

**Consumer Grievance Redressal Forum
Maharashtra State Electricity Distribution Co. Ltd.
Bhandup Urban Zone, Bhandup**

Ref. No. Secretary/MSEDCL/CGRF/BNDUZ/

Date :

Case No. 186

Hearing Dt. 20/06/2008

In the matter of reimbursement of installation

M/s. Prakash Developers

- Appellant

Vs.

MSEDCL, Mulund

- Respondent

Present during the hearing

A - On behalf of CGRF, Bhandup

- 1) Shri S.L. Kulkarni, Chairman, CGRF, Bhandup.
- 2) Shri S.B. Wahane, Member Secretary, CGRF, Bhandup.
- 3) Mrs. Manik P. Datar, Member, CGRF, Bhandup.

B - On behalf of Appellant

- 1) Shri Ravi Anand, Consumer representative
- 2) Shri Bashir Patel, Consumer representative.

C - On behalf of Respondent

- 1) Shri P.S. Nichat, Ex. Engr., MSEDCL, Mulund.
- 2) Shri P.N. Shirke, Dy. Ex. Engr., MSEDCL, Mulund.

Preamble

The appellant submitted his application to C.G.R.F. on 12/05/2008 directly claiming reimbursement of expenses, which he has been incurring on putting on infrastructure to get energy supply in connection with his residential project under taken at Mulund.

According to him, he submitted his application directly to CGRF since he had already made correspondence at utility's various level officials but did not get any positive response. Hence his application was admitted and taken up for hearing by the Forum.

Consumer's say :

He had applied to the utility for a temporary power supply in Feb-2005 at the commencement of his residential building project. Instead of giving firm quotation within 15 days, the utility in July-2005 asked a query about load requirement. He submitted the load requirement immediately. Utility should have started required infrastructure immediately. However utility's Dy. Ex. Engr. wrote to him on 07/01/2008 if he (consumer) is willing to take supply urgently under Dedicated Supply Scheme. The utility cannot force the consumer to opt for Dedicated Supply Scheme as he is not aware of it's financial implications.

He had submitted an application to utility's Mulund division on 20/11/2007. He had requested for 167 connections with proposed load requirement of 1407 KW. The utility asked him to carry out the work of HT cable RMU and 2 Nos. of transformer and LT cable under Dedicated Facility Scheme and asked him to pay Rs. 50031/- towards 1.3% supervision charges for estimated cost of Rs. 3850000/- approx., in addition to BMC road reinstatement charges of Rs. 543145/-. According to him the respondent utility wrongly treated the applicant as dedicated supply consumer and forced him to pay supervision charges. He had

made the payment to the utility since he was in urgent need of supply to go ahead with the construction work. The total work involves expenditure of more than Rs. Fifty lacs. In view of commercial circular No. 43 of the utility it is not supposed to charge such infrastructure expenses on him but should grant supply as per schedule of rate as per order dtd. 08/09/2006 of MERC. Further, the applicant is making infrastructure such as laying of HT and LT cable. , Transformer center and paying charges to BMC for excavation and reinstatement of road (MSEDCL should be directed to reimburse the payment made by him which he has been incurring, since he was forced to start in the absence of any response from utility).

Utility's Say :

The hearing of the case was fixed on 11/07/2008 when applicant's representatives were present on behalf of utility, the Executive Engineer, Mulund division was present. However, he was not prepared being preoccupied with the visit of MSEDCL's M.D.'s visit and it's follow up. He assured to submit written compliance soon. However, it was submitted by his letter dtd. 11/07/2008 the contents are as below :

The consumer as per his request was given a temporary supply in 2004-05 well in time.

The consumer with his specific request submitted his application to the utility on 11/02/2008 seeking specifically to get energy supply under "Dedicated Distribution Supply Scheme" which envisages providing certain infrastructure by the consumer either himself by paying to the utility prescribed 1.3% supervision charges or requesting the utility to carry out the required infrastructure work by depositing the cost of work estimate. Alternatively he will have to wait till utility under takes the work at it's own cost.

The consumer had preferred an option to get on priority the supply under DDF scheme so as to complete his project. This was willingly expressed by him.

His application seeking for early/immediate energy supply under DDF was submitted to utility's various officials for sanction and was in very prompt process.

However before such sanction, the consumer of his own started the work of his project.

The consumer is therefore liable to fulfill commitment made by him vide his letter to utility on 10/04/2008 which is much more later than utility's circulars/orders mentioned. The utility cannot reimburse to him the expenditure.

However before such sanction, the consumer of his own started the work of his project

The consumer was sent the estimate of the work duly approved by the Chief Engineer, Bhandup. However, the applicant vide his letter dtd. 12/03/2008 asked the utility for revision of estimate. On 12/03/2008, Prakash Developer asked for revision of estimate. In continuation of letter on 10/04/2008 Prakash Developer shown desirousness to execute work with reserve to approach competent authority. On 16/04/2008 vide letter No. EE/MND/T/1124, Executive Engineer, Mulund Division has informed P.G. to submit fresh consent to execute work under non-D.D.F. scheme, but there is no any clear consent from him for this.

