

**CONSUMER GRIEVANCE REDRESSAL FORUM,  
AMRAVATI ZONE, AKOLA.**

*“ Vidyut Bhavan”  
Ratanlal Plots,  
Akola : 444001  
Tel No.2434476*

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Dt.06/05/2014

**Complaint NO. 73 / 2014**

**In the matter of grievance about recovery of excess Security Deposit etc.**

**Quorum :**

Shri T.M.Mantri, Chairman  
Shri P.B.Pawar, Secretary  
Shri A.S.Gade, Member

M/S Ramdeo Agro Processor, Akot.

..... Complainant

...vrs....

The Superintending Engineer MSEDCL,Circle Office, Akola.

..... Respondent

**Appearances :**

Complainant Representative : Shri Ashish Subhash Chandrana.

Respondent Representative : Shri N.S Chitore, Ex. Engineer Adm. Akola.

1. The complainant's case in brief is that inspite of approaching the higher authority in Akola Circle on 12.11.2013, but nothing has been done compelling the complainant to approach this Forum. According to the complainant, it is a HT consumer and while providing new connection excess and illegal charges have been recovered in violation of the Approved Schedule of Charges and Supply Code, 2005. It is alleged that even the N.A. has not provided copy of the Schedule of Charges / Service Code Regulation and as well as Terms and Conditions of supply, deliberately.

2. The complainant has made averment in respect of comparison between 3 different consumers to whom the sanction has been accorded by the same authority of the N.A. thereby discrimination has been committed and the Licensee could reply the same. The details of Service Connection Charges, Supervision Charges, Security Deposit, Agreement charges, Processing fees, Transformer Testing charges from the Complainant and other consumers : Khushi Cot Spin Pvt Ltd and Harishankar Cot Spin, have been given. It is alleged that on 12.11.2013, the Complainant submitted application for refund of excess amount of Rs.23,540/- with interest but to no effect, hence reliefs have been sought for as prayed for in the complaint. Alongwith the complaint, documents came to be filed.

3. Notice as per the Regulation was issued to the N.A. for submitting reply to the Complaint and accordingly, it was came to be filed raising objections that this Forum cannot entertain the complaint, in view of the provisions under the Regulation, 2006. In any case, the other objections raised by the N.A needs to be considered if the complaint is entertained. Submission of the application dated 12.11.2013, by the applicant for reliefs sought for has been admitted. It is stated that the N.A. has provided Electric connection as HT consumer on 1.2.2013. Then reference has been made to the Demand Note dated 7.11.2012 for Rs.5,51,123/- wherein Service Connection Charges of Rs.20500/- and Transformer Testing charges of Rs.3000/-, totaling to Rs.23500/- have been recovered by mistake and the same has been refunded as adjustment of Rs.21,835/- in the bill of February 2014. The complainant's contention about the entitlement for refund of Rs/.23500 is incorrect. IN all Rs.26140/- including 1.3% Supervision charges (Rs.2640) have been recovered. That in fact an amount of Rs.4302/- was actually to be charged, as the amount of Rs.2640 has been mentioned in the Demand

Note, hence Rs.1662 has been deducted from Rs.23500/- resulting adjustment of Rs.21,835 in the bill of February 2014.

4. According to the N.A. as per the MERC Conditions of Supply Code 2005, amount of security deposit has been collected from the complainant. On 9.10.12, the complainant has informed about the running of Industry, in 2 shifts, accordingly Security Deposit amount was calculated to Rs.5,23082=46, hence the complainant's contention about the refund of excess amount of Security Deposit is illegal. The complainant's contentions in letter dated 12.11.2013 being not correct, the complaint needs to be rejected. It is further stated that in order to take appropriate action and to provide natural justice to the complainant, the N.A. has taken out MRI data for the period from 18.1.2014 to 3.4.2014, which reveals that on each day, the user was for 24 hours thereby complainant's contentions about the running in 1 shift is totally incorrect, hence the Complaint needs to be rejected.

