

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

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**Case No. CGRF(NUZ)/01/2008**

Applicant : M/s. Anand Steel & Alloys & Pvt. Ltd.,  
109, Steel Chamber's Building,  
Wardhaman Nagar,  
NAGPUR.

Non-applicant : MSEDCL represented by  
the Nodal Officer-  
Executive Engineer,  
Division-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 31.01.2008)**

The present grievance application has been filed on 04.01.2008 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 non-release of 1300 KVA contract demand and non-issuance of demand note to him based on schedule of charges decided by the MERC (in short, the Commission) as per its order dated 08.09.2006.

The applicant has sought reliefs on the following points.:

- 1) The MSEDCL be directed to sanction and release 1300 KVA contract demand to the applicant immediately and issue demand note to the applicant based on schedule of charges decided by the Commission on 08.09.2006.
- 2) The MSEDCL be penalized for delay in load sanction @ Rs.1000/- per day of delay as per section 43(3) of Electricity Act,2003.
- 3) The MSEDCL be directed to provide compensation to the applicant as per SOP Regulations detailed in Para 12 of the grounds of this application.
- 4) The MSEDCL be directed to provide compensation of Rs.13,49,742.86 against interest on loans and Rs.80,800/- against salary payment of staff which are direct losses incurred by the applicant due to delay in sanction & release of load.

The applicant submitted his grievance to the S.E. NRC MSEDCL Nagpur vide his letter dated 16.06.2007 stating that though a fresh application was submitted on

17.02.2007 requesting for sanction and release of contract demand of 2600 KVA, a letter dated 07.06.2007 was received after lapse of 4 months from the date of this application that voltage regulation of 33 KV Gumthala feeder was not within permissible limits and that it was suggested in this letter to lay separate feeder under ORC scheme despite the fact that after implementation of the MERC (Electricity Supply Code and Other conditions of Supply) Regulations,2005 here-in-after referred-to-as Supply Code Regulations and schedule of charges decided by the Commission, there was no ORC scheme in existence and the development of infrastructure was the responsibility of the distribution licensee. The applicant further stated in this letter dated 16.06.2007 that as per MERC (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations,2005 here-in-after referred-to-as SOP Regulations, where extension or augmentation of distributing mains is required to be done, the Distribution Licensee shall release supply within 3 months. He therefore, complained that the supply has not been sanctioned and released within 3 months i.e. before 17.05.2007 and instead, the applicant is being wrongly asked to do the work under ORC scheme. It was pointed out by him to the Superintending Engineer that such an act amounts to violation to provisions of Supply Code Regulations and SOP Regulations. The applicant requested the Superintending Engineer to immediately sanction his load. However, he was again asked to revise his application for a contract demand of 1300KVA by filing a fresh application. Accordingly, the applicant submitted his application dated

09.07.2007 for sanctioning contract demand of 1300KVA. However, no action has been taken by MSEDCL and load sanction has not been issued. Hence, the present grievance application.

The intimation given to the Superintending Engineer as aforesaid is deemed to the intimation given to the Internal Grievance Redressal Cell ( in short, the cell) in terms of Regulation 6.2 of the said Regulations and hence, the applicant was not required to approach the Cell again for redressal of this grievance before coming to this Forum.

The matter was heard on 23.01.2008.

The applicant's case was presented before this Forum by his nominated representative one Shri. R.B. Goenka while the S.E. NRC MSEDCL Nagpur re-presented the non-applicant Company.

The applicant's representative submitted that the applicant is setting up a plant of Ferro Alloy Unit in the limits of village Gumthala, Tq.Kamptee, Dist. Nagpur. He applied for sanctioning of load of 2600 KVA for this industry on 01.10.2004. Since there was a problem of voltage regulation, the applicant approached the Technical Member of MSEB and as per his directives, the Chief Engineer, NUZ, MSEDCL, Nagpur permitted release of 1300 KVA load to the consumer vide his letter dated 11.04.2005. Accordingly, the applicant's load of 2600KVA contract demand was sanctioned vide MSEDCL's load sanction letter dated 13.06.2005. Since the validity period of load sanction was about to expire, the applicant requested MSEDCL to extend validity period by 3 months. Accordingly, the validity period of load sanction was

