

**GUJARAT ELECTRICITY REGULATORY COMMISSION  
BEFORE THE ELECTRICITY OMBUDSMAN, GUJARAT STATE  
Polytechnic Compound, Barrack No.3, Ambawadi,  
Ahmedabad-380015**

**CASE NO. 91/2016**

**Appellant:** M/s. Standard Salt Works Ltd.,  
912, Alishan Awas, Diwali Baug,  
Athwa Gate, Nanpura, SURAT-395001.

**Represented by:** Shri Vinodbhai D.Pabari, General Manager  
Shri H.D.Kamath, Electrical Engineer

**V/s.**

**Respondent:** Deputy Engineer  
Dakshin Gujarat Vij Company Ltd.,  
Rural Sub-Division Office, RANDEK.  
Dist. SURAT.

**Represented by:** Shri D.N.Chauhan, DE, DGVCL, Rander(R) S/d.  
Shri N.J.Raval, Dy.SA, DGVCL, Rander(R) S/d.

**:::PROCEEDINGS:::**

- 1.0.** The Appellant had submitted representation aggrieving with the order No. 8172 dated 09.06.2016 passed by the Consumer Grievances Redressal Forum, Dakshin Gujarat Vij Company Limited, Surat, in case No.39/2016-17. The representation was registered at this office as Case No.91/2016. The hearing of this case was kept on 21.07.2016.
- 2.0.** Appellant has represented the case as under.
  - 2.1.** Appellant is having a Salt Industry and he is timely intimating for the “off season period” to the Respondent. It is stated that he is not having any benefit of minimum charges on annual basis.
  - 2.2.** Appellant has opted for seasonal tariff under LTMD tariff category to get the benefit of Clause No. 5.6.2 of GERC tariff order. Appellant has applied before Respondent’s Rander sub-division for the off season period.

2.3. Appellant has referred Clause No. 5.6.2 and stated that at the time of opting seasonal benefit by intimating Respondent, the consumer can consume zero or minimum energy for repairing of machines and its consumption should not be more than 10% of normal consumption for minimum period of three calendar months. As per tariff no maximum limit of months is mentioned.

2.4. Aggrieved by CGRF order, Appellant has filed appeal before Ombudsman to reconsider the first sentence of Clause No. 5.6.2 of tariff order, which is as under:

“Any consumer who desires to be billed for the minimum charges on annual basis”.

It implies clearly that particular consumer who desires to be billed for the minimum charges on annual basis (it means the consumer is to be billed for the minimum charges on annual basis and not to be charged for minimum charges on annual basis) Only by that way of charging, consumer will get whatever advantage of the Clause No. 5.6.2 in yearly bill.

It is stated that written statement and tabulation by Respondent, Respondent has recovered the normal regular monthly bill for the calendar year 2015 and that amount is more than the amount worked out as “minimum charges on annual basis”. Respondent expressed that as the collection from appellant for the year is more than the “minimum charges on annual basis” there is no point of recovery from the consumer. He also mentioned that refund to the consumer does not arise. The statement that “refund to consumer does not arise” will change if the Clause No. 5.6.2 is interpreted in a way as mentioned above. Appellant has requested to reconsider the above interpretation of Clause No. 5.6.2.

2.5. The statement of Respondent implies that he is supposed to charge to the consumer under Clause No. 5.6.2, maximum of the two.

(1) Minimum charges on annual basis.

(2) Normal bill amount for the year.

Accordingly, maximum amount is collected by Respondent and thereby Appellant is deprived of the advantage of Clause No.5.6.2. The Clause No. 5.6.2 applies for all similar type of consumers and that will be a matter which may not be useful to any consumer of the concern category.

2.6. Appellant has submitted hypothetical examples for billing under seasonal consumers.

Case No.1. **Consumer-A** is a seasonal consumer with a contracted demand of 50 KW. His average monthly consumption would be say 20000 Kwh with maximum demand of 32KW. The consumption of the consumer would be for 9 months and for 3 months consumption would be zero. As he does not desire for minimum charges on annual basis, he has not opted for off season period. His bill for nine months would be as normal bill with energy consumption of 20000 Kwh and demand charges for 85% of 50 KW i.e. 42.5 KW. Thus yearly charges would be fixed charges + energy charges i.e.  $((40 \times 85) + (2.5 \times 120)) \times 12$  + energy charges for the units consumed as per tariff order.

**Consumer-B** is a seasonal consumer with a contracted demand of 50KW. His average monthly consumption would be say 20000 Kwh with maximum demand of 32KW. But because of some problem in his system, his consumption for whole year is zero or some minimum units of 250 units per month. Maximum demand attained is almost zero for all 12 months. As he does not desire for minimum charges on annual basis, he has not opted for off season period. Thus

yearly charges would be fixed charges + energy charges i.e.  $((40 \times 85) + (2.5 \times 120)) \times 12$  + energy charges for the units consumed as per tariff order.