5. As far as the documents pertaining to Khushi Cot Spin and Harishankar Cot Spin, the same cannot be considered as the complainant has not explained proper custody thereof. Consideration of these documents amount to contravention of natural justice and hence the complaint needs to be rejected. According to the N.A., complainant has given incorrect information about the shift hence the complainant is liable to deposit Rs.6,99,803=50 as Security Deposit but in the complaint amount of Rs.5,23083 is shown as Security Deposit, hence balance of Rs.1,76,720=50 needs to be deposited by the complainant towards Security Deposit and submitted that the complainant to be directed to do so. Lastly pressed for dismissal of the complaint with fine for filing false complaint. Along with the reply copies of the documents came to be filed.

6. The complainant's representative has then made further submission in writing, likewise the representative of the N.A. has filed additional documents, copies of which have been provided to adversaries.

7. Heard Shri Ashish Chandarana, Learned Representative for the complainant and Shri Chitore, Executive Engineer and Learned Representative of the N.A. at length. On behalf of N.A. objection has been raised about the jurisdiction of the Forum to entertain the complaint. Admittedly, the complainant has approached the competent authority, the Superintending Engineer and other in respect of his grievance and the IGRC is working under the SE and other Authorities. The Superintending Engineer could have directed the matter to IGRC and could have asked to complainant to approach it. Even if one goes through the provisions under regulations 2006, it is clear that it is not mandatory to approach the IGRC, Second Proviso of 6.2 of MERC Regulation 2006 is clear, thereby intimation given to any official, who is not a part of IGRC, shall be deemed to be the intimation for the purpose of this Regulation. So there appears to be no substance in the objection raised on behalf of the N.A. about the tenability of the complaint. Even Hon. Electricity Ombudsman, Nagpur has laid down that in such as contingency, the complaint is very much tenable before the CGRF. The objections of the N.A. needs to be rejected.

8. It has been admitted position that the Licensee to recover the amount / charges approved by the MERC and it cannot charge anything in excess thereof unless approval of MERC is sought. Admittedly Section 47 of Electricity Act, 2003 provides power to recover the Security Deposit by the Licensee from the Consumer. As provided therein, the same is to be determined by the Regulation,

admittedly MERC has framed the Regulation dealing with this aspect also apart from others. As per the Regulations, framed by MERC, the amount of Security Deposit shall be calculated as the average of 3 months billing or the billing cycle period whichever is lesser. It has been further laid down therein for the purpose of determining the average of billing to the consumer for the last 12 months or in cases where supply has been provided for shorter period, the average of billing of such shorter period shall be considered. It is pertinent to note that provision has also been made in respect of Security Deposit at the time of commencement of service and accordingly, it shall be estimated by the Licensee based on the tariff category and contract demand / sanctioned load, load factor, different diversity factors and number of working shifts. The Regulation also further provides about the calculations of Security amount based on actual billing of the consumer, once in each financial year. The Regulation further provides contingency, wherein the Security Deposit is more or less as required under the Regulation 2005. It provides for refund of excess Security Deposit amount vide single payment within the stipulated period and in case the calculated Security is higher than the deposited amount, Licensee is entitled to raise the additional Security within the prescribed period. So it is clear in the Regulation, all contingencies have been taken into consideration. Now by considering this contingency in the present case, the matter needs to be decided as per the Regulation. Admittedly the complainant has deposited the amount of Rs.5,23,083/- or so on 29.11.2012. The load has been subsequently enhanced by 80KVA, which was approved by the N.A. by adjustment of excess amount. Here, it is pertinent to note that in Letter dated 18<sup>th</sup> November 2013, the N.A. has categorically mentioned under Clause-3..Payment –mentioning various payment has follows will have to be made by you :

I)	Service Connection Charges	= Rs. 00/-
II)	1.3% Supervision Charges	= Rs. 00/-
III)	Additional Security Deposit	= Rs. 00/- (Rs 3,44,129=00 already paid vide M./R. No. 0039013 Dt. 23.11.2012)
IV)	Agreement Charges	= Rs. 200=00
V)	Processing Fees	= Rs. 1700=00
VI)	Total	= Rs. 1900=00

9. Here, it is to be noted that N. A. has referred to Receipt No.00039013 dt.29.11.12. by which the Complainant has deposited the amount of Rs.5,51,123/- which clearly shows even according to the N.A. excess amount has been pad by the Complainant even under the Head of Security Deposit i.e. Rs.5,23083/- as mentioned in the Receipt dated 29.11.2012. As per the contents of the letter dt.18<sup>th</sup> Nov.2013, the Security Deposit was Rs.3,44,129, that has been already paid by the above referred receipt dt.29.11.2012. The Learned Representative of the complainant has submitted that the complainant has demanded the excess amount paid as shown in the above referred letter. Admittedly the complainant has demanded for refund of the same to the concerned authorities, which has not been replied till date. As already observed above under the Regulation prescribed period of 30 days is provided for refund of excess amount, if any.

