licensee, the supply obtained under LT Tariff III-A(1) for the specific purpose mentioned in this sub clause shall be converted into LT tariff IV. Thereafter, the terms and conditions of LT Tariff IV only will apply.

In the view of the above findings, the petition is disposed.”

4. Arguments in the appeal petition filed by the Appellant :

4.1 We are the manufactures of Mosquito net fabrics for mosquito net using HDPE mono filament yarns from 2008.

4.2 On 25.8.2014, Musiri Town Revenue Supervisor Mr. Paramasivam came to our premise for check reading, written that the meter in the service connection is SLUGGISH in the White Meter Card. At once we forward a letter on 27.8.2014 along with original meter card for rectification.

4.3 We had not received any reply and original white meter card so far, which is submitted with our letter dt.27.8.2014. The distribution standard told that the licensee should acknowledge the letter and should reply within 10 days and settle the matter even before the next billing.

4.4 As the licensee did not able to answer our queries they simply fabricated the MD and keep quiet until the next demand. Even in their letter dt.7.2.2017 they did not mention about the MD. As the matters are going against them, they took this MD matter in EE letter No.83/17, dt.24.5.2017 in the voice of AEE.

4.5 On 22.11.2016, the same Revenue supervisor came along with the JE, town Musiri for inspection and issued a notice No.16 dt.7.2.2017 that we have wrongly utilized this IIIA2 service for manufacturing of mosquito nets nearly 60 days later to our reply.

4.6 In our reply we clearly submitted that as per reply to our query No.135 dt.26.7.2008 TNERC (guidance) replied that there is no restriction in the type of fabric, accordingly tariff IIIA2 provided to us.

4.7 But these Learned Licensee Mr.Kariyan, JE, Town, Musiri did not accept TNERC Guideline and issued another letter No.49/17 dt.25.03.2017.

4.8 On the receipt of above letter from the licensee, an elaborate reply was sent within 3 days i.e. on 28.03.2017 along with our (MSME) permanent certificate copy and a copy of Loksabha debate, which narrates HDPE mono filament knitted fabrics are produced (manufactured) through power looms. Further we asked the Licensee to send suitable form which they had in receipt from other Power loom industry consumers who already got power under Tariff IIIA2.

4.9 Letter No.83/17 dt.24.05.2017 of the Licensee EE, Musiri did not reveal the facts and caused too much delay in getting the Justice. Every letter from the licensee varies from their first stand. So we decided to put this matter in the Hon'ble Forum.

5. Arguments in the Counter affidavit filed by the Respondent :

5.1 The Appellant has obtained the Electric Service connection No. 292- 016-395 on 28.01.2008 under the tariff IIIA1. Then the Appellant has changed the tariff IIIA1 to IIIA2 on 19.07.2008 for the manufacturing of mosquito net fabrics for mosquito net using HDPE Mono filament yarns from 2008.

5.2 The service was inspected by the revenue supervisor Mr.S.Paramasivam on 25.08.2014, and found the meter was SLUGGISH. And this was recorded in the white meter card. The Appellant was sent letter without the white meter card to JE/Musiri to remove the word "SLUGGISH" on the white meter card. Then the above said sluggish meter was replaced by static Electronic meter with MD on 06.09.2014. The Appellant never objected the replacement of meter.

5.3 After the new meter fixed, the assessment made on 22.09.2014 and M.D. Recorded as 4.84 KW and in-the month of November 2014 the maximum demand was recorded as 9.38 KW. But the Sanctioned load is 7.36 KW only. The Appellant exceeds the limits of the usage. Hence a demand notice was issued on 17.04.2015 to the Appellant and the acknowledgement was received on 11.05.2015. Then according to the 'usage of maximum demand, the demand was regularized on 16.05.2015 under tariff IIIA2.

5.4 After the above said instants, the AO Revenue Intelligent Squad (AO/RIS) metro Trichy was inspected the above service premises on 22.11.2016 along with JE/O&M/Town Musiri. During the inspection, there were no power loom machineries in the premises and energy utilized for mosquito net fabrics and stretching. It is found that the consumer was using the power for manufacturing the mosquito net fabrics which is under tariff IIIA1 only. Therefore, the AO/Revenue Intelligent Squad (AO/RIS), calculated the consumed usages and arrived Rs.1,17,172/- as short fall amount and demand notice was issued to the Appellant on 07.02.2017.

5.5 The respondent has requested to submit an order to consume 750 electric units as free from appropriate department by sending a letter on 25.03.2017. On 28.03.2017, Appellant has issued a reply without the required details. After that, Executive Engineer O&M Musiri, has issued a demand notice and tariff change application on 25.04.2017. The same was received by the Appellant on 01.06.2017.

5.6 On 24.05.2017, the Executive Engineer has issued a notice demanding Rs.1,81,448/-(Rupees one laksh eighty one thousand four hundred and forty eight only) inclusive of the periods (from Sep. 2008 to Nov. 2014 under IIIA1 Tariff and after that the usage exceeds the limit of more than 10 HP Nov. 2014 to 24.05.2017 under Tariff IIIB). Hence, It is prayed that this Hon'ble Ombudsman may be pleased to dismiss the prayer of the Appellant and pass order to pay the demand and render justice.