From the above it is observed that Consumer-B though he has not consumed hardly 250 units because of the billing demand charges he has to pay Rs. 44400/- as a fixed charges. This fixed charges worked out to be same for consumer-A who is using good amount of units for nine months and for three months consumption is zero. The energy charges are as per the rates mentioned in the tariff. Appellant is fully agreed to the billing as above because same is mentioned in tariff.

**Case No.2:** Consumer desires to be billed for the minimum charges on annual basis.

**Consumer-C** is a seasonal consumer with contracted demand of 50KW. His average monthly consumption would be say 20000 Kwh with maximum demand of 32KW. The consumption of the consumer would be for 9 months and for 3 months consumption would be zero. As he desires to be billed for minimum charges on annual basis, he applied and opted for off season period, in advance. His bill for nine months would be as normal bill with energy consumption of 20000 Kwh and demand charges for 85% of 50 KW i.e. 42.5 KW. Thus yearly charges would be fixed charges + energy charges i.e.  $((40 \times 85) + (2.5 \times 120)) \times 12$  + energy charges for the units consumed as per tariff order.

As the consumer-C desires to be billed for minimum charges on annual basis, the Clause No. 5.6.2 mentioned that the consumer to be charged as per the minimum charges on annual basis. This amount towards (fixed charges + energy

charges for the year worked out to Rs.  $2900 \times 42.5 = \text{Rs. } 1,12,350/-$ .

Respondent has compared the total charges recovered from the Appellant for the year and minimum charges on annual basis for the calendar year i.e Rs. 1,12,350/-. In present case as bill amount already collected is more in case of Appellant, no refund is granted by Respondent.

**Consumer-D** is a seasonal consumer with a contracted demand of 50KW. His average monthly consumption would be say 20000 Kwh with maximum demand of 32KW. But because of some problem in his system, his consumption for whole year is zero or some minimum units of 250 units per month. Maximum demand attained is almost zero for all 12 months. As he desires for minimum charges on annual basis, he has opted for off season period in advance. Thus yearly charges would be fixed charges + energy charges i.e.  $((40 \times 85) + (2.5 \times 120)) \times 12 + \text{energy charges for the units consumed as per tariff order i.e. Rs. } 44,400 + \text{energy charges for } 3000 \text{ units consumed as per the rates of tariff order.}$

Appellant agrees up to this.

As Consumer-D desires for minimum charges on annual basis billing will be Rs.  $2900 \times 42.5 = \text{Rs. } 1,12,350/-$ . This amount will certainly more than the amount Rs. 44400 +energy charges for 3000 units. Therefore, the minimum charges on annual basis is more than the regular bill, and as there is a short fall in the charges collected from the consumer, does the Respondent ask for recovery of the difference of the two amounts i.e. 44450 and 112350 from the Appellant?.

By comparing Consumer-B and Consumer-D, having same nature and by following Clause No. 5.6.2, consumer-D has

to pay additional amount as recovery mentioned in the above example.

It is general understanding that if any consumer wants any relief/concession in a yearly bill amount and he has to follow particular Clause of tariff. Whereas in the case, Consumer-D by informing the Respondent for off season period i.e. following the Clause, he may have to pay more than what it would be if he has not informed. This concept is pinching part for the consumer, i.e. Appellant.

- 2.7. Appellant has prayed for reconsidering the first sentence of Clause No. 5.6.2 “any consumer who desires to be billed for the minimum charges on annual basis.....” and requested not to take it as minimum of minimum charges on annual basis. He has requested to consider his prayer then only appellant would get help under this category of consumer.

**3.0.** Respondent has represented the case as under.

- 3.1. Appellant is having below mentioned 4 No. of LTMD tariff connections of various load for production of salt

Name of consumer	Consumer No.	Contracted Demand
Standard Salt Works, Lavachcha, Olpad	06359/00374/0	67.5 KW
Standard Salt Works, Dandi, Olpad	06357/00386/7	80.0 KW
Standard Salt Works, Dandi, Olpad	06357/00339/5	45.0 KW
Standard Salt Works, Dandi, Olpad	06357/00340/9	46.0 KW

Appellant has applied for seasonal tariff for billing.

- 3.2. It is stated that on review of LTMD seasonal tariff, total minimum amount under the head “Demand and Energy Charges” payable by seasonal consumer satisfying the eligibility criteria under tariff Sub-Clause No. 5.6.1 and 5.6.2.

Appellant has submitted calculation considering the above Sub-Clause criteria of tariff order for 4 No. of connections of Appellant, for financial year 2015.

Sr. No.	Consumer No.	Billing Demand	Demand and energy charges	Total minimum amount payable by consumer	Total actual Board charges	Sjhortfall amount.
1.	6359003740	110	2900	319000	1247076	Nil
2.	6357003867	68	2900	197200	1306229	Nil
3.	6357003395	58	2900	168200	1146746	Nil
4.	6357003409	39.5	2900	114550	334615	Nil

It is submitted that above mentioned calculation shows that there is no recovery from the Appellant as minimum amount chargeable under seasonal tariff is already recovered from Appellant and question of refund to Appellant does not arise as tariff emphasis on the word is Total minimum amount payable by seasonable consumer.