However, in letter dtd. 20/05/2008 PG shown his desire to execute work by placing order of material & inspection of the same.

As per case No. 56 of 2007, MERC cleared the “Dedicated Distribution Facility” highlighted portion. This estimate is sanctioned under “D.D.F.” to Prakash Developer.

As per the order of CE/DIII/Circular/22197, dtd. 20/05/2008 it is clear that “D.D.F. Scheme” work is to be carried out by party & to bear all the expenditure, being load is more than 500 KVA.

OBSERVATIONS :

- 1) The applicant who had started his residential project with temp. electric supply in 2005, which he received and his construction started.
- 2) In the course of hearing the applicant submitted that during the submission of application for temp. supply utility already asked for required proposed load which was already informed as 1900 KW. However, there is no documentation available with applicant and utility.
- 3) The applicant submitted a fresh application to the utility official on 21/11/2007 for sanction of 1407 KW load with details of load for each connection of the complex.

The utility officials immediately carried out the site verification and prepared the estimate and on dtd. 07/01/2008 he was asked to submit certain documents about sanction of the project. At the same time the utility asked him about the application for his willingness to get the work done under “Dedicated Distribution Scheme”. This was because in normal course due to lack of funds availability, the utility may take some time more to execute the work of infrastructure but if the consumer is in urgent need of power supply he may opt for “Dedicated Distribution Scheme”.

4) The applicant vide his letter dtd. 11/01/2008 addressed to the utility (Ex. Engr., Mulund) expressed his willingness in clear terms to opt for "Dedicated Distribution Scheme" and to bear the cost thereof.

Accordingly the utility had approved and sanctioned estimate of Rs. 3850555/- vide sanctioned order letter dtd. 18/02/2008. After that utility sent to him a demand note of dated 04/03/2008 amounting to Rs. 50031/- being supervision charges as 1.3% of total estimate cost of Rs. 38,50,555/-. The applicant paid the supervision charges of Rs. 50031 on dtd. 10/04/2008. Thus showing his willingness to opt for "DDF Scheme".

5) As per consumer's letter dtd. 12/03/2008 which was received by utility on 27/03/2008 requested the utility to under take the infrastructure work as per order given by MERC in case No. 56/07, dtd. 16/02/2008, consumer has to pay only schedule rates approved by MERC on dtd. 08/09/2007 and as per utility's circular No. 43. Thus there appears to be a sudden change in the mind of the consumer who was pressing the work to be carried out under "Dedicated Distribution Scheme" even after this he paid to utility supervision charges of Rs. 50031/- on dtd. 10/04/2008 which shows again his willingness to carry out the work under "Dedicated Distribution Scheme". And now suddenly changed the mind.

6) On dtd. 10/04/2008 consumer had again pressed the utility to act according to MERC order in the case of 56/2007 dtd. 16/02/2008. However on 10/04/2008 he had paid supervision charges. Against above letter of 10/04/2008, the utility replied to him on 16/04/2008 asking for fresh consent letter under "Non Dedicated Distribution Scheme", in case he wants to change his desire from earlier commitment for "Dedicated Distribution Scheme" and ready to take action of the work as per order in the case of 56/2007 and as per section 43 of E.A. 2003 and as per MERC (Standard of Performance and Regulation 2005). Utility did not receive

any letter from the consumer to do work under “Non Dedicated Distribution Scheme”,

As regards consumer’s case, the MERC order based circular of the utility No. CE (Dist.)/D-III/Circular/22197, Sr. No. 3 dated 20/05/2008, it stands applicable to him. It stipulates that the consumer considering his load requirement has to incur the expenditure as infrastructure.

In conclusion it is amply clear that consumer at his own had expressed a desire for “Dedicated Distribution Scheme” for which utility had shown enough promptness to inform him about further process and hence there appears no laxity in its functioning. Therefore there arises no question of refunding any infrastructure cost incurred by the consumer and hence, the compensation against S.O.P. dose not arise.

7) The consumer’s request for proper estimates as per scheduled charges as prescribed by the utility (under the sanction from MERC) will have to be given by the utility to the consumer scrupulously.

ORDER

The utility to apply schedule rates prescribed by the utility (approved by MERC).

The case is closed with this order; the applicant’s claim for reimbursement of expenditure on infrastructure stands dismissed. The decision was delayed beyond sixty days due to late receipt of utility’s reply.

The order is issued under the seal of consumer Grievance Redressal Forum M.S.E.D.C. Ltd., Bhandup Urban Zone, Bhandup on 08th August 2008.

Note: 1) If Consumer is not satisfied with the decision, he may go in appeal within 60 days from date of receipt of this order to the Electricity Ombudsman in attached "Form B".

Address of the Ombudsman

The Electricity Ombudsman,
Maharashtra Electricity Regulatory Commission,
606, Keshav Building,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400 051.

2) If utility is not satisfied with order, it may go in appeal before the Hon. High Court within 60 days from receipt of the order.

MRS. M.P. DATAR
MEMBER
CGRF, BHANDUP

S.L. KULKARNI
CHAIRMAN
CGRF, BHANDUP

S.B. WAHANE
MEMBER SECRETARY
CGRF, BHANDUP