6.0 Written arguments of the Appellant :

6.1 In the CGRF, I had submitted the following for the consideration. But this also not considered by the Chairperson.

6.2 The Executive Engineer's notice dt.24.05.2017 simply told that AEE had inspected our factory, but it did not speak in which date and time and with whom he came to inspect our factory. Why AEE 's inspection report is not attached with his notice? There is a procedure as per TNERC Guidance, that a letter should be communicated well before 24 hours. Why such procedure is not adopted in this inspection.

6.3 Further in the notice, the confirmation of Assistant Executive Engineer verdict "III AI என்பது Small & tiny industries (below 10 HP) க்குத்தான் பொருந்தும். மேலும், இச்சான்றிதழில் தாங்கள் கொசுவலை உற்பத்தி என்று கூறித்தான் பெற்றுள்ளீர்கள். (Manufacturing) சிறுதொழில் உற்பத்தி 10 HP க்கு கீழ் என்பது வீதப்பட்டி IIIA 1 க்குத்தான் பொருந்துமே தவிர IIIA2வுக்கு அல்ல (power loom) . . . தங்களின் மின்பளு 9.38 KW என கூறியுள்ளார். அதாவது தாங்கள் 10 HPக்கு மேல் உள்ளதால் அந்த பயன்பாட்டிற்கான வீதப்பட்டி IIIB ஆகும். . . . அது தவிர தங்களது உற்பத்தி செய்யும் வளாகத்தில் மேலும், 2 மின் இணைப்புகள், மின் இணைப்பு எண். 292-016-276 IIIA1 மற்றும் மின்இணைப்பு எண்.292-016-411 IIIB LTCT ஆகியவை கொசுவலை உற்பத்தி செய்து வருவது உதவி செயற்பொறியாளர்/இ.கா/முசிரி அவர்களின் ஆய்வில் கண்டறியப்பட்டுள்ளது. (same premises for same purpose).

6.4 The above statement of AEE, Musiri proves that he had not visited the premises. Because the service connections 292-016-395, 292-016-276 and 292-016-411 are in separate individual buildings, having separate door numbers and these service connections were got by separate persons in various years. Hence, the said AEE's statement as in EE letter is absolutely false.

6.5 The AEE's statement that "(Manufacturing) சிறு தொழில் உற்பத்தி 10 HP க்கு கீழ் என்பது வீதப்பட்டி IIIA1 என்பது Small & Tiny industries (Below 10 HP)

க்குத் தான் பொருந்துமே தவிர IIIA2வுக்கு அல்ல. தங்களது அலகு ancillary Unit அல்ல எனவும் SSI certificate ல் தெளிவாக உள்ளது” is reveals that the tariff IIIA2 applicable only for ancillary units, But the licensee fails to indicate how much power allowable to get tariff IIIA2 for what type of units. But the EE’s letter further reveals that power Loom and only ancillary units doing warping only come under the tariff IIIA2 is absolutely wrong if AEE’s verdict is true and correct. The tariff order communicated in EE's letter clearly describes Power Loom is eligible for IIIA2 and also Ancillary units which are not in manufacture are also come under Power loom tariff IIIA2.

6.6 The Licensee's reply narrates that the consumer exceeds the permitted demand of 7.36 KW on 11/2014 - 9.38 KW and 01/2015 - 7.4 KW. I do not know in what manner the Licensee come to conclusion that consumption of 7.4 KW is exceeded the demand.

6.7 Regarding the said exceeded demand on 11/2014 - 9.38 KW, there is a regular practice in my industry that every day the meter reading is taken by my staff in the particular KWH, KVRH, MD AND TIME. The meter reading note maintained by me did not show the maximum demand as per the Licensee's Chart for the month 11/2014. At the same time the remaining months MD are same and coincides with Licensee's Chart. This is established that the MD in the month of 11/2014 and the following month is fabricated by the Licensee.

7. **Hearing held by the Electricity Ombudsman:**

7.1 To enable the Appellant and the Respondents to put forth their arguments in person, a hearing was conducted on 09.08.2018.

7.2 Thiru. P. Nagamuthu, has attended the hearing on behalf of the Appellant and putforth his arguments.

7.3 Thiru. P. Anandkumar, EE/O&M/Musiri(i/c) & Thiru. K. Kariyan, JE/Town/Musiri have attended the hearing and putforth their arguments.

8.0 **Arguments putforth by the appellant on the hearing date:**

8.1 The appellant has reiterated his arguments furnished in the appeal petition.

8.2 Appellant has argued that they are using power looms for manufacturing Mosquito net fabrics using HDPE mono filament yarns from the year 2008. The respondent after satisfying themselves have given power supply under Tariff IIIA2.