3.3. Against Para No. 2.6 Respondent has submitted as under:

The cases are shown and various examples are narrated by Appellant against the option of seasonal consumer. As per example of Consumer "A" and "B" fixed charges and energy charges shown leviable is correct. While as per example of Consumer "C" and "D", consumer is required to pay minimum amount of Rs.2900 x billing demand in the head of demand and energy charges.

According to the tariff schedule seasonal consumer needs to pay minimum amount of Rs. 2900/- per annum per KW towards demand and energy charges. In the case of 4 No. of connections of Appellant billed higher side hence question of recovery or refund does not arise.

- 3.4. It is submitted by Respondent that the order issued by CGRF is correct.

**:::ORDER:::**

- 4.0.** I have considered the contentions of the Appellant and the Respondent and the facts, statistics and relevant papers, which are on record, and considering them in detail, my findings are as under.

- 4.1. GERC has approved tariff for supply of electricity at Low Tension, High Tension and Extra High Tension for financial year 2015-16 with effective date of 1<sup>st</sup> April,2015.

Para No.5 : Highlights for LTMD tariff.

Sub-Clause No. 5.6 shows seasonal consumers taking LTMD supply.

- 5.6.1. *The expression, "Seasonal Consumer", shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.*
- 5.6.2 *Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing atleast one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.*
- 5.6.3. *The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub clause 5.6.1 above and complying with provisions stipulated under sub clause 5.6.2 above shall be Rs. 2970 per annum per kW of the billing demand.*
- 5.6.4. *The billing demand shall be the highest of the following:*
- (a) The highest of the actual maximum demand registered during the calendar year.*
  - (b) Eighty-five percent of the arithmetic average of contract demand during the year.*
  - (c) 15 kW.*
- 5.6.5.1. *Units consumed during the off-season period shall be charged for at the flat rate of 480 Paise per unit.*

- 4.2. As per Para 2.6, Appellant's points of arguments mentioned in Case No.1 is concerned, it is to be clear that whenever any eligible consumer opt seasonal category supply as per Clause 5.6.1, he has to observe the contents of Clause 5.6.2, 5.6.3, 5.6.4 and 5.6.5.1 for billing methodology.

"Any consumer who desires to be billed for the minimum charges on annual basis" as per Clause 5.6.2 implied that consumer has opted seasonal category supply and hence accepted billing methodology.

The example quoted vide consumer-A is having no valid contents. It is said to be a normal category consumer under "LTMD" tariff.

The example quoted vide consumer-B is also not having opted seasonal category. Hence he has not to observe the relevant conditions of seasonal category sub-clause and accordingly billing should be made.

Thus, from above there should not be any comparison made between normal category consumer depending upon their consumption and uses of electricity supply, for nine months or zero consumption for three months, as they are considered as normal category consumers. The argument narrated by Appellant is not relevant as far as seasonal category consumer billing is concern.

- 4.3. The example quoted vide Consumer-C is having correct understanding and as per guideline prescribed in the tariff Clause No. 5.6.1, 5.6.2, 5.6.3 and 5.6.4. While looking to example of Consumer-D, Appellant is agreed up to calculation charges as per tariff order. The question raised by him relate with minimum charges on annual basis billing procedure. This billing calculation procedure is as per the contents of Para 5.6.2, which is to be decided by consumer/Appellant prior to getting seasonal benefit. The argument of Appellant with comparison between Consumer-B

and Consumer-D is not having any relevance as Consumer-B is a normal category consumer while Consumer-D is having seasonal category consumer.

- 4.4. The contents of argument as stated in Para 2.5 and 2.7 are against Clause No. 5.6.2 of Tariff Order of GERC. Tariff order is framed by GERC. Any argument or objection against the contents of Clause 5.6.2 is required to be dealt by concerned competent authority who had framed a contents for mass of consumer. Hence to deal with the request of Appellant for minimum billing under seasonal category consumers, Ombudsman is not a competent authority to decide the said subject matter of grievance.
- 4.5. The calculation considering seasonal category option on annual basis is worked out by Appellant as mentioned in Para 3.2. The criteria of minimum billing under seasonal category consumers seems to be satisfied for all 4 No. of connections of Appellant. Hence in that sense Respondent might have stated that there should be no any recovery or refund arose as per annual billing made by him.
- 4.6. From above observations, prayer of Appellant does not fall under jurisdiction of this authority. Appellant will have to approach a competent authority for the same. Representation is disposed of accordingly.
- 4.7. I order accordingly.
- 4.8. No order as to costs.
- 4.9. With this order, representation/Application stands disposed of.

(Dilip Raval)  
Electricity Ombudsman  
Gujarat State

Ahmedabad.  
Date: 10.08.2016.