



Consumer Grievance Redressal Forum, Kalyan Zone
Behind "Tejashree", Jahangir Meherwanji Road, Kalyan (West) 421301
Ph: – 2210707 & 2328283 Ext: - 122

**IN THE MATTER OF GRIEVANCE NO.K/E/106/0121 OF 07-08 OF
M/S FAMOUS SILK MILLS PVT LTD REGISTERED WITH
CONSUMER GRIEVANCE REDRESSAL FORUM KALYAN ZONE,
KALYAN ABOUT SUBSIDY IN TARRIFF FOR POWER LOOM
CONSUMPTION & EXCESS BILLING.**

M/S Famous Silk Mills Pvt Ltd
MIDC, F 1 – 12, Kulgaon
Pin 421503

(Here in after
referred to
as consumer)

Versus

Maharashtra State Electricity Distribution
Company Limited through its Deputy Executive
Engineer Badlapur Sub Division Badlapur

(Here in after
referred to
as licensee)

- 1) Consumer Grievance Redressal Forum has been established under regulation of "Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Ombudsman) Regulation 2006" to redress the grievances of consumers. This regulation has been made by the Maharashtra Electricity

Regulatory Commission vide powers conformed on it by section 181 read with sub-section 5 to 7 of section 42 of the Electricity Act, 2003. (36 of 2003).

- 2) The consumer is a L.T. consumer of licensee connected to their 415-volt network. The consumer is billed as per industrial tariff. The consumer registered grievance with the Forum on dated 19/11/2007.

The details are as follows: -

Name of the consumer: M/S Famous Silk Mills Pvt Ltd

Address: - As above

Consumer No: - 021540036389

Reason of dispute: - Revision of bills as per subsidy granted in tariff by Government of Maharashtra to power loom consumers & revision of excess billing. Release of single-phase supply for light & security purpose.

- 3) The batch of papers containing above grievance was sent by Forum vide letter No.1154 dated 19/11/07 to Nodal Officer of licensee. The letter was replied by licensee vide letter dated 4/12/07.
- 4) All three members of the Forum heard both the parties on 10/12/07 & 18/12/07. The following persons were present as given in table.

| Date of hearing | Persons present | On behalf of |
|-----------------|-----------------|--------------|
|-----------------|-----------------|--------------|

| | | |
|----------|------------------------|----------|
| 10/12/07 | M. S. N. Murthy (NO) | Licensee |
| | H. K. Randive (EE) | |
| | A. W. Mahajan (DYEE) | |
| | V. Y. Kamble (AE) | |
| | M. R. Bamankar (DA) | |
| | C. K. Shrikhande (LDC) | |
| 10/12/07 | R. M. Kamaliya | Consumer |
| | A. R. Kamaliya | |
| | B. R. Mantri | |
| 18/12/07 | A. W. Mahajan (DYEE) | Licensee |
| | V. Y. Kamble (AE) | |
| | M. R. Bamankar (DA) | |
| | C. K. Shrikhande (LDC) | |
| | R. M. Kamaliya | Consumer |
| | A. R. Kamaliya | |
| | B. R. Mantri | |

NO stands for Nodal Officer, EE stands for Executive Engineer, DY EE stands for Deputy Executive Engineer, AE stands for Assistant Engineer, DA stands for Divisional accountant & LDC stands for Lower Division Clerk

- 5) Brief summary of submissions made in consumer's application & during hearing by Shri Mantri, which has relevance & direct bearing in the matter of grievance, is reproduced.

- i) Consumer was running power loom industry with a sanction load of 65 HP. This industry was eligible for subsidy in tariff applicable to power loom industry as per Govt of Maharashtra's policy. Consumer had received bills up to March 2000 considering subsidy in tariff. However facility of this subsidy in tariff was not extended in the bills from April 2000 to November 2004.
 - ii) During billing period from March 2002 to May 2003 licensee had clubbed lighting meter consumption with power meter consumption & charged industrial tariff to consumption recorded on lighting meter. Licensee should charge actual consumption as per tariff applicable for consumption recorded on lighting meter.
 - iii) Licensee had charged Rs 13650/- as power factor penalty (included in Rs 23847/-) in the billing month of June 2000 even though two numbers 10 KVA capacitor banks to improve power factor were installed by consumer & was intimated to licensee. Licensee should withdraw this penalty.
 - iv) Consumer's supply was disconnected in September 2005 without any intimation to him. Consumer has now closed his business & is in need of single-phase lighting connection for security. Licensee to release single-phase connection.
- 6) Shri Murthy vide letter mentioned in Para 3 above made submissions. The abstract of submissions is given below.