8.3 Further the Appellant stated that their request to remove the word SLUGGISH in the White Meter Card a letter was communicated on 27.8.2014 along with original meter card for rectification. Since no reply was received another reminder was also sent on 29.05.2015. But the respondent replied only on 12.07.2017. As per the distribution standard the licensee should acknowledge the letter and should reply within 10 days and hence demanded compensation as DSOP Regulations.

8.4 Further the argument of the respondent that the Appellant have wrongly utilized this IIIA2 service for manufacturing of mosquito nets is wrong even after the clarification from TNERC that there is no restriction in the type of fabric. Further the Appellant are manufacturing only mosquito net fabrics using power looms and not mosquito nets.

8.5 The Appellant have exceeded the permitted demand in two occasions i.e. 11/2014 – 9.38 KW and 01/2015 – 7.4 KW and revised load as 9.38 KW during 5/2015. Because of this the respondent have served notice of demand for Rs.181448/- categorizing our unit under Tariff-IIIB with effect from 11/2014. Further it is not known how the respondent came to conclusion that consumption of 7.4 KW exceeded the demand and hence requested to cancel all the demand.

9.0 Arguments putforth by the Respondent on the hearing date:

9.1 The Executive Engineer/Musiri, the respondent herein has reiterated the contention furnished in the counter affidavit.

9.2 The respondent has stated that the AO/RIS/Metro Trichy has inspected the appellant's premises on 22.11.2016 along with JE/O&M/Town Musiri. During the inspection, it was found that there were no power loom machineries in the premises and energy is utilized for stretching of mosquito net fabrics which is under tariff IIIA1. Therefore, the AO/Revenue Intelligent Squad (AO/RIS), calculated the difference in tariff and arrived Rs.1,17,172/- as short fall amount and hence demand notice was issued to the Appellant. Further the appellant was requested to submit an order to consume 750 electric units as free from appropriate department, type of machineries, name of the machine operator and total number of labours engaged for operations. But, the Appellant has not submitted the required details.

9.3 Further in the month of November 2014 the maximum demand was recorded was 9.38 KW whereas the sanctioned load is 7.36 KW only. Therefore a revised notice demanding Rs.1,81,448/-(Rupees one lakh eighty one thousand four hundred and forty eight only) was served to the appellant i.e. from Sep 2008 to Nov. 2014 under IIIA-I Tariff and after that Nov. 2014 to 24.05.2017 under Tariff IIIB. The respondent requested to dismiss the prayer of the Appellant.

10. Findings of the Electricity Ombudsman :

10.1 I have heard the arguments of both the appellant and the respondent. In this connection, the following are the issues to be decided.

- i) Whether the contention of the respondent that the appellant industry should be classified under Tariff IIIA1 upto Nov'2014 and Tariff IIIB from Nov'2014 is acceptable.
- ii) Whether the appellant is entitled for compensation under DSOP regulations?

11. Findings on the first issue:

11.1 The Appellant stated that they are using power looms for manufacturing Mosquito net fabrics using HDPE mono filament yarns. The respondent have given power supply under Tariff IIIA2.

11.2 The Respondent stated that the appellant SC No.395 was charged under IIIA1 from the date of service connection effected on 28.01.2008 later the tariff was changed to IIIA2 on 19.07.2008.

11.3 The respondent has stated that there were no power loom machineries in the appellant's premises and energy utilized for mosquito net fabrics and stretching. Further the consumer was using the power for manufacturing the mosquito net fabrics which is under tariff IIIA1 only.

11.4 The appellant has stated that they are manufacturing only mosquito net fabrics using power looms and got clarification from TNERC that there is no restriction in the type of fabric.

11.5 In order to clarify the categorization of appellant's industry, I would like to refer TNERC's tariff order right from 2008 in respect of LT tariff IIIA2 which are extracted below:

"T.P.No.1 of 2002 – with effect from 15.03.2003.

8.0 Low Tension Tariff III-A (2)

*Tariff table - *****

i.) This tariff is applicable to power looms and related ancillary tiny industries engaged in warping, twisting and winding.

ii.) The connected load shall not exceed 10 HP under this category.

iii.) All consumers under this Category, having motor loads of 3 HP and more shall install adequate power factor improvement capacitors (ISI marked). Non-compliance shall invite compensation charges as per TNEB's terms and conditions.

iv.) The ancillary industries of Power Looms which are engaged in warping, Twisting & winding, are brought under Tariff III(A)-2

Order No.3 of 2010 – with effect from 01.08.2010

9.11.18 LOW TENSION TARIFF III-A (2) :

Tariff Table - ***

(1) The tariff is applicable to power looms, Braided Cords Manufacturers, related ancillary tiny industries engaged in warping, twisting, and winding.

(2) The connected load shall not exceed 10 HP under this category.

(3) All consumers under this category shall have ISI marked motor and motor loads of 3 HP and more shall install adequate power factor improvement capacitors (ISI marked). Non-compliance shall invite compensation charges as per Tamil Nadu Electricity Regulatory Commission regulations.

