



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/297/327 OF 2009-2010 OF M/S
INOX AIR PRODUCTS LIMITED PATALGANGA, REGISTERED WITH
CONSUMER GRIEVANCE REDRESSAL FORUM KALYAN ZONE, KALYAN
ABOUT EXCESSIVE ENERGY BILL.

M/s. Inox Air Products Ltd.

Plot No. A/5, MIDC Industrial Area

PO – Patalganga, Tal : Khalapur

Dist. : Raigad, Pin : 410 220

(Here in after
referred to
as Consumer)

Versus

Maharashtra State Electricity Distribution

Company Limited through its Superintending

Engineer, Pen Circle, Pen

(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 (MERC) 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 H.T. consumer having contract demand of 2250 KVA with connected load of 2388 KW. The Consumer is billed as per Industrial tariff. The consumer registered grievance with the Forum on 08/09/2009 regarding levy of Reliability charges.

The details are as follows: -

Name of the consumer : M/s. Inox Air Products Ltd

Address: - As above

Consumer No : 031129011443

Reason for Dispute : - Regarding levy of Reliability charges.

- 3). The batch of papers containing above grievance was sent by Forum vide letter No. EE/CGRF/Kalyan/782 dt. 08/09/2009 to the Nodal Officer of the Licensee, and the Licensee through Nodal Officer MSEDCL Pen Circle filed reply vide letter No. SE/PC/HTB/CGRF/1144/6041, dated 19.09.09.
- 4) The Chairperson & Member Secretary of the forum heard both the parties on 26/11/2009 @ 16.00 Hrs. in the meeting hall of the Forum's office. Shri P.D. Maru and Shri Mahesh Hegade, representatives of the consumer & Shri D. R. Bansode, Nodal Officer, Shri A. K. Patole, Asstt.Acctt. representatives of the licensee, attended hearing. Minutes of the hearing including the submissions made by the parties are recorded and the same are kept in the record. Submissions made by the parties in respect of grievance since already recorded will be referred to avoid repetition.
- 5). The MERC vide order dt. 15.6.09 in case No.143 of 2008 directed to levy and recover Reliability charges @ 19 paise per unit from all consumers from Pen Circle, except the Agriculture consumers and Residential consumers with monthly consumption lower than 100 units per month, in the context of zero load shedding to compensate purchase of costly

power. The consumer opposed to pay the Reliability charges in as much as they fall in continuous process industry, getting supply on continuous basis, including staggering day, thereby they are not subject to load shedding. Tariff for HT continuous industry have been slightly higher than non-continuous industry. For continuous industries tariff is fixed Rs.4.30 per kwh and for non continuous industries Rs.3.95 per kwh i.e. 35 paise more which compensate to buy additional costly power. They further pleaded that MERC has not defined the tariff payable by all consumers and according to them this refer consumers who are facing load shedding. According to consumer their unit is nonsheddable excluded for load shedding. Since they have express feeder and subject to uninterrupted supply since not falling 'zero' load shedding, had no reason to participate in the hearing. It is the contention of consumer that misinterpreting order of MERC referred to above which mentions 'by all consumers' the Superintending Engineer, Pen Circle, by the bill for the month of July 09 levied Reliability charges Rs.0.19 per unit w.e.f. 17.06.09 to 16.07.09 which they have deposited under protest Rs.2,62,427.62 hence licensee be directed to refund the same being wrongly charged.

- 6). In contra, the licensee opposed the contentions made in the grievance application contending that applicant HT consumer since 1984 with connection load 2388 KW Commission vide order dt.15.6.09 in case No.143/2008 for implementing the zero load shedding model for the area covered under Pen Circle allowed to levy Reliability charges to compensate purchase of costly power and accordingly such charges have been levied @ 19 paise per unit from all consumers of Pen Circle except the Agriculture and Residential consumers with monthly

consumption lower than 100 units per month with effect from 17.06.09 to 31.03.2010 and accordingly in the month of July 09 consumption from 17.6.09 to 16.7.09 for the units 1381198 units @ 19 paise per unit amounting to Rs.2,62,427.62, consumer is liable to pay the same as per the MERC order. It is contended that to avoid to pay the amount of Reliability charges levied to compensate purchase of costly power consumer lodged this false grievance and the same be rejected.

