

**CONSUMER GRIEVANCE REDRESSAL FORUM  
MAHARASHTRA STATE ELECTRICITY DISTRIBUTION  
COMPANY LTD.  
KOLHAPUR ZONE, TARABAI PARK, KOLHAPUR**

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Con.Comp. No. 86-2010/

Date :

**JUDGMENT**

- 1) M/s. Ambe Iron Pvt.Ltd.  
Plot No. E-1, MIDC, Chincholi, Dist. Solapur Appellant

**V/s**

- 1) Executive Engineer ( Office) & Nodal Officer,  
M.S.E.D.C.L. Circle Office, Solapur Respondent
- 2) Executive Engineer,  
MSEDCL, Rural Division, Solapur
- 3) Assistant Engineer,  
MSEDCL, North Sub Division, Solapur

- Corum**
- 1) Shri B.G. Pawar, Chairperson  
2) “ G. B. Pankar, Member Secretary  
3) “ G.C. Lele, Member

**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION  
( Consumer Grievance Redressal Forum):  
Regulation 8.2 of Regulation 2006**

Judgement by Shri B.G. Pawar, Chairperson of C.G.R.F. Kolhapur

Date :

(1) The consumer M/s. Ambe Iron Pvt.Ltd having H.T. connection No. 331519051140 situated at . Plot No. E-1, MIDC, Chincholi, Dist. Solapur filed this grievance through its Director Shri Sanjay Sikchi under Rule 6.10 of MERC Regulation 06. The director has appointed Shri Suresh Sancheti as representative.

The brief facts of case are as follows :

(2) M/s. Ambe Iron Pvt.Ltd H.T. consumer since 7.6.2004 getting supply on non-express feeder but since from month Jan. 2008, bills were issued as express feeder. Objection was raised by letter dated 23.11.2008.

**..2..**

The MSEDCL has failed to take any action to rectify the bills to non-express feeder category due to which, the complainant has to pay the bills for continuous power supply. However, in the month of Dec. 2009, the billing category was changed to non-express feeder supply, but no credit was given for the intervening period, for which the express category of the bill has been claimed. So the consumer approached the Internal Grievance Redressal Cell, Solapur on 15.2.2010. The relief sought from the Forum directing the Distribution Licensee to give refund of the tariff difference with interest equal to the bank rate to be compounded on the quarterly basis. Further prayer is made to award interest at the rate of 18% per annum over the amount to be refunded, since the consumer has incurred heavy financial losses by non action on the part of Distribution Licensee not rectifying the bills in time and to charge the consumer as per correct tariff. The same has been done in the month of Dec.2009. However, I.G.R.C. Solapur directed the Distribution Licensee to take action for refund of excess bill charged, after receipt of approval from the Zonal Office.. Hence the present grievance has been filed before the Forum on 12<sup>th</sup> April, 2010. I.G.R.C. passed Ordere on 11.3.2010.

In response to the notice , the respondent Nodal Officer, MSEDCL Solapur produced Parawise Comments on 30.4.2010 which has been received in the Office of Forum on 10<sup>th</sup> May 2010.

(3) The respondent Distribution Licensee has not disputed with consumer who is on non-express feeder applied on 16.11.2009 regarding excess energy charges paid of energy bill w.e.f. 21.2.2008 to 20.10.2009, due to express feeder. The consumer has submitted Continuous Industry Certificate on 24.11.2009 and tariff has been changed from non-continuous to continuous w.e.f. Jan.2008. After Circular No. 80 dated 10.1.2008 tariff has been revised.

**..3..**

The consumer raised the tariff issue in Nov. 2009 and applied to this Office for change in tariff as from continuous industry to non continuous industry and this Office has confirmed this issue and spot physical verification from the Executive Engineer, Rural Division, Solapur as per their letter No. 10026 dated 20.11.2009 that the said consumer is connected on 33 KV HT consumer feeder which is non express and the other consumer connected on the same feeder are availing HT non continuous tariff. Hence this Office has changed the tariff of M/s. Ambay Irons Pvt.Ltd. from continuous to non continuous Ind. W.e.f. Dec. 2009.

(4) This grievance was fixed for hearing before the Forum on 17.5.2010. Nodal Officer, Solapur and Shri Wagh, Asstt.Accountant ( H.T. Billing ) Circle office, Solapur on behalf of Distribution Licensee were present. Shri Sancheti, representative of consumer was present. He submitted despite the fact that objection was raised in writing on 23<sup>rd</sup> May, 2008 and 25.11.2009 and production of certificate, the Executive Engineer, Distribution Licensee has not changed the category to non-continuous feeder. The I.G.R.C. Solapur accepted change of category, but failed to pass order directing the Distribution Licensee to refund the amount with interest as well as not to recover prompt payment discount thus to be refunded the same which is to the extent of Rs. 90,000/-. Lastly, he prayed to award interest @ 18% over the amount that is to be compounded by @ quarter rest. A prayer was made to restrain the Distribution Licensee from showing the amount in the bill recovering the same .

(5) In reply Officer of the respondent Company did not dispute the grievance of the consumer, however, after approval of Chief Engineer, Baramati Zone, bills are issued accordingly and cheque of Rs. 20.00 lakhs has been paid. The following points for determination :

..4..