Order No.1 of 2012 – with effect from 01.04.2012

10.18 Low Tension Tariff III-A (2):

Tariff Table - ***

10.18.1 The connected load shall not exceed 10 HP under this category.

10.18.2 The tariff is applicable to Power looms, Braided Cords Manufacturers, related ancillary tiny industries engaged in warping, twisting, and winding.

T.P. No.1 of 2013 – with effect from 21.06.2013

6.18 Low Tension Tariff III-A (2):

Tariff Table - ***

i. The connected load shall not exceed 10 HP under this category.

ii. The tariff is applicable to Power looms, Braided Cords Manufacturing and related ancillary tiny industries engaged in warping, twisting, and winding.

SMT Order No.9 of 2014 – with effect from 12.12.2014

6.18 Low Tension Tariff III-A (2):

Tariff Table - ***

i. The connected load shall not exceed 10 HP under this category.

ii. The tariff is applicable to Power looms, Braided Cords Manufacturing and related ancillary tiny industries engaged in warping, twisting, and winding.

T.P. No.1 of 2017 – with effect from 11.08.2017

6.2.10 Low Tension Tariff III-A (2):

Tariff Table - ***

6.2.10.1 The contracted load shall not exceed 12 kW under this category.

6.2.10.2 The tariff is applicable to Power looms, Braided Cords Manufacturing and related ancillary tiny industries engaged in warping, twisting, and winding.”

11.6 On a conjoint reading of above, it is to be noted that Tariff IIIA2 is applicable to Power looms, Braided Cords Manufacturing and related ancillary tiny industries engaged in warping, twisting, and winding. Further the connected load shall not exceed 10 HP (7.46 KW) upto 10.08.2017 and from 11.08.2017 the connected load shall not exceed 12 KW.

11.7 As the respondent has stated that there were no power loom machineries in the appellant's premises and energy utilized for mosquito net fabrics and stretching, it was instructed during hearing to conduct joint inspection in the presence of appellant.

11.8 As per the instruction, the EE/O&M/Musiri(i/c), AEE/O&M/Musiri and JE/Musiri Town along with MRT team have conducted inspection at the appellant's premises in the presence of the appellant and submitted inspection report along with MRT downloaded data. The report is extracted below ;

“ஆய்வு அறிக்கை

இன்று 10.08.2018 அன்று மாலை 4.30 மணியளவில் முசிறி கோட்டம், நகரம்/முசிறி பிரிவு மின் இணைப்பு எண்.292-016-395 வீதப்பட்டி III-2 செயற்பொறியாளர், இ.கா/முசிறி, உதவி செயற்பொறியாளர்/இ.கா/முசிறி, இளமின் பொறியாளர்/இ.கா/நகரம் முசிறி மற்றும் உதவி செயற்பொறியாளர்/MRT/மெட்ரோ/திருச்சி, இளமின் பொறியாளர்/MRT/திருச்சி அவர்களால் மின்இணைப்பு உரிமையாளர் திரு. ஸ்ரீகாந்த் அவர்கள் முன்னிலையில் ஆய்வு செய்யப்பட்டது. ஆய்வின் பொழுது மின் இணைப்பில் இணைக்கப்பட்டுள்ள மின் மோட்டார்கள் விபரம் கீழ்க்கண்டவாறு எடுக்கப்பட்டுள்ளது.

1. *Process I* : *Knitting of HDPE into net*
- Machine-I* : *Motor make : Stark, 3 phase, 0.15 KW
SI. No.120945, RPM 1330*
- Machine-II* : *Motor Make : Stark, 3 phase, 0.15 KW
SI.No.120947 RPM 1330*
- Process II* : *Quality checking of net*
- Machine-I* : *Motor make : Stark, 3 phase, 0.25 KW
SI.No.74298 RPM 1370*
- Process III* : *Stretching process*
- Machine-I* : *Motor make : Stark, 3phase 1.5 KW
SI.No.311535 RPM 1410*
- Blower motor make* : *Stark, 3 phase 0.37 KW , SI.No.180312, RPM 2750*
- Machine- II* : *Motor make : Stark, 3 phase 1.5 KW
SI. No. தெரியவில்லை, RPM 1410*
- Blower motor make* : *Stark, 3 phase 0.37 KW ,
SI. No. தெரியவில்லை, RPM 2750*
- Machine-III* : *Motor make : Stark, 3phase 1.5 KW
SI. No. தெரியவில்லை, RPM 1410*
- Blower motor make* : *Stark, 3 phase 0.37 KW ,
SI. No. தெரியவில்லை, RPM 2750*
- மொத்தம் 9 Nos Motor மின் பளு 6.16KW மற்றும் 10Nos Tube light 0.4KW இணைக்கப்பட்டுள்ளது.”*

11.9 On a careful reading of the above report, it is to be noted that the appellant industry is having two machines exclusive for knitting HDPE to net as process –I and quality checking, fabric stretching etc as further processes. Further the total connected load in the service connection is only 6.56 KW including lighting load.