extended for a period of 6 months i.e. upto 26.10.2006 vide MSEDCL's letter dated 05.07.2006. Due to some unavoidable circumstances, the applicant could not complete the work and requested the MSEDCL for further increase in validity period by another six months by his letter dated 12.12.2006. Thereupon, the applicant received a reply from MSEDCL vide its letter dated 15.01.2007 in which he was asked to submit a fresh application. Accordingly, he submitted another fresh application on 17.02.2007. The applicant was surprised to receive a letter, being letter dated 07.06.2007 from MSEDCL i.e. after expiration of about 4 months from the date of his application that voltage regulation of 33 KV Gumthala feeder was not within permissible limits and the applicant was asked to accept a separate feeder from Mauda substation under outright contribution scheme. There-upon, the applicant submitted his grievance to the S.E. vide his letter dated 16.06.2007 elaborating all the facts and submitting that after implementation of Supply Code Regulations and schedule of charges decided by the Commission, development of infrastructure is the responsibility of the distribution licensee and no ORC scheme is in existence. The applicant brought to the notice of the S.E. provisions of SOP Regulations and also that the distribution licensee should release the supply within 3 months since only extension or augmentation of distributing mains is required. On the advise of MSEDCL, another fresh application dated 09.07.2007 for contract demand of 1300 KVA was submitted by the applicant since voltage regulation was poor as per MSEDCL's version. The Chief Engineer, NUZ, Nagpur also issued directives to the Superintending Engineer

vide his letter dated 07.11.2007 directing him not to delay the case and follow the SOP Regulations and the directives of Chief Engineer's letter dated 11.04.2005. Despite this position, no action has been taken by MSEDCL and load sanction has not been issued.

He added that it is not understood as to why the applicant was asked to apply afresh just because of expiry of the validity period of six months. The applicant's load of 2600KVA was sanctioned earlier on 13.06.2005 and that time also, the voltage regulation was not within the permissible limits. As per the applicant's knowledge, there is a stand-by load sanctioned to M/s. Murli Agro Products Ltd to the tune of 4000 KVA and other loads were also sanctioned to the tune of about 2000 KVA on the same feeder even though the voltage regulation was poor. This, according to him, means that the voltage regulation is not a criteria for MSEDCL. In case the supply can not be catered from the existing distributing mains, MSEDCL should have augmented the distributing mains within the frame work of time which has been provided in Regulation 4.5 of SOP Regulations.

Strongly relying upon SOP Regulations, the applicant's representative vehemently submitted that the MSEDCL has violated provisions of SOP Regulations and as such, it is liable for providing compensation as per Appendix "A" of the SOP Regulations as under :

- 1) Inspection of applicant's premises should have been done within 10 days (meant for rural areas) from the date of receipt of application and for delay, a

compensation of Rs.100/- per week or part thereof of delay is payable to the applicant.

- 2) Charges to be borne by the applicant for giving supply from existing network should have been intimated to him within 20 days. Where extension of distributing mains or commissioning of substation is required, the charges to be borne should be intimated within 30 days from date of application. This has not been done and as such, compensation is payable to the applicant @ Rs.100/- per week or part thereof of delay from the date of receipt of application.
- 3) The MSEDCL should have provided the supply within one month from the date of receipt of his application and payment of charges. Here also, compensation @ Rs.100/- per week or part thereof of delay is payable to the applicant.
- 4) The time period for provision of supply from the date of receipt of completed application and payment of charges in case extension or augmentation of distributing mains is required is of 3 months. Since, no supply is as yet released, the applicant is entitled to receive compensation on this count also @ Rs.100/- per week or part thereof of delay.

He, therefore, requested this Forum to direct MSEDCL to provide all the above compensation for the delay. He further stated that compensation to be provided should be for the delay till the date of connection.

He also urged that MSEDCL should be penalized as provided in Section 43(3) of the Electricity Act,2003 and in

that, penalty of Rs.1000/- per day for non-supply of electricity within one month from the date of receipt application (viz. 16.12.2006) be inflicted on MSEDCL till the date of supply.

He also brought to the notice of this Forum that the licensee violated the provisions of Regulation 4.3 of Supply Code Regulations and MSEDCL did not keep any record and did not inform the applicant about the status of his application and the reasons for the delay. Likewise, according to him, the licensee also violated the provisions of Regulation 5.1 of Supply Code Regulations since MSEDCL did not inspect the applicant's premises with prior intimation to the applicant.

The applicant's representative added that because of inaction on the part of MSEDCL, the project of the applicant has been delayed by more than 8 months due to non-supply of power. According to him, the supply should have been connected on 17.03.2007 but due to delay in supply of power, the applicant has incurred direct losses of Rs.13,49,742.86 against interest paid to his financiers and Rs.80,800/- against salary to staff upto 30.11.2007. He has, therefore, requested this Forum to award this compensation for direct losses as per Regulation 8.2 ( c) of the said Regulations. He has produced on record a certificate of the Chartered Accountant in support of this statement.

He lastly requested that MSEDCL be directed to sanction the applicant's load of 1300 KVA and to issue demand note immediately as per schedule of charges decided by the Commission on 08.09.2006.



The non-applicant has submitted his parawise report dated 22.01.2008 which is on record. A copy of this report has been given to the applicant.

