

**Consumer Grievance Redressal Forum
Maharashtra State Electricity Distribution Co. Ltd.
Bhandup Urban Zone, Bhandup**

Ref. No. Secretary/MSEDCL/CGRF/BNDUZ/

Date :

Case No. 447

Hearing Dt. 30/06/2012

In the matter of excess load penalty and refund of RLC

M/s. Styropack Industries - Appellant

Vs.

MSEDCL, Pannalal S/Dn. - Respondent

Present during the hearing

A] - On behalf of CGRF, Bhandup

- 1) Shri S.K. Chaudhari, Chairman, CGRF Bhandup.
- 2) Shri R.M Chavan, Member Secretary, CGRF, Bhandup
- 3) Dr. Smt. Sabnis, Member, CGRF, Bhandup.

B] - On behalf of Appellant

- 1) Shri Harshad Sheth, Consumer representative.
- 2) Shri Mukesh Shah, Consumer representative

C] - On behalf of Respondent

- 1) Shri P.H. Shirke, Dy. Ex. Engr., Pannalal S/Dn.

ORDER

M/s. Styropack Industry was L.T. Industrial consumer with the sanctioned load of 57 HP till April-2011. In May-2011 it enhanced its load to 125 HP and converted in to Sp. L.T. category. The utility MSEDCL had recovered the Regulatory Liability Charges, RLC as a loan amount

from all LT and HT consumers from Dec-2003 to Sept-2006 which has to be refunded from July-08 onwards as per Commission's order. The amount collected towards RLC was to be refunded in the percentage of installments as given below :

- 1) July-08 to March-09 - 15.5% of Total RLC
- 2) April-09 to March-10 - 21% of Total RLC
- 3) April-10 to March-11 - 16% of Total RLC

Shri Harshad Sheth was present to represent on the behalf of consumer as per his statement :

The utility had collected RLC from this consumer from Dec-2003 to Aug-2005 under the billing unit of 3652, from Sept-05 the billing unit was changed to 4732 and later to 4704.

After the refund was started from July-08 in the decided installments it was stopped from Oct-2011 to all industrial consumers.

The consumer representative claimed the refund of ` 1,57,203/- towards balance RLC amount with the interest of 6% p.a. for the entire delayed period.

As regards to the load management charges-The claim is withdrawn by the consumer representative being it is charged uniformly to all Industrial consumers.

As regards to the recovery of excess load penalty and fixed charges, the representative of consumer accepted the penalty on C.L. is already refunded in Oct-2005. However the wrongly collected excess fixed charges on the entire connected load at the rate of ` 60/- per HP which should have collected on the 50% of the sanctioned load of 57 HP. The representative explain the events as below :

Sanctioned load in year 2003	-	57 HP
Excess connected load	-	2 HP + 1.34 HP

Total connected load - 60.34 HP

The utility charged fixed charges and penalty as :-

As per tariff order dtd. 1st Dec. 2003 ` 60/HP for 50% of S.L. but utility charged as $(57+2+1.34) = 60.34 \times 60 = 3620.40$ this was continued till Sept-2006 and apart from this penalty on excess connected load for 2HP x 120 = 240 upto July-2005.

However, as per the above tariff order the utility should have charged for 28.5 HP with the rate of ` 60/HP i.e. ` 1,710/- and no excess load penalty.

The consumer representative quotes the features of the MERC order in case no. 2 dtd. 14th July-2005 there in Section 33 as :

Sec. 33 of the order :

- *Any charges arising out of the above shall be withdrawn forthwith with an intimation to the consumers.*
- *Assessment for period before June-2003 – as per MSEB booklet.*
- *For June-2003 to Nov-2003 – penalty 1.5 times on excess load.*
- *From Dec-2003 onwards, No penalty, if load not measured by meter.*
- *Entire refund to all consumers to be made within 3 months i.e. upto Oct-2003*
- *If refund is delayed, than interest at the rate as MSEB charges to consumer to be paid.*

The consumer representative further referred the representation no. 65 of 2006 which clarify as to why the case could not be time barred by the application of 6.6 of MERC (CGRF & EO) Regulations 2006.

Shri P.H. Shirke, the Dy. Executive Engineer was present to represent the utility. As per his statement, the interest the simple rate

has to pay to those consumers who are in arrears for non payment of connected load penalty and utility had charged the simple interest for this non payment. However, in the present case consumer have paid all the dues and penalty in time and hence utility had not charged any interest, thus no question of payment of simple interest is arises.

On query by the Forum about, whether the order of Commission is related only with the penalty on excess connected load, the consumer representative reiterated that as per para 33 (f) which speaks as :

" 33 (f) :- MSEB shall refund any amounts collected on account of invocation of Connected load/Power Factor, penalty not in line with this dispensation, to the concerned consumers alongwith interest at the rate applied by MSEB to their consumers, from the date of collection till the date of refund, but not later than three months from this order"

Moreover, the consumer representative demanded the interest at the rate what utility charged on the arrears of its consumers on the amount which is wrongly charged towards the fixed charges till its refund.

Forum observed that in the MERC order case no. 2 of 2006 it is explicitly clear that refund of excess charges collected on account of invocation of connected load has to be refunded with the interest at the rate applied by utility to their consumers.

The Forum therefore has no other alternative than to ask the utility to refund.

ORDER

1) The amount collected towards RLC for the period of July-05 to Sept-06 along with interest at the rate of 6% p.a. from July-2008 to the consumer either manually through B-80 or through system.

2) The excess fixed charges collected ` 1910.40 per month till Sept-2006, utility may verify the excess fixed charges, charged to this consumer from their own account.

3) The interest at the rate which utility charged to their consumer to be awarded to this consumer till refund on above said excess fixed charges.

No order as to the cost

The order is issued under the seal of consumer Grievance Redressal Forum M.S.E.D.C. Ltd., Bhandup Urban Zone, Bhandup on 7th of July 2012.

Note : 1) If Consumer is not satisfied with the decision, he may proceed within 60 from date of receipt of this order to the Electricity Ombudsman in attached "Form B".

Address of the Ombudsman

The Electricity Ombudsman,
Maharashtra Electricity Regulatory Commission,
606, Keshav Building,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400 051.

2) If utility is not satisfied with order, it may go in writ before the Hon. High Court within 60 days from receipt of the order.

DR. ARCHANA SABNIS
MEMBER
CGRF, BHANDUP

S. K. CHOUDHARY
CHAIRMAN
CGRF, BHANDUP

R.M. CHAVAN
MEMBER SECRETARY
CGRF, BHANDUP