11.10 As the tariff IIIA2 is eligible for Government subsidy for the Powerlooms, I would like to refer the Government directives issued in this regard. The related Government letters are extracted below:

(1) “Energy Department Letter No.23/2006 dt.1.3.2006 addressed to TNERC.

Sub : Electricity – Tariff Concession to powerloom – issue of directive – Reg

Ref : Govt. Letter No.910/C3/2006-1 dated 6.2.06 addressed to
Chairman, TNEB with a copy marked to Chairman, TNERC
2. From the Chairman, TNEB, Lr.No.X/CFC/DIV/T.Cell/Subsidy/
Powerlooms D.41/06/ dated 3.2.06.

I am directed to state that the Government have decided to extend tariff concession to powerlooms with effect from 1.2.2006 as detailed below :

Units	Tariff rate per unit
Upto 1000 Units bi-monthly	Rs.1.00
1001 to 1500 units bi-monthly	Rs.2.25
1501 and above units bi-monthly	Rs.2.50

Implementation of the above announcement will entail a shortfall in revenue to the Tamil Nadu Electricity Board to the extent of Rs.30.73 Crores per annum.

2.The Government of Tamil Nadu accordingly issue the policy directive to the Tamil Nadu Electricity Regulatory Commission, under section 108(i) of the Electricity Act, 2003, for the extension of tariff concession to powerlooms under L.T. Tariff IIIA(2) as detailed below :

Units	Tariff rate per unit
Upto 1000 Units bi-monthly	Rs.1.00
1001 to 1500 units bi-monthly	Rs.2.25
1501 and above units bi-monthly	Rs.2.50

3. The Government issue the above directive in the public interest of the state of Tamil Nadu.

4. The Government of Tamil Nadu will provide the subsidy amount direct to the Tamil Nadu Electricity Board in half yearly basis in advance as per the section 65 of the Indian Electricity Act, 2003. The first half year subsidy amount of Rs.15.36 crores for the period from 1.2.2006 to 31.7.2006 will be released immediately.

5. The Chairman, Tamil Nadu Electricity Regulatory Commission is requested to take necessary follow up action, accordingly.

6. This letter issues with the concurrences of Finance Department vide its U.O.No.728/FS/P/06 dated 7-2-2006.

Sd/xxx xxx x
for Special Commissioner and
Secretary to Government. ”

(2) "Energy Department Letter (MS) No.90, dt.06.09.2006 addressed to TNERC and Chairman/TNEB.

Sub : Electricity – Extension of free supply to Handloom Weavers and Power Loom consumers – Provision of Tariff subsidy for the year 2006-07 – issue of commitment letter to Tamil Nadu Electricity Regulatory Commission - Regarding.

Ref : From the Chairman, Tamil nadu Electricity Regulatory Commission, Letter No.CFC/GI/Dir/Tf.Cell/AEE/F.Subsidy-1/D.286/2006, dt.31.7.2006

In the circumstances stated in the reference cited, I am directed to convey the concurrence of the Government under section 108(1) of the Electricity Act, 2003 to continue the policy directive for free supply of Electricity to Hand Loom Weavers and Power Loom consumers for the year 2006-07.

2. I am also to inform that the Government of Tamil nadu will provide the following subsidy direct to the Tamil nadu Board in advance as per section 65 of the Electricity Act 2003 in order to continue the policy directive.

i) Rs.16.8 Crores for a full year towards subsidy for extending free supply up to 100 units bi-monthly to Hand Loom Weavers.

and

ii) Rs.23.46 Crores for a full year towards subsidy for extending free supply upto 500 units bi-monthly to Power Loom Consumers.

3. This letter issues with the concurrence of Finance Department vide its U.O.No.3150/FS/P/2006, dt.10.8.2006.

Yours faithfully,

Sd/xx xx xxxx

For Principal Secretary to Government"

(3) " Director of Handlooms & Textiles Letter RC No.20739/2006/K2 dt.9/2006 addressed to the Chairman, TNEB.

Sub : Free power supply to the Handloom Weavers and Powerloom weavers – instruction issued to the Circle Deputy Director of Handlooms and Textiles/Assistant Director of Handlooms and Textiles - copy sent – Regarding.

*Ref : 1. Budget Speech for the year 2006-07.
2. Tamil nadu Electricity Regulatory Commission, Chennai 18 letter dated 12/09/2006 addressed to you.*

In the Budget Speech for the year 2006-07, the announcement of free power supply upto 100 units (bi-monthly) to handloom Weavers who are having their own work sheds and engaged in weaving activity and free power supply upto 500 units (bi-monthly) to the Powerloom Weavers who run their own powerlooms was made. In this connection, the Tamil Nadu Electricity Regulatory Commission vide their order no.1-90, dated 8.9.2006, has stated that the scheme would be implemented with effect from 1.8.2006. To implement the above scheme, a detailed circular has been issued to the Circle Deputy Director of Handlooms and Textiles/Assistant Director of Handlooms and Textiles for necessary action (copy enclosed). Further, the Circle Deputy Director of Handlooms and Textiles / Assistant Director of handlooms and Textiles will render necessary assistance to your unit offices to identify the beneficiaries without any hurdles.