The S.E. NRC representing the non-applicant Company has stated in this parawise report as well as in his oral submissions during the course of arguments that the applicant did apply for a new HT supply on 01.10.2004 for contract demand of 2600 KVA. Accordingly, an estimate was sanctioned and load sanction was issued to the applicant on 26.04.2005. The estimate was sanctioned that time under 100% ORC scheme with payment of supervision charges to the then MSEB (now MSEDCL). As per the estimate, the proposed connection was through 33 KV Gumthala feeder from 132 KV Mouda Sub-Station and the voltage regulation of the feeder was 17.148%. As per approval, the consumer was asked to restrict the load to 1300 KVA and to make suitable arrangement to improve the voltage with the help of additional capacitor. Thereupon, on 01.05.2006, the applicant applied for extension of validity period of the load sanction order and accordingly, the validity period was extended by six months i.e. up to 20.10.2006 and the applicant was also informed that no further extension would be granted. Despite this position, the applicant again applied on 12.12.2006 for further extension of validity period. Since the applicant did not make payments within the stipulated period, he was asked to reapply for availing the supply. He, therefore stated that the applicant's contention that it was not proper on MSEDCL's part to ask him to apply afresh just because of expiry of validity period is not correct.

He added that as per H.O. permission on 09.02.2007 stand-by load of 4000 KVA is released to M/s. Murli Agro Products Ltd., on 09.03.2007 with reduction in his contract demand to 950 KVA. Estimate for new 33 KV line from 132 KV Mouda S/Stn. is sanctioned for supply to M/s. Murli Agro Products and other H.T. connections were also released on 11 KV feeder as the VR calculated at the time of sanction was within permissible limit. In the meantime, considering the applicant's request for HT power supply and increase in demand for power in that area, a separate 33 KV feeder was proposed under infrastructure plan and the same was also sanctioned on 05.08.2006. However, the work of separate 33 KV feeder could not be carried out due to non-availability of funds. The applicant again applied for HT connection for contract demand of 2600 KVA on 17.02.2007. This was a fresh application. However, load could not be sanctioned as the voltage regulation of the 33 KV feeder on which the connection was proposed was above permissible limits. The applicant was accordingly informed on 07.06.2007 that supply could be extended by laying a separate feeder from 132 KV Mouda S/Stn. However, his consent to this is still awaited.

Pointing out these details, the S.E. stated that the applicant's application is still incomplete as per Regulations 5.7 & 5.8 of Supply Code Regulations.

He continued to submit that the applicant did submit his representation on 16.07.2007 pointing out that development of infrastructure was the responsibility of distribution licensee. However, the applicant again applied for

sanction of 1300KVA contract demand on 09.07.2007. This was his second fresh application and the same could not be sanctioned so far as the VR of feeder to which the connection was to be fed was above permissible limits.

He reiterated that in view of non-availability of a separate feeder, the applicant was requested to lay separate feeder of 33KV express feeder as he was insisting on sanction of load on 33KV voltage level which he has not done. Hence, according to him, there is no delay.

On the point of the applicant's grievance about non-inspection of his premises, he stated that this inspection was carried out after receiving his first application dt. 01.10.2004 by the S.E. NRC and E.E. C.C. O&M Division, MSEDCL, Nagpur along with the applicant's representative and on that basis, earlier estimate under 100% ORC scheme was framed and load was also sanctioned. However, the applicant failed to complete the sanctioned work and to make requisite payment within the permitted time-limit. He, therefore, stated that the applicant's representative contention in this regard is not correct.

He lastly submitted that this grievance application may be dismissed.

In this case, it is matter of record that the applicant initially applied for release of 2600KVA contract demand in the year 2004. Accordingly, load sanction letter was issued on 26.04.2005. However, the applicant did not carry out works as per the sanctioned estimate that time and requested for extension of validity period by 3 months. The MSEDCL also extended this period of validity by six months i.e. upto

26.10.2006 vide MSEDCL's letter dated 05.07.2007 in which it was stated that no further extension shall be granted. However, the applicant again requested MSEDCL on 12.12.2006 for increasing further the validity period by another six months. Thereupon, MSEDCL asked the applicant to apply afresh by its letter dated 05.01.2007. All these facts are undisputed. In view of this position, the matter in respect of the applicant's first application dated 01.10.2004 for sanction of contract demand of 2600KVA ends here. No fault can be attributed to MSEDCL in this respect. It is also a matter of record that the applicant has filed his second application dated 17.02.2007 again for sanction of contract demand of 2600 KVA for his HT connection. This connection was not processed for sanction by MSEDCL as, according to it, the voltage of regulation of 33KV feeder on which the connection was proposed was above permissible limits. The applicant submitted his another fresh application being, application dated 09.07.2007 for sanction of contract demand of 1300KVA instead on 2600 KVA.