- (6) 1) Is the complainant entitled to refund as per tariff classified as not on express feeder with interest @ 18% as prayed ?

Answer : Yes.

- 2) What Order ?

As per Final Order.

#### Reasons

(7) The complainant is H.T. consumer and getting supply on non-continuous feedere, however, during the period from Jan. 2008 to Nov. 2009, the bills were issued as per express feeder tariff. The consumer has been included in load shedding protocol between 6.00 to 22.00 Hrs. on every Wednesday, it means the consumer is not an express, as such. The I.G.R.C. failed to pass proper order directing Distribution Licensee to refund excess amount with inrerest after approval of Chief Engineer, Baramati Zone. The consumer has been aggrieved of such order of non awarding of interest and no order to direct Distribution Licensee to refund as per the approval of Chief Engineer. Approval has been accorded on 26.4.2010, but still amount has not been refunded, despite the fact Distribution Licensee has got it audited. Approximately, 25% amount has been adjusted in the bills for which there is no proper explanation.

Shri Suresh Sancheti, Representative of consumer has submitted before the Forum to restrain the Distribution Licensee but no such relief has been sought before IGRF Solapur nor interim application was made and grievance has been finally fully heard nor any rejoinder was given on noticing the activity of Distribution Licensee. Inspite of prayer to award interest in the original application dated 11.3.2010, before I.G.R.C. Solapur, no order has been passed.

So prayer was made to refund the amount immediately along with interest @ 18% which is charged by Distribution Licensee to its consumers. Prompt payment difference should not be recovered from the consumer. The Distribution Licensee has to give refund on tariff difference with interest equivalent to bank rate and Forum should consider consumer's request to make payment @ 18% in view of financial loss incurred by the consumer on account of non-rectified the bills in time and continuous negligence to correct the tariff. Even no immediate steps have been taken to refund the amount. Shri Wagh has submitted that award of 18% interest could affect the budget, however, Section 62 Sub Section 6 of the Electricity Act Provisions say that " if any licensee or a generating company recovers a price or charge exceeding the tariff determined under this Section, the excess amount shall be recoverable by the person who has paid such price or charge along with interest equivalent to the bank rate without prejudice to any other liability incurred by the licensee".

(8) However, either party has not brought on record what would be the bank rate interest ? Undoubtedly it is true, the Distribution Licensee has recovered excess amount from the consumer by ignoring the revision of tariff as per H.O. Circular No. 80 dated 10.1.2008. However, on raising the issue of tariff by the consumer in Nov. 2009, the respondent Company initiated action of spot verification and Circular No. 80 dated 10.1.2008 has been given effect from Dec. 2009 despite objection raised by the consumer in May 2008. The respondent Company has unauthorisedly recover excess amount towards bill despite tariff has been changed inspite of consumer has been changed to continuous feeder w.e.f. Jan.2008. Therefore, this is a fit case to award interest @ 18% over the amount recovered in excess till Nov. 2009.

As per tariff of 2008-09, hon'ble M.E.R.C. has awarded 12% interest for a period of 3 months and subsequently 18% for more than 3 months. However, the consumer has insisted to award compounded interest over the amount recovered in excess from him during the period of which approval was sought from the Chief Engineer, Baramati Zone, which has been granted on 26.4.2010. Exact figure is not brought on record during the course of arguments.

It was submitted that nearabout Rs. 90.00 lakhs recovered in excess out of which Rs.20.00 lakhs have been adjusted. As regards Rs. 90,000/- towards prompt payment discount, respondent Company has not advanced any oral submission nor the Parawise Comments, therefore, point is answered in the affirmative.

In view of this, grievance has been allowed with following Order.

(9) The complaint has been received on 12.4.2010. The respondent Company filed Parawise Comments on 10.5.2010. Hearing of the grievance was fixed before the Forum on 17.5.2010 and finally heard. The Forum was busy in judgement of other matters in case No. 59-60/2010 and 61/2010 of Kolhapur Circle for which much time has consumed. So this complaint could not disposed off within 2 months period.

### **Order**

- 1) Grievance of the consumer M/s. Ambe Iron Pvt.Ltd. having consumer No. 331519051140 H.T. connection is allowed.
- 2) The respondent Distribution Licensee directed to refund excess amount recovered from the consumer in the bills treating the express feeder from Jan. 2008 to 30.11.2009.
- 3) The respondent Distribution Licensee directed to pay interest @ 18% over the amount recovered in excess from the consumer without changing the category of tariff as per Circular No. 80 dated 10.1.2008.
- 4) The amount shall be adjusted in the forthcoming energy bills of the consumer.

- 5) The Respondent Distribution Company should report immediately to the Forum Implementation of this Order as per CGRF & Electrical Ombudsman Regulation 2006 8.7.
- 6) The applicants / aggrieved persons by this Order are having right to prefer appeal within 60 days from the date of this order before the Hon. Ombudsman at ' Keshwa ' Bandra Kurla Complex, Bandra (E) Mumbai.

Date :

( B. G. Pawar )  
Chairperson

1) Shri G. B. Pankar, Member Secretary :

2) Shri G. C. Lele, Member :