

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

Case No. CGRF(NUZ)/02/2008

- Applicant : M/s. TOOL INDIA
Plot No. A-8/1/1,
MIDC Hingna Road,
NAGPUR.
- Non-applicant : MSEDCL represented by
the Nodal Officer-
Executive Engineer,
MIDC Division, 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 29.01.2008)

The present grievance application has been filed on
07.01.2008 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 erroneous charging of service connection charges amounting to Rs.1,75,000/- for the applicant's unit in the context of sanction of additional contract demand of 50 KVA.

The matter was heard on 25.01.2008.

The applicant's case was presented before this Forum by his nominated representative one Shri R.B. Goenka while the E.E. (Adm) NUC presented the case on behalf of the non-applicant Company.

The applicant's Unit is having sanctioned contract demand of 150 KVA with a sanctioned load of 150 KW. The applicant applied for enhancement in contract demand by 50 KVA and connected load of 50 KW vide his application dated 06.08.2007. The application processing fees of Rs.1000/- was also paid by the applicant. The MSEDCL issued load sanction order dated 27.07.2007 in which fixed connection charges of Rs.1,75,000/- and security deposit of Rs.71,700/- were demanded. The applicant protested charging of service connection charges of Rs.1,75,000/- vide his letter dated 20.09.2007. The MSEDCL did not accept the applicant's request and did not issue corrected demand note as requested by the applicant. Hence, this grievance application.

The applicant's representative strongly submitted that the MERC (hereinafter referred to as Commission) has issued order dated 08.09.2006 in case no. 70 of 2005 in the matter of approval of MSEDCL's Schedule of charges and at page 8 of the order in para 1.4,

the Commission has held that “in case a consumer applies for an additional load/contract demand i.e. extension of load and if the release of additional load/contract demand entails any works, the Commission allows MSEDCL to recover the normative charges for the total load/contract demand (existing as well as additional load) as per the applicable load slabs indicated in Annexures I and II”.

Relying on this order, he strongly argued that the non-applicant cannot charge service connection charges amounting to Rs.1,75,000/- since there was no work involved for carrying out enhancement of the contract demand.

He, therefore, prayed that MSEDCL be directed to issue a fresh demand note to the applicant without charging any service charges.

The non-applicant has submitted his parawise report dated 22.01.2008 which is on record. It is stated in this parawise report as well as in the oral submissions of the Executive Engineer representing the non-applicant Company that the demand note issued is in tune with the Commission’s orders. He has relied upon the Commercial Circular, being circular no. 43 dated 27.09.2006, issued by the H.O. for this purpose. According to him, the protest of the applicant is misconceived and he is bound to pay service connection charges amounting to Rs.1,75,000/-. He added that the service charges of Rs.1,75,000/- are required to be recovered even in case of extension of load from the consumer.

He, therefore, prayed that the grievance application may be dismissed.

The only point that needs to be decided in this case is whether service connection charges can be recovered from the applicant.

The Commission has clearly held in its order dated 08.09.2006 passed in case no. 70 of 2005 in the matter of approval of MSEDCL's Schedule of Charges that such a recovery as per normative charges is permissible if release of additional load/contract demand entails any work. This clearly means that if no works are involved, there is no need to recover the normative charges. Annexure-II of the Commission's order pertains to schedule of rates meant for service connection charges in respect of new underground connection and for H.T. supply upto to 500 KVA service connection charges of Rs.1,75,000/- are approved by the Commission. In Note (1) below this Annexure it has been mentioned by the Commission that in case MSEDCL permits an applicant to carryout the work through a Licensed Electrical Contractor, a rate of 1.30% of the normative changes will be applicable towards supervision charges and in note (2) it is stated that in case of extension of load, the normative charges will be applicable on the total load (existing as well as additional load) as per the load slabs indicated in the annexure. These two notes will have to be read to-gether.

The ruling given by the Commission in para 1.4 at page 8 of its order dated 08.09.2006 clearly stipulates that service connection charges as approved in Annexures I & II are recoverable only if release of additional load/contract demand entails any work. When pointedly asked, the non-applicant admitted that no works are involved while sanctioning the additional contract demand. It therefore, follows that there is no need to recover service connection charges in such a case.

The applicant's representative during the course of arguments submitted that the NRC of MSEDCL is not charging any service connection charges in similarly placed consumers. He has also produced copies of two orders dated 31.07.07 and another dated 13.06.2007 passed by the S.E. NRC, MSEDCL in respect of M/s. Ramson TMT Pvt. Ltd., and M/s. Shivmangal Ispat in which these two similarly placed units were not charged any service connection charges. The Executive Engineer representing the non-applicant Company did not offer any comments on this submission.

In the result, we are inclined to hold and do hold accordingly that the non-applicant is not entitled to recover service connection charges amounting to Rs.1,75,000/- in the present case.

We, therefore, direct that the demand note issued by the non-applicant should be corrected accordingly and additional supply as requested for by the applicant released as per rules without charging any service connection charges.

The applicant's grievance is thus allowed and it stands disposed off in terms of this order.

The non-applicant shall carry out this order and submit the compliance on or before 28.02.2008.

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.**