- 7). On perusal of the record and hearing both the parties following points arise for the consideration of Forum and findings thereon for the reasons recorded below :

Points	Findings
a). Whether it is proper to levy and recover Reliability charges from consumer?	Yes
b). Whether Distribution Licensee is liable to refund the amount of Reliability charges to consumer?	No
c) What Order ?	As per order below

REASONS

- 8) The MERC by order dtd. 15.6.09 in case No.143/08 directed the MSEDCL to levy and recover 19 paise per KWH as Reliability charges from all consumers in **Pen Circle** except Agricultural consumers and Residential consumers with monthly consumption lower than 100 units per month to enable it to purchase costly power. Since the consumer falls in Pen Circle Superintending Engineer based on the said order levied 19 paise per kwh in the bill of July 09 amounting to Rs. 2,62,427.62. The CR urged with force that they are having continuous process industry getting supply on continuous basis, are giving slightly higher tariff than that of continuous

industry hence not falling in zero load shedding, therefore question of paying Reliability charges does not arise and that charged and recovered amount is necessary to be refunded. To show that the consumer is continuous process industry filed letter issued by Dy. Director of Industries (Power) dated 17.7.07 along with the detailed calculation of tax they pay. Crucial point arises whether the applicant consumer is liable to pay Reliability charges as they do not cover under zero load shedding model.

- 9). On careful reading of detail order of MERC dt.15.6.09 clearly indicates it is applicable to all consumers in Pen Circle except as referred to above. Commission has not differentiated the consumers fall in zero load shedding or not. According to consumer they are not covered under zero load shedding as they are in the category of express feeder getting continuous supply, whereas in case zero load shedding, supply is interrupted. As stated above, MERC directed the licensee to levy and recover 19 paise per unit as Reliability charges from all consumers, to our view, 'consumers' including express feeder i.e. continuous as well as non continuous feeder. On this background submissions of the CR that since they already pay 35 paise per unit more than the consumers who are getting interrupted supply, they are not liable to pay Reliability charges does not hold water.
- 10). On perusal the record it is seen MERC passed order dt.15.6.09 hearing the concerned at length. Consumer had an opportunity to raise objection but kept silent, speaks volume. It is not that consumer is made exception but licensee levied charges from all consumers falling in the category of continuous type supply.

- 11).It is to be noted that Reliability charges is directed to be levied @ 19 paise per unit to compensate purchase of costly power. Consumer is HT consumer since 1984, gets continuous supply including staggering days manufacture of Liquid /Gas Oxygen, Nitrogen, Argon etc.,for which big market is available and after all such charges are levied to compensate the expenditure that would be incurred for procurement of power to the consumers in Pen Circle. Needless to say, for additional sale of power to the consumers additional expenditure is to be made and to meet this expenditure charges as above are levied. From this point of view, we find the levy of Reliability charges is justified. Consequently licensee is not liable to refund the amount recovered from the consumer. For all these reasons we find no force in the submission of consumer and hence grievance application being devoid of substance apt to be dismissed. Points are answered accordingly and hence the order.
- 11) As per MERC Regulation 2006, Section 5.1 Forum has to decide the grievance within a period of two months from the date of receipt of grievance. This grievance was received to this Forum on 25/09/09. However, Hon. Member of the Forum Mrs. V. V. Kelkar retired on 08/10/09 and the Hon. Chairperson resigned on 03/09/09. Present Chairperson took charge on 20/10/09. The Member Secretary was deputed for Training at Chennai for a week. Due to insufficient strength of the Forum and the reasons given above, the instant reference could not be decided within the stipulated period.

ORDER

- 1) Grievance application stands dismissed.
- 2) The Consumer can file representation against this decision with Hon. Electricity Ombudsman at the following address.

“Office of the Electricity Ombudsman, Maharashtra Electricity Regulatory Commission, 606/608, Keshav Building, Bandra Kurla Complex, Mumbai 51”

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

Date : 08/12/2009

(R.V.Shivdas)
Member Secretary
CGRF Kalyan

(S.N. Saundankar)
Chairperson
CGRF Kalyan