10. As far as with regard to the stand of the N.A., service connection charges of Rs.20,500 and Transformer Testing fees of Rs.3000/- i.e.Rs.23500/- has been recovered by mistake from the complainant under receipt dated 29.11.12, therefore the amount of Rs.21835/- has been adjusted in the Bill of February 2014. Documents in that behalf is filed on record as Annexure-B with reply. On perusal thereof, it is clear that the bill is of 8.3.2014, so there is a substance in the submission made in the complaint that excess payment recovered in the Account has been adjusted only in March 2014, that is, after more than a period of 15

months by reducing the amount of Rs.23500/- to 21,835/- cannot be said to be just and proper.

11. As already observed above, the Regulation provides in respect of charging of Security Deposit for H.T. consumer, even as per the provision of supply code 18.5 Security Deposit shall be equivalent to Demand charges + energy charges (Contract in Demand KVA with Average Power Factor 90%, Number of Shift per day, 7 hours per shift, 25 days working per month, load factor 60%. The complainant has given total calculations and according to it, it comes Rs.3,62,940/- It is pertinent to note that after submission of demand for excessive sanctioned load to 300 KV, which was approved by the authorities of the N.A. and letter dt.18<sup>th</sup> Nov.2013 "Annexure-A" with reply issued to the complainant. It has been categorically stated therein as to how much Security Deposit is required. As already observed above, there is a reference of Receipt No.0039013, dt. 29.11.2012 therein also.

12. As per the Regulation as already observed, the provisions have been made in respect of Security Deposit under MERC (Electricity Supply Code and Other conditions of Supply) Regulation, 2005. Regulation-11 thereof deals with the Security Deposit. As is clear from the same, provision is made that Security Deposit shall be on estimated basis at the time of commencement of service by providing electric connection. Further, Provision made for re-calculating the amount of Security Deposit based on actual billing of the consumer, the Regulation also clearly mention more particularly, Regulation 11.5, if the amount of Security Deposit is higher than the Security Deposit required under the Regulation, the Licensee shall refund the excess amount in a single payment or by way of adjustment in the next billing. Regulation 11.6 refers to the contingency wherein re-calculation of Security Deposit comes to more than the Security

Deposit already paid, the Licensee is entitled to raise Demand for additional security within the prescribed time. Admittedly, never any demand for additional security was made from the complainant but the Complainant has filed on record of raising such demand by the N.A. from Kothari Builders in April 2014. The copy of the bill is filed on record. Here in the present case, as already observed above, even according to the N.A. the requisite deposit was already paid by the complainant and in fact it was exceeding the amount as required under the Regulation for Security Deposit.

13. On behalf of the N.A, an attempt has been made by producing copies of MRI data in support of the submission that the Complainant is using the electricity in all the shifts. When query was made with the Learned Representative of the Licensee, as to what is the requirement for Security Deposit in the Bill of Consumed electricity, as more than one year has been passed since commencement of the electric supply or MRI data? The answer was the actual bills of Electricity, as per the Regulation, more particularly Regulations 2005 11.2, the amount of Security Deposit is to be equivalent of the average of 3 months of billing. Admittedly here in the present case, the complainant is using the electricity since about a year. Even after enhancement of load to 300 KVA 3 bills have been generated i.e. January to March. It has not been disputed from the side of N.A., so the average of these bills of enhanced load comes to Rs.309068/- and it can be rounded off to Rs.301000/- Even as per the N.A. the Security Deposit therefor comes to Rs.3,44,129/- as mentioned in the Letter dt.18<sup>th</sup> Nov.2013, So even according to the N.A. the amount already deposited by the complainant i.e. Rs.5,23083, is in excess. The N.A is liable to refund the excess amount as per the Regulation. In fact as per Regulation, even for this enhanced load, Security Deposit comes to Rs.301000/-. The Complainant has already paid Rs.5,23083/-. The amount in excess needs to be refunded as per the Regulation 11.5. Filing of