a) A power loom connection bearing consumer number 021540036389 with a sanction load of 65 HP was existing in the name of M/s Famous Silk Mills Ltd since 23/12/85 in Badlapur Kulgaon. From the date of connection, energy meter was in operation & till April end 2000, billing was done on flat rate tariff applicable to power loom consumers. As per tariff effective from 1.5.2000 and as per the provision contained in it, this consumer was charged as per the consumption recorded in the energy meter. The billing for the period from May 2000 to September 2001 was done on the basis of recorded consumption as per the applicable tariff for power loom consumers considering subsidy granted by Govt of Maharashtra. For the period between October 2001 to January 2003, due to system glitch, subsidy granted by Govt of Maharashtra was not considered leading to excess billing. As such the credit to be passed on to consumer works out to be Rs 21.21 lakhs & a proposal (B-80) in this respect is being in process of audit & approval from competent authority. The energy bills from February 2003 onwards till the time consumer was permanently disconnected in September 2005 were issued as per metered consumption tariff for power loom consumers taking into account subsidy granted by Govt of Maharashtra. As such, bills issued during the period from February 2003 onwards till the time consumer was permanently disconnected in September 2005 are correct & needs no revision.

Shri Mantri, during hearing on 10/12/07, pointed out that subsidy in tariff applicable to power loom industries as per Govt of Maharashtra's policy during billing period from May 2000 to September 2001 was not granted to consumer as claimed by licensee. Licensee granted credit of Rs 355918/- in the month of November 2001 but it was reversed in the month of June 2002 & an amount of Rs 389698/- was debited in consumer's bill.

Shri Mahajan then clarified that Debit of Rs 389698/- had been erroneously charged to consumer in the billing month of June 2002 as fuel charge adjustment. This debit of Rs 389698/- is being reversed in B-80 proposal of credit sheet of Rs 21.21 lakhs prepared for the period from October 2001 to January 2003. This is under process.

Shri Mahajan vide letter dated 12/12/07 submitted revised worksheet i.e. revised copy of above B-80 revising amount of credit from Rs 21.21 lakhs to Rs 2141862/-. He also submitted B-80 vide letter dated 17/12/07 withdrawing DPC & interest, amounting to Rs 668222/-, charged during the period from February 03 to August 05 for non payment of energy bills. Shri Mahajan said process of audit & approval from competent authority of above two B-80 sheets of Rs 2141862/- & Rs 668222/- will take about two to three months period.

Shri Mantri during hearing on 18/12/07 then pointed out that once the interest & DPC on disputed amount is withdrawn then it cannot be charged for non payment of the remaining amount of

the bill as per licensee's circular. He objected to licensee's action of debiting interest of Rs 90365/- in B-80 of Rs 668222/- . Shri Mantri, in support of his submission though promised Forum to produce copy of circular on or before 24/12/07, could not submit it.

- b) Shri Mahajan on clubbing of lighting meter consumption with that of power meter consumption & charging industrial tariff to total consumption clarified during hearing on 10/12/07 that there are two consumer numbers one of single phase lighting meter having consumer number 021540034343 & other of 3 phase power meter having consumer number 021540036389. During the period from March 2002 to May 2003 lighting meter consumption was erroneously clubbed with power meter consumption & consumer was charged industrial tariff on total consumption. B-80 of this error is under preparation.

Shri Mahajan vide letter dated 12/12/07 submitted credit statement i.e. B-80 of above error amounting to Rs 262723/-. The effect of this B-80 of Rs 262723/- would get reflected in billing cycle of single-phase lighting connection having consumer number 021540034343. Shri Mahajan also submitted B-80 vide letter dated 24/12/07 withdrawing DPC & interest, amounting to Rs 14119/-, charged during the period from October 2003 to August 2005 for non payment of energy bills. He added that audit & approval from competent authority of above two B-80

sheets of Rs 262723/- & Rs 14119/- will take about two to three months period.

