CONSUMER GRIEVANCE REDRESSAL FORUM MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LTD. NASHIK ZONE

(Established under the section 42 (5) of the Electricity Act, 2003)

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Office of the Consumer Grievance Redressal Forum Kharbanda Park, 1st Floor, Room N. 115-118 Dwarka, NASHIK 422011

No. / CGRF /Nashik/NUC/N.U.Dn.2/521/52-15/

Date: 03/05/2016

(BY R.P.A.D.) <u>In the matter of Change of Tariff</u>

Date of Submission of the case :17/03/2016 Date of Decision : 03/05/2016

| To. | | |
|-----|---|----------------------|
| 1. | M/S J.V.S. Comatsco Ind. PVT. Ltd | |
| | G.No. 107/2, 107/3. | |
| | Moha Post. Chincholi, | Complainant |
| | Tq. Sinnar Dist. Nashik 455103 | - |
| | (Consumer No. 076218003130) | |
| 2. | Nodal Officer, | |
| | Maharashtra State Electricity Distribution Com. Ltd., | |
| | Urban Circle office, Shingada Talav, | Distribution Company |
| | Nashik | |
| 3. | Executive Engineer (Urban-2) | |
| | Maharashtra State Electricity Distribution Com. Ltd. | |
| | Division office Nashik . | |

DECISION

M/S J.V.S. Comatsco Ind. Pvt. Ltd. (hereafter referred as the Complainant). Tq. Sinnar, Dist: Nashik is the industrial consumer of the Maharashtra State Electricity Distribution Company Ltd. (hereafter referred as the Distribution Company). The Complainant has submitted grievance to the Internal Grievance Redressal Committee regarding sudden change of Tariff by the MSEDCL But not satisfied with the decision of the IGRC, the complainant has submitted a representation to the Consumer Grievance Redressal Forum in Schedule "A". The representation is registered at inward no.46 on 17/03/2016.

The Forum in its meeting on 18/03/2016, decided to admit this case for hearing on 05/04/2016 at 11.30 am in the office of the forum . A notice dated 18/03/2016 to that effect was sent to the appellant and the concerned officers of the Distribution Company. A copy of the grievance was also forwarded with this notice to the Nodal Officer, MSEDCL, Urban Circle Office Nashik, for submitting para-wise comments to the Forum on the grievance within 15 days under intimation to the consumer.

Shri. C.C. Humane, Nodal Officer, Shri. A. N. Jondhale, Dy. Ex. Engineer., Shri. R. A. Mahajan Asstt. Engr. represented the Distribution Company during the hearing. Shri Pawan Magjj and Shri Dinesh Hadke appeared on behalf of the consumer.

Consumers Representation in brief :

- 1. JVS Comatsco Industries Pvt. Ltd. Situated at Gut No. 106/2, 107/2/3, at village Moha Post |Chincholi, Tal Sinnar Dist. Nashik.
- 2. They are manufacturing construction materials like Autoclaved Aerated Concrete Blocks, Plaster & Mortar etc. from last 7-8 years and power connection supply with express feeder is in the name of company only.
- 3. Water uses are only for the industry purpose, they do not use water for any other purpose other than industry .The land from where the water is being lifted is also under the ownership of the company.
- 4. The power connection supply for the water pump was industrial from inception to September 2015. After October 2015, onwards this power supply was suddenly made as commercial without any prior intimation nor information to the complainant which is not acceptable to them.

Demands of the Consumer:

Change the tariff for Commercial to Industrial.

Arguments from the Distribution Company.

The Distribution Company submitted a letter dated 02/04/2016 from the Nodal Officer, MSEDCL, Nashik Urban Circle and other relevant correspondence in this case. The Distribution Company has stated that:

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- 2- R; ke@segkforj.kP; k def'kl; y ifji=d da 243 fn- 03@07@2015 o MERC Tariff Order fn-26@06@2015 e/; s uen dsyly; k rjrnhul kj LT-V(B) L.T. Industrial General O LT-II LT-non Residential or Commercial vlo; s duD'ku ?krys'; k fBdk.kh dlipygh mRiknu gkrul Y; kus rs vks kfxd njl drkl kBh vik= vkgs- rlp l njhy xkgdkyk Qccpkjh 2016 ikl u vkdkj.; kr vkysyk okf.kT; hd njl dr gk egkforj.kP; k fu; ekul kj ; kX; vkgs

Action by IGRC :

- 1. Internal Grievance Redressal Cell Nashik Urban Circle conducted hearing on 15/02/2016 for the complaint submitted on 02/02/2016
- 2. After hearing both the parties IGRC gave decision as per letter dated 10/03/16 as under:

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Observations by the Forum:

1. The complainant is an industry engaged in the manufacture of Aerated Concrete Blocks, Plaster & Mortar etc. at G.No. 106/2 & 107/2/3 at Moha Post. Chincholi Tq: Sinnar. The company is having two electric connections in its name. One connection is at the factory premises. It is stated by the complainant that , the company requires water for industrial purpose and as the adequate source is not available within the factory premises, they are pumping the water from a well at G.No. 284 in Brahmanwade village (Tq:Sinnar) which is about 10-11 kms from the factory. It has been further clarified that this land along

with the well owned by Smt Parvatiben Vallabhbhai Patel & 3 others has been leased out to M/s JVS Comatsco Industries Pvt. Ltd. as per lease deed dated 06/12/2007 registered under No. 6178/2007.

