



Consumer Grievance Redressal Forum, Kalyan Zone  
Behind "Tejashree", Jahangir Meherwanji Road, Kalyan (West) 421301  
Ph: – 2210707 & 2328283 Ext: - 122, E-mail : cgrfkalyan@mahadiscom.in

---

**IN THE MATTER OF GRIEVANCE NO. K/E/338/380 OF 2010-2011 OF M/S. LIBERTY OIL MILLS LTD. VILLAGE – BAMNE, TAL : SHAHAPUR, DIST : THANE - 421601 REGISTERED WITH CONSUMER GRIEVANCE REDRESSAL FORUM KALYAN ZONE, KALYAN ABOUT DISPUTE ON CHARGING 2% EXTRA VOLTAGE SURCHARGE.**

M/s. Liberty Oil Mills Ltd.  
Post Box No. 02, Village - Bamne  
Tal – Shahapur, Dist : Thane  
Pin : 421 601

(Here in after  
referred to  
as Consumer)

**Versus**

Maharashtra State Electricity Distribution  
Company Limited through its Superintending  
Engineer, Kalyan Circle - II

(Here in after  
referred to  
as Licensee)

- 1) Consumer Grievance Redressal Forum has been established under regulation of "Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Ombudsman) Regulation 2006" to redress the grievances of consumers. This regulation has been made by the Maharashtra Electricity Regulatory Commission (MERC) vide powers

conferred on it by section 181 read with sub-section 5 to 7 of section 42 of the Electricity Act, 2003. (36 of 2003).

- 2) The consumer is a H.T. consumer of the Licensee. The Consumer is billed as per Industrial tariff. The consumer registered grievance with the Forum on 02/06/2010 regarding Dispute on charging 2% extra voltage surcharge. The details are as follows: -

Name of the consumer : M/s. Liberty Oil Mills Ltd.

Address: - As above

Consumer No. :015589009611

Reason for Dispute : - Regarding Dispute on charging 2%  
extra voltage surcharge

- 3) The batch of papers containing above grievance was sent by Forum vide letter No. EE/CGRF/Kalyan/212, dt. 02/06/2010 to the Nodal Officer of the Licensee, and the Licensee through Superintending Engineer MSEDCL Kalyan Circle - II filed reply vide letter No. SE/KC-II/Tech/2494, dt. 15/06/2010.

- 4) The Members of the forum heard both the parties at length on 22/06/2010 @ 16.00 Hrs. in the meeting hall of the Forum's office. Shri S.G. Mahajan Consumer, Shri B. R. Mantri Consumer Representative, Shri G. K. Panpatil Nodal Officer In-charge, Shri V. D. Kale Asstt. Engr. Representatives of the licensee attended hearing. Minutes of the hearing including the submissions made by the parties are recorded and the same are kept in the record. Submissions made by the parties in respect of grievance since already recorded will be referred to avoid repetition.

- 5) Consumer is a H.T. Consumer since 22/12/1981 and avails contract demand more than 3000 KVA since 21/10/2002. By letter dated

28/08/2003 power supply has been extended to 4410 KVA on 22 KV line. According to consumer without any terms and conditions of voltage level they are enjoying the above said facility. As per SOP 2005 Cl. 5.3 (i) sub clause (e) voltage level to be adopted for serving various quantum of loads shall be three phase, 50 cycles, 33 KV – all installations with contract demand above 1500 KVA and up to 5000 KVA. Licensee to ensure that electric supply is released at the specified voltage as mentioned above however the SOP is not applicable to the consumer since voltage level was sanctioned by the licensee in the year 2002. It is contended that as per departmental circular No. 15 on the basis of dedicated/non dedicated feeder though the load was sanctioned more than 3000 KVA on 22 KV line, on the pretext of losses licensee levied additional 2% extra unit and accordingly recovered huge amount from June 2009. This charging of additional 2% extra unit based on the SOP which is not applicable to the consumer is beyond the jurisdiction and in contravention to the sanction accorded to them in the year 2002/2003 therefore the licensee is liable to refund the amount wrongly recovered from them and henceforth to stop the charging of the additional 2% as voltage surcharge. By the letters dt. 27/07/09, 10/09/09 and 20/03/10 consumer requested the licensee to stop charging of additional 2% as voltage surcharge and refund the amount already received with RBI rate of interest but not responded. Consumer approached the IGR Cell but there also he was not heard therefore lodged this grievance with prayer to direct the licensee not to charge additional 2% as voltage surcharge and to refund the amount already collected to that effect from June 2009 with interest.

- 6) Licensee opposed the contentions made above. It is contended that due to various constraints licensee is unable to sanction/release the connections at the voltage prescribed in SOP Regulations and to overcome this and to meet the universal service obligation of providing supply to all, to compensate the losses licensee levied 2% extra units on the monthly energy consumed by the consumer. This levy of 2% extra units on the monthly energy consumed by the consumers is in line with the Tariff Philosophy. It is averred consumers availing supply at lower voltage than the prescribed was additional technical loss and this additional loss resulting revenue shortfall and to this extent revenue shortfall needs to be met. Loss incurred by the licensee due to particular consumer availing power at lower voltage can be in the range of 1 to 3 %, however it is not practically possible to calculate these losses individually for every consumer in every month and therefore 2% is levied on approval of the MERC. It is contended though the consumer without any terms and conditions of voltage level enjoying supply prior to SOP 2005, it is applicable to all including prior and subsequent consumers therefore condition of additional 2% extra unit is binding on all including this consumer. According to licensee circular issued by the Chief Engineer on levying 2% extra unit is par with the order of Hon. MERC in case No. 71 of 2009, dt. 05/03/2010 and therefore the consumer is bound to pay 2% additional units from the date of MERC's order and in this context grievance be disposed off.
- 7) On perusal of the record and hearing both the parties following points arise for the consideration of Forum and findings thereon for the reasons recorded below :