- c) As regards reversal of power factor penalty of Rs 13650/-, Shri Mahajan during hearing on 18/12/07 submitted that power factor penalty was charged in June 2000 & consumer submitted report of erection of one additional 10 KVA capacitor bank on 23/03/02. Thereafter power factor penalty has not been charged to him. Shri Mantri objected this levy of power factor penalty of Rs 13650/- in June 2000 when two capacitor banks of 10 KVA were already at site for a load of 65 HP. He said it is sufficient & it was not necessary for licensee to ask consumer to have one additional 10 KVA capacitor bank to which Shri Mahajan agreed that technically two capacitor banks of 10 KVA are sufficient for 65 HP load. Shri Mahajan could not produce any evidence of recording low power factor when two capacitor banks of 10 KVA were installed at consumer's premises.
- d) Shri Mahajan said consumer's supply was permanently disconnected in September 2005 for non-payment of bills after 19/11/04. He said consumer can apply following usual procedure for release of single-phase supply.
- 7) Shri Murthy during hearing on 10/12/07 said that as per provision contained in Regulation 6.6 of Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulation, 2006 (MFOR, 2006) Forum should not admit and decide the grievance unless it is filed within two years

from the date on which cause of action had arisen. In this case the cause of action is from April 2000 to November 2004 & consumer filed application of grievance with Forum on 19/11/07 after lapse of two years & as such Forum cannot decide this case.

8) Forum observed that licensee of its own has proposed following corrective actions.

a) Passing on of credit of Rs 2141862/- of billing period from October 2001 to January 2003 as per subsidy granted by Govt of Maharashtra for power loom consumption & withdrawing Rs 668222/- (interest & DPC charge) of the period from February 2003 to August 2005. The bill of consumer for consumer number 021540036389 now stands as below.

Bill of October 2007 as per CPL:- Rs 2562411/-

Less credit passed on above:-Rs 2810084/- (2141862+ 668222)

Credit bill:-Rs 247673/-

This credit bill of Rs 247673/- is subject to audit. Licensee should complete the process of audit & approval from competent authority within 90 days from the date hereof as committed to Forum.

b) Passing of credit of Rs 262723/- as explained in Para 6 (b) above & withdrawing Rs 14119/- (interest & DPC charge) of the period from October 2003 to August 2005. The bill of consumer for consumer number 021540034343 now stands as below.

Bill of August 2004 as per CPL:- Rs 292380/-

Less credit passed on above:-Rs 276842/- (262723+14119)

Debit bill:-Rs 15538/-

This debit bill of Rs 15538/- is subject to audit. Licensee should complete the process of audit & approval from competent authority within 90 days from the date hereof as committed to Forum.

- 9) Forum noted that licensee could not produce any evidence of recording low power factor when two capacitor banks of 10 KVA were installed at consumer's premises. Technically speaking two capacitor banks of 10 KVA are sufficient to maintain desired power factor level for 65 HP load to which licensee's representative had also agreed. Therefore there appears no justification in charging power factor penalty of Rs 13650/- in June 2000.
- 10) Supply of consumer was permanently disconnected in September 2005 for non-payment of bills & consumer has closed the business. He is in need of single-phase lighting connection for security purpose. Forum advised consumer to submit A-1 form for releasing new connection as required as per Regulation No 4.1 of Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005. Shri Mantri agreed.
- 11) Licensee on presentation of credit & debit bills to consumer, as detailed in Paras 8 (a) & 9 of consumer number 021540036389 & as detailed in Para 8 (b) of consumer number 021540034343

respectively should refund the amount to consumer within 15 days thereafter.

12) The grievance stands disposed off with the observations & notings made in preceding Paras 8 & 9

13) Consumer can file appeal against this decision with the Electricity Ombudsman at the following address.

Maharashtra Electricity Regulatory Commission, 606/608,
Keshav Building, Bandra Kurla Complex, Mumbai 51

Appeal can be filed within 60 days from the date of order.

14) Consumer, as per Section 142 of Indian Electricity Act 2003, can approach Maharashtra Electricity Regulatory Commission at: -

Maharashtra Electricity Regulatory Commission,

13th floor, World Trade Centre, Cuffe Parade, Colaba, 400005.

for non-compliance, part compliance or delay in compliance of this decision issued under "Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressed Forum & Ombudsman) Regulation 2006".

Date:- 27/12/07

(Sau V. V. Kelkar)

Member

CGRF Kalyan

(I. Q. Najam)

Chairperson

CGRF Kalyan

(D. B. Nitnaware)

Member Secretary
CGRF Kalyan