2. Since it not feasible to supply electricity for this water pump from the connection at the factory premises, they have taken separate connection (under consumer no.076218003130) in their name at this G.No. 284 at Brahmanwade (Tq:Sinnar). This connection is given from 11/05/2010. The Distribution Company has applied industrial tariff to this connection since beginning till September 2015. But MSEDCL changed this tariff to Commercial (LT-V(B) L.T. Industrial General (LT-II LT- Non Residential or Commercial) quoting the MERC Tariff order dated 26/06/2015 and MSEDCL Commercial Circular 243 dated 03/07/2015.

The Distribution Company has relied upon the contents under the category "**LT-V** (**B**): **LT - Industry** – **General**" which is "applicable for industrial use other than Powerlooms, and shall be applicable for Industrial use at Low/Medium Voltage in premises for purposes of <u>manufacturing</u>, including that used within these premises for general lighting, heating/cooling, etc."

This Tariff is also applicable for use of electricity / power supply for Administrative Office / Time Office, Canteen, Recreation Hall / Sports Club / Health Club / Gymnasium / Swimming Pool exclusively meant for employees of the industry, lifts, <u>water pumps</u>, fire fighting pumps, premises (security) lighting, Research and Development units, etc., provided that <u>all such facilities are situated within the same industrial premises and</u> supplied power from the same point of supply;

3. However the Distribution Company has ignored the Hon'ble Commission's ruling as per para 6.36.2 on "Water Supply to Industrial premises" in the same MERC Tariff Order dated 26/06/2015 (in case 121 of 2014) which is reproduced below:

Commission's Ruling

"6.36.2 The Commission has earlier ruled in its Order in Case No. 19 of 2012, that such activity may have commercial motives if it is not completely under the ownership, operation and maintenance of a Government body or local authority. However, the Commission is also of the view that <u>water supply</u> exclusively for industrial purpose should not be covered under the Commercial category. Therefore, the Commission has decided that water works or water supply schemes for self-consumption by industrial complexes/premises of individual private industries shall be included in the Industrial tariff category. "

Even in the MSEDCL Commercial Circular 243 dated 03/07/2015 which is based on the MERC order dated 26/06/2015, under the para 13 it is clearly mentioned that :

"13. Tariff to Water Supply to Industrial Premises:

Water Works or water supply schemes for self-consumption by industrial complexes/premises of individual private industries shall be included in the Industrial tariff category."

During the course of hearing the Forum has asked the Distribution Company to submit a joint inspection report regarding whether the water pumped from the said water pump is exclusively used for their industry . Accordingly the Nodal Officer by a letter dated 22/04/2016 has submitted the inspection report dated 21/04/2016 by the Additional Executive Engineer, Nashik Road . As per this report:

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4. Hence this is a case befitting to the para 6.36.2 as above. The complainant industry has made water supply arrangement of its own for the self consumption for its industrial unit. As such the connection under consumer number 076218003130 should also be applied industrial tariff. The Forum directs the Distribution Company to continue to charge the bill to the complainant under "LT-V (B) : LT - Industry – General" category and the excess amount recovered if any on account of tariff difference be refunded in the ensuing bill.

After considering the representation submitted by the consumer, comments and arguments by the Distribution Licensee, all other records available, the grievance is decided with the observations and directions as elaborated in the preceding paragraphs and the following order is passed by the Forum for implementation:

- 1. The Distribution Company should continue to apply "LT-V": Industry "category to the the connection under consumer number 076218003130 and the excess amount recovered if any on account of tariff difference be refunded in the ensuing bill.
- 2. As per regulation 8.7 of the MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006, order passed or direction issued by the Forum in this order shall be implemented by the Distribution Licensee within the time frame stipulated and the concerned Nodal Officer shall furnish intimation of such compliance to the Forum within one month from the date of this order.
- 3. As per regulation 22 of the above mentioned regulations, non-compliance of the orders/directions in this order by the Distribution Licensee in any manner whatsoever shall be deemed to be a contravention of the provisions of these Regulations and the Maharashtra Electricity Regulatory Commission can initiate proceedings *suo motu* or on a complaint filed by any person to impose penalty or prosecution proceeding under Sections 142 and 149 of the Electricity Act, 2003.
- 4. If aggrieved by the non-redressal of his Grievance by the Forum, the complainant may make a representation to the Electricity Ombudsman, 606, 'KESHAVA', Bandra Kurla Complex, Bandra (East), Mumbai 400 051 within sixty (60) days from the date of this order under regulation 17.2 of the MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006.

| (Rajan S. Kulkarni) | (Ramesh V.Shivdas) | (Suresh P.Wagh) |
|----------------------|--|-----------------|
| Member | Member-Secretary | Chairman |
| | & Executive Engineer | |
| Cor | nsumer Grievance Redressal Forum Nashik Zone | 2 |

Copy for information and necessary action to:

- 1 Chief Engineer, Nashik Zone, Maharashtra State Electricity Distribution Company Ltd., Vidyut Bhavan, Nashik Road 422101 (For Ex.Engr.(Admn)
- 2 Chief Engineer , Nashik Zone, Maharashtra State Electricity Distribution Company Ltd. , Vidyut Bhavan, Nashik Road 422101 (For P.R.O)
- 3 Superintending Engineer, Maharashtra State Electricity Distribution Company Ltd., Urban Circle office, Nashik.