Encl: As above

Sd/xx xxxxx
For Director ”

**_*_

(4) “Handlooms, Textiles and Khadi department Letter (MS) NO.115, dt.06.06.16 addressed to the Chairman, TNERC

Sub : Handlooms and Powerlooms – Enhancement in ceiling for the supply of free electricity to handloom and powerloom weavers – order issued - Commitment letter for providing tariff subsidy-Regarding.

Ref : 1. Government order (Ms) No.102, Handlooms, Handicrafts Textiles and Khadi (D2) Department, dated 23.05.2016
2. From the Director/Finance, TANGEDCO, Letter No.CFC/Reg. Cell/FC/DFC/F.Subsidy (2016-17)/D.164/16 dated 26.05.2016.

The Hon’ble Chief Minister has announced inter alia in the Election Manifesto for Tamil Nadu Legislative Assembly 2016, as follows :

- ❖ கைத்தறி நெசவாளர்களுக்கு தற்போது கட்டணமில்லாமல் வழங்கப்படும் மின்சாரம் 200 யூனிட்களாக உயர்த்தப்படும்
- ❖ விசைத்தறிக்கு வழங்கப்படும் கட்டணமில்லா மின்சாரம் 750 யூனிட்களாக உயர்த்தப்படும்.

2. To implement the above announcement in the reference first cited, the Government ordered as follows:

i) In respect of handloom weavers in Domestic Category, Government shall bear electricity charges including fixed charges from 0 to 100 units per month (or) 0 to 200 units bi-monthly.

ii) In respect of Powerloom Weavers, Government bear electricity charges including fixed charges 0 to 375 units per month (or) 0 to 750 units bi-monthly.

Yours faithfully,
Sd/xx xx xxxx
for Principal Secretary to Government”

(5) சரக துணை இயக்குநர்/உதவி இயக்குநர்களின் தனிப்பட்ட கவனத்திற்கு

ந.க.20739/2006/கே.2

சென்னை-108.

கைத்தறி மற்றும் துணிநூல்
இயக்குநர் அலுவலகம்,
குறளகம் 2-ம் தளம்,
நாள் 18.9.2008.

சுற்றறிக்கை

பொருள் : நிதிநிலை அறிக்கை 2006-07 – கைத்தறி நெசவாளர்கள் மற்றும் விசைத்தறி நெசவாளர்களுக்கு இலவச மின்சாரம் வழங்குதல் – அறிவுரைகள் – தொடர்பாக

பார்வை : 1. 2006-07-ம் ஆண்டின் நிதிநிலை அறிக்கை.
2. இவ்வலுவலக கடிதம் எண். ந.க.20739/2006/கே.2
நாள். 13.9.2006

2006-07-ம் ஆண்டின் நிதிநிலை அறிக்கையில், தமிழக அரசு, ஏழை விவசாயிகளுக்கு வழங்கப்பட்டதனை போன்று, நெசவாளர்களுக்கும் இலவச மின்சாரம் வழங்கப்படும் என அறிவிப்பு செய்துள்ளது. அதன் அடிப்படையில் கைத்தறி நெசவாளர்கள் சொந்தமாகத் தறிக்கூடம் வைத்திருந்து தாமே நெசவுத் தொழிலில் ஈடுபட்டு வருவார்களேயானால் அவர்களுக்கு இரு மாதங்களுக்கு 100 யூனிட்கள் வரை மின்சாரமும், அதே போன்று விசைத்தறி நெசவாளர்கள் சொந்தமாக தறிக்கூடம் அமைத்து தாமே விசைத்தறி இயக்குபவர்களாக இருந்தால் அவர்களுக்கு இரு மாதங்களுக்கு 500 யூனிட்கள் வரை இலவச மின்சாரம் வழங்கப்படும் என அரசு அறிவிப்பு செய்துள்ளது.

2. மேற்படி திட்டத்திற்கு, தமிழ்நாடு மின்சார வாரியம் இசைவு தெரிவித்து ஆணை பிறப்பித்துள்ளது. தமிழ்நாடு மின்சார வாரியத்தின் ஆணையின் நகல் ஏற்கனவே சரக துணை/உதவி இயக்குநர்களுக்கு அனுப்பப்பட்டு விட்டது. தமிழ்நாடு மின்சார ஒழுங்குமுறை ஆணையம், கைத்தறி/விசைத்தறி நெசவாளர்களுக்கு 1.8.2006 முதல் இலவசமாக மின்சாரம் வழங்கப்படும் என தனது கடிதம் நாள் 12.9.2006-ல் தெரிவித்துள்ளார்கள். எனவே, இலவச மின்சாரம் வழங்கும் திட்டத்தில் கைத்தறி நெசவாளர்கள்/விசைத்தறி நெசவாளர்கள் சேர்ந்து பயன் பெற உரிய நடவடிக்கையினை மேற்கொள்ள சரக துணை இயக்குநர்/உதவி இயக்குநர்கள் பணிக்கப்படுகிறார்கள்.

