



**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

Vidyut Niyantrana Bhavan, Adjacent to 220/132/33/11 KV AP Carbides  
Sub-Station, Dinnedevaram Road, Kurnool-518002, Andhra Pradesh

WEDNESDAY, THE TWENTY FOURTH DAY OF JULY,  
TWO THOUSAND AND TWENTY FOUR

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:Present:

**Justice C.V. Nagarjuna Reddy, Chairman**  
**Sri Thakur Rama Singh, Member**  
**Sri P.V.R.Reddy, Member**

**O.P.No. 61 of 2023**

**Between:**

M/s. Sarda Metals & Alloys Ltd.,  
#50-96-4/1, Floor-II & III,  
Sri Gowri Nilayam, Seethamadhara North Extension,  
Vishakapatnam, Andhra Pradesh — 530 013

**Unit:** APIIC, Industrial Park, Katakapalli,  
Kothavalasa, Vizianagaram, Andhra Pradesh — 535 240  
Rep. by Senior General Manager (HRD) & Authorized Signatory,  
Mr. Prabhat Mohan S/o. Prithinath Jha

... Petitioner.

And:

1. Transmission Corporation of Andhra Pradesh Limited,  
Vidyuth Soudha, Gunadala,  
Vijayawada, Andhra Pradesh.  
Rep.by its Chief Engineer.

...Respondent-1

2. The Superintending Engineer,  
OMC Circle, APTRANSCO,  
Vizianagaram, Andhra Pradesh

...Respondent-2

This Original Petition has come up for hearing before us today in the presence of Sri Challa Gunaranjan, learned counsel for the Petitioner; and Sri P. Shiva Rao, learned Standing Counsel for the respondents; that after hearing the learned counsel for both parties, and that after carefully

considering the material available on record the Commission passed the following:

### **ORDER**

The main grievance of the petitioner in which we find legitimacy is that despite bearing the entire cost for erection of two nos. of 220kV feeder bay extension etc., 14 KM 220kV DC line from Pendurthi, 220kV substation to M/s Sarda Metals & Alloys Ltd with twin Moose conductor upto Appanna dorapalam etc., and two other works as mentioned in proceedings vide Lr.No.CPT-230/SE/PM-II/M/sSarda Metals & Alloys Ltd.,/ D.No.1479/ 2010 dated 21-12-2010 of the Chief Engineer / Construction, Vidyut Soudha, Hyderabad, the respondents have collected line and Bay maintenance charges from time to time to the tune of Rs.1,43,04,783/- and been demanding such charges for future also. The petitioner is seeking refund of the said amount and also for further direction not to raise any demands on account of line and bay maintenance charges for future periods. For the purpose of disposal of this petition, it may not be necessary to refer to the pleadings of the parties in detail. At the hearing, when we called upon the learned standing counsel for the respondents to point out the provision under which the respondents have collected and been demanding bay and line maintenance charges, the learned standing counsel has relied upon clause 5.3.2.2 of General Terms and conditions of supply. For better appreciation

this clause which has been extracted in para- 19 of the respondents' counter is extracted hereunder :

*Clause 5.3.2.2 of GTCS (General terms and Conditions of Supply) says that notwithstanding the fact that a portion or full cost of the service line has been paid for by the consumer, the service line shall be the property of the Company, which shall maintain it at its own cost.*

The above reproduced clause, in our opinion, instead of authorising the respondents to charge maintenance cost, imposed an obligation on the respondents themselves to maintain the line at its own cost. The respondents have not disputed that at the expense of the petitioner all the works were done, but the only justification pleaded by them is that, till date the petitioner has not handed over the physical position of the bays and the connecting line as per the APTransco procedure. In the rejoinder, the petitioner has submitted that, it has always been ready and willing to transfer the assets to respondent No.1, treating it as "of no value" and had communicated the same to Respondent No.1 and that however the same was not accepted by Respondent No.1, who insisted that the assets shall be transferred at their capitalised value. The petitioner asserted that the stand taken by the respondent No.1 is contrary to the TOO issued by respondent No.1 and has no statutory or contractual authority.

While the factum of handing over of the works is the bone of contention between the parties, the fact however remains that, though the works were constructed at the cost of the petitioner, they are treated as the property of

respondents. Irrespective of whether handing over of the works as per the rituals or formalities has not taken place or not, undisputedly the same works are being utilised by the respondents for transmitting power to other consumers also. In this situation and in the absence of any provision which specifically envisages recovery of maintenance charges from the petitioner it would be highly unconscionable for the respondents to collect any charges from the petitioners in the name of maintenance. This action in the Commission's opinion is not sanctioned by Law and wholly unauthorised. In OP No.11 of 2016, this Commission vide its order dated 19-11-2016 while dealing with a similar situation, if not identical, held as under :

*“10. Thus whether the petitioner maintained such bay, line and metering points at its expense or not, any entitlement of the respondents to recover any sum towards such expenses can be based only on either a legal provision or a contractual right or as per actual expenses which were never intended to be incurred gratuitously. The petitioner appeared justified in contending that the vendor registration form which is not a contract or an article in a proforma of Power Purchase Agreement for Non-Conventional Energy Developers which was not entered into between the parties cannot fasten any such liability. The unilateral demand and deduction under such circumstances do not appear to be sustainable in law or fact, more so, even without responding to several representations made by the petitioner against the demands made from time to time. If the assets were transferred to or admitted to be transferred to the 1st respondent as contended by the petitioner, the petitioner cannot be any more fastened with any liability to maintain the same. Even otherwise if the assets continued to be the*

*property of the petitioner, in the absence of proof of any legal or contractual liability or the actual incurring of expenditure towards maintenance, the respondents could not have claimed payment of the same and could not have taken recourse to any coercive recovery through deduction in a running bill.*

In the light of the above discussion, the Commission has no hesitation to hold that recovery of money in the name of bay and line maintenance charges is not legal and proper. The petitioner is therefore entitled to the refund of the amounts already paid. It is further declared that the petitioner is not liable to pay any such charges in future. As regards the prayers for interest on the amount collected by the respondents from the petitioner, considering the fact that the amounts were voluntarily paid without questioning the same and the further fact that the respondents are statutory public authorities discharging statutory functions we are not inclined to award any interest. The amount recovered from the Petitioner shall be refunded within one month from today. The OP is accordingly allowed to the extent indicated above.

Order pronounced on this the 24th day of July, 2024.

Sd/-  
**P.V.R.Reddy**  
**Member**

Sd/-  
**Justice C.V. Nagarjuna Reddy**  
**Chairman**

Sd/-  
**Thakur Rama Singh**  
**Member**