MRI data as well as the statement of calculations (working sheets) from the side of N.A. are not at all relevant. So also it is to be noted in the Calculation Sheet the N.A. has not at all taken into consideration the load factor. There is no reference of low factor in these calculation sheets. The N.A. has filed with reply. Annexure-B is the bill of the Complainant filed by N.A.. It clearly shows that load factor is shown as 0.29 therein. So the reliance on MRI data and calculations sheets by N.A. is no consequence.

14. As already observed above, the N.A. has recovered excess amount from the Complainant under the Head of Service Connection Charges and Transformer Testing Fees. No doubt in the bill of Nov.2014 Rs.21,835/- has been adjusted but without disclosing the reason for reducing the amount also than the recovered amount. The complainant has already given details of other consumers to whom those charges were made and instead of giving reply, objection has been tried to raise about the custody of the documents. The learned Representative of the Complainant has submitted that under the RTI Act, information was collected and it was furnished by the competent officer of the N.A. which is very well within the knowledge of the concerned officer, inspite thereof technical objection has been raised in-stead of making attempt to resolve the dispute / grievance. This forum finds substance in the submissions made on behalf of the complainant. Consequently, this Forum is of considered view to give direction to the N.A. for refund of excess amount as referred to above.

15. The complainant has also claimed interest at the rate of 18% for recovering of excess amount from the complainant, so also claimed cost of Rs.3000/-. As already observed above, the Complainant has approached the authorities, neither any attempt has been made to look into the grievance, nor giving of reply till date, clearly shows the lethargic attitude towards the consumer. The Regulation

provides giving of interest on Security Deposit and amount of Rs.23500/- has been recovered illegally, out of which Rs.21,835/- has been refunded, that too, in March 2014, so the Complainant is entitled for balance amount and interest at the rate of 6% till making refund / adjustment in the bill of February 2014. Had the grievance of the complainant been duly considered, it could have been resolved, but the Complainant has to approach the Forum redressal of his grievance, consequently this Forum thinks it just and proper to award reasonable amount towards cost. Needless to mention here that because of negligence /lethargic attitude of the concerned Officer, the liability of imposing of interest and cost has been incurred and in fact it is their liability. The N.A. Licensee to recover the said amount from the erring officers as laid down by the Apex Court in the case of M.K.Gupta ..vrs..Lukhnow Development Authority. With such observations, this Forum proceeds to pass the following unanimous order :

### **ORDER**

1. That the Complaint No.73/2014 is hereby partly allowed. The N.A. is directed to refund the excess amount of security deposit recovered from the Complainant alongwith the interest as per the Interest rate applicable for Security Deposit, till the time of payment / adjustment, in the forthcoming bills of the complainant.
2. The N.A, is also liable to refund Rs.1665/- to the Complainant alongwith the interest at the rate of 6% on Rs.23500/- from 29.11.2012 to

February 2014. This amount is also to be adjusted in the forthcoming bills of the complainant.

3. The N.A. is also liable to pay the cost of Rs.1000/- towards the present proceeding.
4. The N.A. to recover the amount of interest and cost from the concerned erring officer/staff because of whose negligence / lethargic attitude that liability has been arisen, apart from taking other action under the Service Regulation, as laid down by the Apex Court in the matter of M.K.Gupta Vrs Lukhnow Development Authority, reported in 1994 (1) SCC Page No.243.
5. That the compliance report be submitted within a period of one month from passing of this order.

Sd/-  
(A.S.Gade)  
Member

Sd/-  
(P.B.Pawar)  
Secretary

Sd/-  
(T.M.Mantri)  
Chairman

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No.CGRF / AMZ/

Dt. /05/2014

To  
The Superintending Engineer,  
MSEDCL,  
Circle Office,  
Akola.

For information & necessary action.

Secretary,  
Consumer Grievance Redressal Forum,  
MSEDCL, Amravati Zone, Akola.

Copy To:

M/s Ramdeo Agro Processor, At Hiwerkhed Road, Wadali Satwai, Tq. Akot, Dist  
Akola.