3. விசைத்தறி நெசவாளர்கள்

அரசால் அறிவிக்கப்பட்டுள்ள, விசைத்தறி நெசவாளர்களுக்கு இரு மாதங்களுக்கு ஒருமுறை 500 யூனிட்கள் வரை இலவச மின்சாரம் வழங்கும் திட்டம், தமிழ்நாடு மின்சார வாரியத்தின் குறைந்த அழுத்த அட்டவணை எண்.3A(2)-ன் கீழ் 10 குதிரைத்திறனுக்கு (10 HP) உட்பட்டு பயன்படுத்துவோர் அட்டவணையின் கீழ் பதிவு செய்யப்பட்டுள்ள விசைத்தறியாளர்களுக்கு பொருந்தும். எனவே, இவர்கள் மின்சார வாரியத்திற்கு தனியே விண்ணப்பிக்க வேண்டிய அவசியம் இல்லை.

XXX XXX XXXX XXXX XXX

*Sd/xx xxxxx
For Director ”*

11.11 On perusal of the above letters and Govt. directive it is clear that the Intention of the Govt. is to extend electricity subsidy to Handlooms and Powerlooms. Here, it is to be noted that loom is a machine that is used for making i.e. weaving cloth. Clearly the power subsidy is available only to the Handlooms and Powerlooms which manufactures cloth.

11.12 Further from the tariff orders it is clear that the Tariff IIIA2 is applicable only to the Power looms and related ancillary tiny industries engaged in warping, twisting and winding industry. Further, the process of warping, twisting and winding are also eligible for the subsidy only when it is related to powerloom activity and associated with manufacturing of textile cloth.

11.13 Further from the Handlooms, Textiles and Khadi department circular letter dated 18.09.2006, it is further instructed that those powerloom weavers who are owning and doing weaving operation by themselves alone will be provided tariff subsidy of 500 units (bi-monthly) which is now revised as 750 units(bi-monthly). It is important to note that the intension of the government is that, the tariff subsidy should not be misused for extending the benefit for multiple units or utilizing for any other processing other than weaving of cloth. Here in the case of appellant, the processes involved are knitting of HDPE into net, quality checking and stretching. The subsidy is not available for the manufacture of mosquito net fabrics even if they are made through powerloom.

11.14 In view of the above, I am of the opinion that the Appellant industry is to be classified under tariff IIIA1 only. Therefore, the respondent are directed to issue fresh demand notice to claim shortfall amount duly categorizing the appellant's industry under Tariff III A1 from the date of service connection to till date.

11.15 Further on 24.05.2017, the respondent has issued fresh demand for an amount of Rs.1,81,448/- duly categorizing the appellant's industry under tariff IIIB since the appellant exceeded the sanctioned demand of 10 HP. On perusal of consumer ledger submitted by the respondent it is found that the appellant has exceeded the sanctioned demand during 11/2014 – 9.38 KW and 1/2015 - 7.4 KW and therefore the sanctioned demand was revised during 5/2015 as 9.38 KW and related charges were collected. Thereafter, the appellant is paying demand charges for 9.38KW.

11.16 In the same consumer ledger it is also found that JE/O&M/Town/Musiri has inspected the service on 24.11.2016 and remarked as follows:

“SURPRISE INSPECTION – METER CONDITION; NORMAL-INSPECTED BY JE/O&M/TOWN/MUSIRI ON 24.11.2016 AND FOUND THAT THE METER IS NORMAL WORKING CONDITION, CUMULATIVE MD RECORD AS 69.928KW, RESET COUNT 14 (NOVEMBER 2014 ASSESMENT MD 9.38 KW RECORD AS WRONGLY, MOSQUITO NET FABRIC STRETCHING PROCESS) –Motive load :HP – Capacitor available: KVAR”

It may be noted from the above, the respondent JE himself has admitted that the MD recorded during November'2014 is wrong. Therefore the argument of the appellant that the respondent has wrongly entered the MD during Nov'2014 and 01/2015 is acceptable to me. Therefore demand issued by the respondent for an amount of Rs.1,81,448/- towards difference in tariff (IIIA1 to IIIB) is set aside.

12. Findings on the appellant's second prayer:

12.1 The appellant has requested to award compensation for the non-compliance of standard specified in the TN Electricity Distribution Standards of performance regulations for not responding to consumer's complaint within the stipulated period as requested in the CGRF petition.

12.2 The appellant has sent a letter dated 27.08.2014 addressed to the JE/Town/Musiri with a copy to AEE/O&M/Musiri, EE/O&M/Musiri and AAO/Revenue Branch/Musiri. In the counter affidavit the respondent has stated that they have not replied since the appellant has not enclosed the white meter card to remove the word "Sluggish". Therefore it is established that the respondent have failed to reply for the appellant's letter dated 27.08.2014.