It is, therefore, clear that by his application dated 17.02.2007 the applicant requested for sanction of 2600KVA contract demand and by way of his subsequent application dated 09.07.2007, he requested for sanction of 1300KVA contract demand. The applicant's grievance is also about non-sanction of 1300KVA contract demand and his submission is that the supply should have been connected on 17.03.2007 i.e. one month from the date viz. 17.02.2007 of his application.

The basic point to be seen is whether these two applications can be treated as duly completed applications in

terms of Supply Code Regulations and in terms of the Commission's schedule of charges vide its order dated 08.09.2006. This is necessary because the applicant is not only seeking relief of immediate supply but he is also insisting upon payment of compensation as per SOP Regulations and also compensation for direct losses incurred by him.

Now, as provided in Regulation 4.1 of Supply Code Regulations meant for application for supply of power, the applicant shall provide all the necessary information while making application for sanction of power supply and one of the mandatory requirements as mentioned in clause (ix) is about payment of fee for processing the application based on the schedule of charges as approved by the Commission under Regulation 18 or production of receipt thereof.

In this case, this processing fee has not been paid by the applicant either for his application dated 17.02.2007 or his subsequent application dated 09.07.2007. As per the Commission's order dated 08.09.2006, a processing fee of Rs.1000/- for such an application has been prescribed. This provision takes effect from 01.10.2006. There is no record produced by the applicant to prove that he has paid this processing fee. The applicant's representative is also meticulously silent on this point. It is a different matter that the MSEDCL ought to have asked the applicant to pay this processing fees. However, the fact remains that without payment of this processing fee, the applicant's both applications dated 17.02.2007 and another dated 09.07.2007 cannot be treated as duly completed applications in terms of Regulation 5.1 of Supply Code Regulations meant for

processing of such applications. As provided in Regulation 5.1 of Supply Code Regulations, after a Distribution Licensee receives a duly completed application along with documents in accordance with Regulation 4.1, the distribution licensee shall send his authorized representative to study the technical requirements of giving supply and inspect the premises to which supply is to be given with prior intimation to the applicant. Regulation 5.8 of Supply Code Regulations also makes it clear that an application shall be deemed to be received on the date of receipt of a duly completed application containing all the necessary information / documents in accordance with Regulation 4 above, payment of all approved charges etc. Thus, in the absence of payment of this processing fee, the MSEDCL cannot be blamed for not processing these two applications and it cannot also be held responsible in any way for any delay that is caused in this case.

It is also not understood as to how the applicant is insisting upon awarding compensation dated 17.02.2007. Particularly when another fresh application this time for 1300KVA contract demand was submitted by him on 09.07.2007.

Hence, the MSEDCL is not at all liable to pay any compensation either under SOP Regulations or for that matter for direct losses incurred by the applicant. This Forum is therefore, unable to provide the compensation sought for by the applicant. Likewise, the applicant's request to penalize the MSEDCL in terms of Section 43 of the Electricity Act, 2003 becomes misconceived. Otherwise also, this Forum is not empowered to inflict such a penalty on MSEDCL.

It will be in the fitness of thing if the applicant pays this processing fee immediately so that the MSEDCL can process his latest application dated 09.07.2007 for sanction of 1300KVA contract demand. In that event, it will be binding upon MSEDCL to process the applicant's application and arrange to sanction supply as per Supply Code Regulations, SOP Regulations and as per the Commission's schedule of charges as applicable on the date of his duly completed application.

A point has been made by the applicant's representative that the applicant cannot be forced to accept dedicated distribution facility since it is the responsibility of the distribution licensee to provide the necessary infrastructure as per the Commission's order dated 08.09.2006. Here, in this regard, it is made clear that as ruled by the Commission, it is binding upon the Distribution Licensee to provide the necessary infrastructure and it cannot compel any consumer to install dedicated distribution facility without his explicit consent.

The non-applicant has clarified in his parawise report that a separate 33 KV feeder has already been sanctioned on 05.08.2006. However, work of this feeder could not be carried out due to non-availability of funds. It is for MSEDCL to sort out this matter and provide the required infrastructure to consumers demanding sanction of loads in the area and also to sort out the problem of voltage regulation.

The MSEDCL should, therefore, take necessary action as per the prescribed time-schedule as per SOP Regulations once the applicant pays the processing fee.

The other points raised in this matter need no consideration by this Forum at this stage.

The applicant's request for issuance of demand note and sanction of supply immediately cannot be granted by this Forum for want of payment by the applicant of the application processing fee.

With the above observations the applicant's grievance application stands disposed of accordingly.

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

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