

**Maharashtra State Electricity Distribution Co. Ltd.'s  
Consumer Grievance Redressal Forum  
Nagpur Urban Zone, Nagpur**

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**Case No. CGRF(NUZ)/056/2007**

Applicant : M/s.Shri Vyenktesh Castings Pvt.Ltd.,  
Sarda Commercial Company,  
Maskasath, Itwari,  
Nagpur.

Non-applicant : MSEDCL represented by  
the Nodal Officer-  
Executive Engineer,  
Division No. I, NUZ,  
Nagpur.

Quorum Present : 1) Shri S.D. Jahagirdar,  
Chairman,  
Consumer Grievance Redressal  
Forum,  
Nagpur Urban Zone,  
Nagpur.

2) Smt. Gouri Chandrayan,  
Member,  
Consumer Grievance Redressal  
Forum,  
Nagpur Urban Zone,  
Nagpur.

3) Shri S.J. Bhargawa  
Executive Engineer &  
Member Secretary,  
Consumer Grievance Redressal  
Forum, Nagpur Urban Zone,  
Nagpur.

**ORDER (Passed on 21.01.2008)**

The present grievance application has been filed on  
11.12.2007 under Regulation 6.4 of the Maharashtra Electricity

Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 here-in-after referred-to-as the said Regulations.

The grievance of the applicant is in respect of excess demand charges amounting to Rs. 3,39,768/- charged erroneously to applicant in the month of April, 2006.

The applicant has requested to refund this amount along with interest as applicable.

Before approaching this Forum, the applicant had filed his complaint to the Superintending Engineer, NRC, MSEDCL, Nagpur by his letter dated 20.05.2006 stating that excess demand charges amounting to Rs.3,39,768/- has been charged erroneously in his energy bill for the month of April 2006 with a request to revise the energy bill and issue a correct bill. Since, there was no communication from the Superintending Engineer, the applicant submitted reminder dated 16.10.2006 to the Superintending Engineer. However, there was no response at all from the non-applicant. Hence, the present grievance application.

The intimation given by the applicant on 20.05.2006 as stated above is deemed to be the intimation given to the Internal Grievance Redressal Cell (in short the Cell) in terms of the said Regulations. As such the applicant was not required to approach the Cell again for redressal of this grievance.

The matter was heard on 15.01.2008.

The applicant's case was presented before this Forum by his nominated representative one Shri R.B. Goenka while the

Superintending Engineer, NRC and his Accounts Officer MSEDCL Nagpur argued the non-applicant Company's case.

The applicant's representative's contention is that the applicant's supply was connected on 25.03.2006 and first meter reading taken on 20.04.2006. The KVA MD recorded on 20.04.2006 was 2808 KVA. This demand was used by the applicant for 26 days only. The monthly demand charges as per applicable tariff was Rs.330/- per KVA and as per definition of the word "month" made in the Supply Code Regulations, "month" in relation to billing charges means calendar month or a period of 30 days. The applicant has not utilized the demand for a calendar month or 30 days. Hence, according to him, the demand should be considered on pro-rata basis as under:

Proportionate MD charges for 26 days.

$$= \frac{26 \times 2808 \times 330}{30} = \text{Rs. } 8,03,088/-$$

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As against this position, the charges billed to the applicant in his energy bill for April 2006 were Rs.11,42,856/-. The applicant's representative strongly contended that this indicates that excess demand charge amounting to Rs.3,39,768/- has been charged erroneously in the month of April 2006. He, therefore, vehemently submitted that this excess amount may be refunded to the applicant along with interest as applicable.

He has relied upon the Electricity Ombudsman's order dated 07.11.2007 passed in a similar case in which the Electricity Ombudsman has held that demand charges should be billed for the exact number of days on pro-rata basis for the period for which energy

units are charged to the applicant in his first bill. The Electricity Ombudsman has also held that there cannot be two different basis for working out the charges for demand and the charges for energy units.

He lastly prayed that the applicant's request for refunding excess demand charges may be granted.

The non-applicant has submitted his parawise report dated 26.12.2007 which is on record. The Superintending Engineer and the Accounts Officer representing the non-applicant Company submitted that there is no dispute that the applicant's supply was connected on 25.03.2006 and also that the first reading was taken on 28.04.2006. It is also not disputed that the recorded KVA demand was 2808 KVA on 20.04.2006. They, however, contended that the billing done to the applicant was correct and it was done as per general practice and software of the Company. The applicant was rightly billed for 37 days for KVA demand of 2808 KVA in his first billing cycle which comes to his Rs. 11,42,856/-.

In this case, it is an undisputed fact that the applicant's supply was connected on 25.03.2006 and the first reading taken on 20.04.2006. There is also no dispute that the recorded KVA demand for the billing month of April 2006 was 2808 KVA. It is, therefore, obvious that the applicant's first bill for demand charges as well as for consumption of units has to be for the period from 25.03.2006 and 20.04.2006 i.e. for 26 days. As rightly contended by the applicant's representative, there cannot be two different basis for charging the applicant for demand charges and for consumption of units. Evidently, the applicant ought to have been charged for 26 days @ Rs.330/- per KVA for the period 26 days on pro-rata basis. The contentions made by

the applicant's representative find support of Supply Code Regulations and particularly the one of definition of word "month" made therein.

The Electricity Ombudsman has held in the order dated 07.11.2007 passed in the Representation no. 64/2007 quoted by the applicant's representative (vide paragraph 13 on page no. 4 of the order) as under.

"In other words, the respondent can raise bills on the basis of calendar month or it could choose any other period of 30 days for this purpose. In the former case, if the Respondent wants to carry out the billing process on calendar month basis, it has to record the readings on every first of the month so that the demand charges as well as energy units are charged for the calendar month. Alternatively, the billing for the month could be carried out for any 30 days between which the reading was taken. In the present case, the Respondent's billing cycle appears to be from 21<sup>st</sup> of the earlier month to the 21<sup>st</sup> of the subsequent month on which the readings are taken. Clearly, therefore, the billing month in this case is not a calendar month but a period of 30 days for the purpose of billing. The Respondent agreed during the hearing that the energy units were measured from 21<sup>st</sup> of the earlier month to the next reading on 21<sup>st</sup> of the subsequent month. However, he could not explain as to why he wants the calendar month as a basis for the purpose of computing only demand charges and not the energy charges. He did not produce any rule or regulations to show that there can be two different basis for working out the charges for demand and the charges for energy units".

The facts and circumstances involved in the case before the Electricity Ombudsman are identical with those of the present case.

Reliance placed by the applicant's representative on the Electricity Ombudsman order is, therefore, correct.

In view of above position, there is no other alternative before us than to order refund of the excess charges billed to the applicant.

The non-applicant is, therefore, directed to refund the excess demand charges along with interest as applicable.

The applicant's grievance application is thus allowed and it stands disposed of as stated above.

The non-applicant shall carryout the above directions and report compliance on or before 22.02.2008.

Sd/-	Sd/-	Sd/-
(S.J. Bhargawa)	(Smt. Gauri Chandrayan)	(S.D. Jahagirdar)
Member-Secretary	MEMBER	CHAIRMAN

**CONSUMER GRIEVANCE REDRESSAL FORUM  
MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO LTD's  
NAGPUR URBAN ZONE, NAGPUR.**