

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

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

Date:

Case No. 263

Hearing Dt.02/05/2009

**Interim cum final order**

**M/s. Kabra Estate Pvt.Ltd.**

- Applicant

Vs.

**MSEDCL – (Thane)**

- opponent

**Present during the hearing**

**A - On behalf of CGRF, Bhandup**

- 1) Shri R.M. Chavan, Chairman /Member Secretary, CGRF, Bhandup.
- 2) Mrs. Manik P. Datar, Member, CGRF, Bhandup.

**B - On behalf of consumer**

- 1) Shri Nilesh Kadam, Consumer representative.
- 2) Shri. Ravindra Indulkar, Consumer representative.

**C - On behalf of Utility**

- 1) Shri P. A. Sorte- Dy. E.E.Lokamanya Nagar division.
- 2) Shri S.R. Dube – UDC Lokamanya Nagar division.

**Preamble :**

Consumer registered his grievance directly for interim order as they received 15 days clear notice for disconnection of their supply. The hearing fixed on 02/05/09 for interim order and both the parties were intimated and were present during the hearing.

**Consumer's say :**

M/s Kabra Estate Pvt. Ltd. is situated at S/3,207 Vedant commercial complex, opp. Kores Company, Pokharand road no.1 Thane (W) with sanctioned load of 95 K.W with consumer No.000061626051. This commercial premise comes under SSI unit. His C.T meter was replaced on 12/11/2007 due to enhancement of load. The meter was of 50/5A capacity & C .T's were of 200/5A and hence this consumer should have billed with multiplying factor of 2 but utility wrongly billed this consumer with consideration of MF-1 from the date of meter replacement till 10/04/09.

During the inspection of consumer premises, the representative of utility observed that consumer should have billed with MF-2 and accordingly utility charged the consumer for unbilled units of 47938 and raised the recovery amounting to Rs.560010/- utility served the 15 days short notice of disconnection for non-payment of arrears. Consumer approached utility officials for grant of installment as there was no mistake of consumer for wrong.

Hence consumer prayer is for to grant him at least 5 installments to pay the entire bill amount.

Consumer also reiterated that as the factory is under recession, Forum should allow them to pay the bill in installments.

**Utility Say :**

Utility carried out the inspection in consumer premises on 10/04/2009 and observed that the bills were sent to the consumer with MF '1' instead of MF '2' i.e CT ratio 200/5 Amp and meter ratio 100/5 Amp.

Secondly utility also observed that consumer's sanctioned load is 95 KW (105 KVA) and he was using 128 KVA, which means he was using excess load and exceeding the sanctioned contract demand.

On both the grounds utility sent him a revised bill for wrong MF for the period from Feb 08 to April 09 as per MF '2' and excess load penalty under section 126 of Electricity Act 2003.

Utility sent him a revised bill on 13/04/2009 along with 15 clear days notice of disconnection as per Electricity Act 2003 under section 56 (1) and requested the consumer to pay the revised bill either by cash or by DD.

**Observations :**

After the deliberation of both parties and documents on records, forum finds that the recovery charged towards unbilled consumption which consumer have utilize for running his factory is recoverable.

In this case forum referred the provision given in section 56 sub section 2 of Electricity Act 2003 which reads as :

Notwithstanding anything contained in any other law for the time being in force no sum dues from any consumer under this section shall be recoverable after the period of two years from the date when such sum become first due unless such sum has been shown continuously as recoverable as arrears of charges for Electricity supplied and licensee shall not cut off the supply of the electricity.

In other words what is sought to be contended is that if the demand or the part of the demand is not time barred, the provision of section 56 would be attracted. Section 56(1) is special provision enabling the generating company or

the licensee to cut off supply of electricity until such charges or sum as demanded under section 56(1) is paid.

As long as, a sum is due which is within a two years of demanded as it, in this case can be recovered, the licensee of the generating company can exercise its power off coercive process of recovery by cutting off electricity supply. This is a special mechanism provided to enable the licensee or generating company to recover its dues expeditiously.

In this case, forum likes to refer the case no.27 of 2006 decided by Electricity Ombudsman, which was between M/s Nand A/15 V/s Tata Power Co. Ltd. which was pertains to the MF factor and was concluded as the respondent (Utility) is free to recover the arrears upon correction of the bills as per the proper MF but limited to only past 2 years as provided in section 56(2) in Electricity Act 2003.

In this present case the use of wrong MF came in to light after the inspection was carried out on 10/04/2009 and error was corrected by issuing a corrected bill in the month of April 2009.

Forum observed that the bill issued to the consumer amounting to 5,60,010/- is for 18 months i.e Nov 2007 to April 2009 but utility was wrongly mentioned the period as Feb 2008 to March /April 2009 for units 47938.

As demanded installments for payment of bill by the consumer considering the recession in market, the utility denied to grant installment and was asked to pay the total amount of bill in one stroke. But forum observed that the consumer is not in fault this huge arrears bill and hence forum asked utility to award the installments to the consumer as per 15.7.1 given in MERC regulation, "the distribution licensee has its discretion, allow consumers a facility of payment of arrears by the way of installments provided it shall not affect the liability of the consumer to pay interest and additional charges for delayed payments as per relevant order of the commission from time to time, until all arrears have been clear".

On this the representative of utility agreed for three monthly installments to be pay by the consumer along with his current bill (i.e. from May 09 to July 09) in due time.

If the consumer fails to pay the installments in due time, utility is free to take action as per rules and regulations.

## **ORDER**

- 1) Consumer should pay the entire bill in three equal monthly installments with regular bill.
- 2) If consumer fails to pay the installment in due time, Utility is free to take action as per rules and regulations.
- 3) Compliance should be reported to the forum after clearance of above arrears.

Both the parties being informed.

No order as to cost.

The order is issued under the seal of consumer Grievance Redressal Forum M.S.E.D.C. Ltd., Bhandup Urban Zone, Bhandup on 4 May 2009.

Note : 1) If Consumer is not satisfied with the decision, he may go in appeal within 60 days 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 appeal before the Hon. High Court within 60 days from receipt of the order.

**MRS. M.P. DATAR  
MEMBER  
CGRF, BHANDUP**

**R.M. CHAVAN  
MEMBER SECRETARY  
I/C CHAIRMAN  
CGRF, BHANDUP**