Points	Findings
a)Whether consumer is liable to pay additional 2% as voltage surcharge ?	Yes
b)If yes, since when ?	Since 05/03/2010
c)What Order	As per Order below

### **Reasons**

- 8) Consumer company is H.T. consumer since 1981. Contract Demand more than 3000 KVA was sanctioned to the company on 21/10/02 and it was extended to 4410 KVA on 22 KV lines vide letter dated 28/08/2003. According to consumer without any terms and conditions of voltage level they were given connection of contract demand more than 3000 KVA and now the licensee cannot claim additional surcharge of 2% in as much as SOP of 2005 is not applicable to them. As per SOP 2005 voltage levels is specified to ensure good quality of supply and to minimize the losses, higher voltage levels are essential for higher loads from the system stability point of view. Voltage levels prima facie ensure overall system's stability apart from other benefits like quality of supply.
- 9) Learned representative for the licensee submits that Licensee always insist in release of supply at the specified voltage level however at times it becomes necessary to make exception to genuine difficulties faced by the consumer in adhering to the voltage levels specified in the SOP Regulations. The main reasons for releasing supply at voltage level lower than that specified are :
- a)Space constrained for construction of EHV Sub-Station
  - b)Cost of EHV Sub-Station

- c) Time required for construction of EHV Sub-Station
- d) Right of way / Way Leave / Clearance problem
- e) Non availability of prescribed voltage level infrastructure

Learned representative for the licensee urged with force that as per SOP for connected load of 1500 KVA but upto 5000 KVA the voltage level should be 33 KV. In the case in hand as per the letter of consumer dt. 07/04/10 the connected load of consumer is more than 3000 KVA on 22 KV line. At this juncture learned representative for the consumer contended that SOP are not applicable to the consumer since they have been sanctioned 3000 KVA on 22 KV line in the year 2002.

- 10) SOP Regulations came into force in the year 2005, and Clause 19-1 of the SOP states :

“Any terms or conditions of the Distribution Licensee, whether contained in the terms and conditions of supply and / or in any circular, order, notification or any other document or communication, which are inconsistent with these Regulations shall be deemed to be invalid from the date on which these Regulations come into force.” By virtue of the provision in SOP as above hardly lie in the mouth of representative for consumer that they are not bound by the SOP 2005 since sanction as above was accorded in the year 2002/2003. It is apparent that the SOP is applicable to the consumer and that as per SOP for connected load of 1500 KVA but upto 5000 KVA the voltage level should be 33 KV however, his voltage level is 22 KV thereby licensee suffer losses and to meet these losses voltage surcharge of 2% additional units is to be billed. On this background we find no force in the submission of learned representative of consumer.

- 11) Hon. MERC in their order dt. 05/03/2010 in Case No. 71 of 2009 in connection with the proposal for levy of voltage surcharge to consumer who are supplied power at lower than prescribed voltage as per SOP Regulations approved the licensee's request for permitting them to levy voltage surcharge of 2% additional units in the bill from interim relief order dated 05/03/2010. Licensee is therefore justified in claiming 2% additional units in the bills of the consumer and that consumer is liable to pay charges thereof.
- 12) According to consumer licensee collected 2% as voltage surcharge from them since June 2009 is inconsistent with the order of Hon. MERC dated 5<sup>th</sup> March 2010. Voltage surcharge as above is to be charged from the order of MERC dated 05/03/2010 till MERC issues further order. Consequently licensee is liable to refund the amount if any collected, from the consumer as 2% voltage surcharge prior to the order dated 05/03/2010 that too with RBI rate of interest.
- 13) In view of the discussion supra as per order of Hon. MERC as above licensee is justified in levying voltage surcharge of 2% additional units to be billed from the order dated 05/03/2010. Consequently grievance application will have to be partly allowed. Points are answered accordingly and hence the order :

### **ORDER**

- 1) Grievance application is partly allowed.
- 2) Consumer is directed to pay 2% additional units charges towards voltage surcharge from the date of order of Hon. MERC dt. 05/03/2010.

- 3) Licensee is directed to refund the amount if any collected from the consumer towards voltage surcharge of 2% additional units prior to the order of Hon. MERC dt. 05/03/2010 with RBI rate of interest within 30 days from the date of this decision.
- 4) Compliance should be reported within 45 days from the date of this decision.
- 5) The Consumer can file representation against this decision with the Ombudsman at the following address.

*“Office of the Electricity Ombudsman, Maharashtra Electricity Regulatory Commission, 606/608, Keshav Bldg, Bandra Kurla Complex, Mumbai 51”*

Representation can be filed within 60 days from the date of this order.

- 6) Consumer, as per section 142 of the Electricity Act, 2003, can approach Maharashtra Electricity Regulatory Commission at the following address:

*“Maharashtra Electricity Regulatory Commission, 13th floor, World Trade Center, Cuffe Parade, Colaba, Mumbai 05”*

for non-compliance, part compliance or delay in compliance of this decision issued under “Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Ombudsman) Regulation 2003” within 60 days from the date of this order.

Date : 29/07/2010

(Mrs. S.A. Jamdar)  
Member  
CGRF Kalyan

(R.V.Shivdas)  
Member Secretary  
CGRF Kalyan

(S.N. Saundankar)  
Chairperson  
CGRF Kalyan