12.3 As the appellant has requested to award compensation for not responding to consumer's complaint as per regulation, I would like to refer regulation 17 and 21 of Distribution Standards of Performance Regulation which are extracted below:

" 17. Responding to Consumer's Complaint

If any consumer makes a complaint in writing to the Territorial Engineer of the concerned licensee then, the Territorial Engineer concerned shall reply to the consumer within ten days after receipt of the letter. In case the Territorial Engineer requires to visit the site or consult any other officer to give a comprehensive reply, the Territorial Engineer shall explain to the consumer as to why a substantive response cannot be sent immediately and intimate the name address and telephone number of the Officer dealing with the complaint. The Territorial Engineer shall also ensure that a substantive response is sent to the consumer within twenty days of receiving the complaint letter.

21. Compensation

The Licensee is expected to achieve the performance prescribed. If a Licensee fails to meet the standards specified for various service areas, the affected consumer is entitled for compensation by the Licensees as stipulated in the Act. The compensation payable is set out in the table below, namely:-

<i>S.No</i>	<i>Events</i>	<i>Compensation payable</i>
1	xxx xxx xxxx	xxx xxx xxxx
2	xxx xxx xxxx	xxx xxx xxxx
3	xxx xxx xxxx	xxx xxx xxxx
4	xxx xxx xxxx	xxx xxx xxxx
5	xxx xxx xxxx	xxx xxx xxxx
6	<i>Responding to consumer's complaints</i>	<i>Rs.25/- for each day of delay subject to a maximum of Rs. 250/-</i>
7	xxx xxx xxxx	xxx xxx xxxx

12.4 On a careful reading of the said regulation 17, it is noted that the concerned territorial Engineer (**Assistant Engineer of the concerned section**) has to give reply within 10 days of receipt of the petition or within 20 days if he has to inspect the site or consult other officers to give a comprehensive reply. Further as per sl. no. 6 of the table given in Regulation 21 of DSOP regulations, the licensee has to pay a compensation of Rs.25/- per day of delay subject to maximum of Rs.250/- if there is delay in responding to the consumer complaints.

12.5 On a perusal of available documents it is noted that the appellant has sent a letter dated 27.08.2014 addressed to the JE/Town/Musiri with a copy to AEE/O&M/Musiri, EE/O&M/Musiri and AAO/Revenue Branch/Musiri. But the concerned territorial Engineer (**Assistant Engineer of the concerned section**) JE/O&M/Musiri has not given any reply as per regulation. Therefore, there is an indefinite delay in responding to the appellant's letter dated 27.08.2014.

12.6 As per my findings given in para 12.5 above, I am of the considered opinion that the appellant is eligible to get compensation of Rs.250/- for not responding to his complaint letter dated 27.08.2014 which was addressed to the territorial Engineer of appellant's area of supply.

13. Conclusion :

13.1 As per my findings in para 11 above, the Appellant's SC No.292-016-395 shall be charged under tariff IIIA1 from the date of service connection to till date. Further, the demand issued by the respondent for an amount of Rs.1,81,448/- towards difference in tariff (IIIA1 to IIIB) is set aside.

13.2 As per my findings in para 12 above, the Appellant is eligible to get Rs.250/- for not responding to the complaint letter dated 27.08.2014. Therefore, the respondents are directed to pay the compensation amount within 30 days from the date of receipt of this order.

13.3 A compliance report in this regard shall be furnished within 45 days from the date of receipt of this order.

13.4 With the above findings the A.P. No.25 of 2018 is finally disposed of by the Electricity Ombudsman. No Costs.

(S. Devarajan)
Electricity Ombudsman

To

1) Thiru. P.Srikanth,
No.45/3, Bye-pass Road,
Opp to RTO Office,
Musiri -621 201,
Trichy District.

2) The Executive Engineer/O&M/Musiri,
Trichy Electricity Distribution Circle/Metro,
TANGEDCO,
110 KV SS Complex,
T.Pet Road, Musiri – 621 211.

3) The Junior Enigneer/O&M/Town/Musiri,
Trichy Electricity Distribution Circle/Metro,
TANGEDCO,
70, Bye-pass Thuraiyur Road,
Musiri – 621 211.

4) The Superintending Engineer,
Trichy Electricity Distribution Circle/Metro,
TANGEDCO,
Mannarpuram Main Road, Trichy-620 020.

5) The Chairman & Managing Director,
TANGEDCO,
NPKRR Maaligai,
144, Anna Salai, Chennai -600 002.

6) The Secretary,
Tamil Nadu Electricity Regulatory Commission,
19-A, Rukmini Lakshmiipathy Salai,
Egmore,
Chennai – 600 008.

7) The Assistant Director (Computer) – **For Hosting in the TNEO Website**
Tamil Nadu Electricity Regulatory Commission,
19-A, Rukmini Lakshmiipathy Salai,
Egmore,
Chennai – 600 008.