



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/0134/0155 OF 08-09
OF M/S HANIL ERA TEXTILE LIMITED REGISTERED WITH
CONSUMER GRIEVANCE REDRESSAL FORUM KALYAN
ZONE, KALYAN ABOUT EXCESSIVE BILLING.

M/s. Hanil Era Textile Limited (HETL)	(Here in after
Village Vanivali, Taluka – Khalapur,	referred to
Dist – Raigad,	as
Consumer)	

Versus

Maharashtra State Electricity Distribution	(Here in after
Company Limited through its Superintending	referred to
Engineer, Pen Circle, Pen	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 conferred 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 of the Licensee connected to their 22 KV network. The Consumer is billed as per Industrial tariff. The consumer registered grievance with the Forum on dated 06/10/2008 for excessive energy billing.

The details are as follows: -

Name of the consumer : M/s. Hanil Era Textile Limited (HETL)

Address: - As above

Consumer No : 031189018366

Reason for Dispute : - Excessive Billing

- 3) The batch of papers containing above grievance was sent by Forum vide letter No. EE/CGRF/Kalyan/269 dt. 06/10/2008 to Nodal Officer of Licensee. The Licensee had replied vide letter No.SE/PC/HTB/6332 dated 21.10.08 .
- 4) The Member Secretary & Member of the Forum heard both the parties on 31/10/08 @ 14.00 Hrs. in the meeting hall of the Forum's Office. Shri R. K. Agarwal, Shri S. C. Kalra ,

Consumer & Shri D. R. Bansode, Nodal Officer, & Shri P. M. Peshattiwar, Junieur Manager representatives of the Licensee attended hearing.

- 5) The original hearing was fixed on 30.10.08 vide TOL No EE/CGRF/Kalyan/ 271 Dt. 06/10/08 in respect of this consumer against excessive billing. The Forum has been issued a stay order against disconnection of supply subject pending decision in the forum. Since the date of 30.10.08 coming on Public Holiday (due to Diwali-Bhaubeej), the hearing postponed to 31.10.08 at 14.00 hrs. vide TOL No. No.. EE/CGRF/Kalyan/278 dt. 13/10/2008 . In the meantime the consumer through a fax on 22.10.08 informed that inspite of stay order issued by Forum against the disconnection of supply, the Licensee has disconnected the supply on 22.10.08 at 17.30 hours.
- 6) After disconnection, the consumer contacted the Forum Member Secretary and requested to take emergency hearing. After disconnection Forum vide Confidential Letter No. 010 dt. 22.10.08 fixed emergency hearing on 24/10/08 and informed both the parties. However, considering the seriousness of the issue Forum decided to conduct the emergency hearing on 23.10.08 at 4.30 PM. The Member Secretary & Member of the Forum heard both the parties on 23/10/2008 @ 17 Hrs. in the emergency meeting hall of the Forum's office. The emergency hearing was attended by Shri D. R. Bansode (NO), Shri N. B.

Wadekar (SE), Shri P. M.Peshattiwari, (Jr.M) from Licensee & Shri R. K. Agrawal, Shri S.C.Kalra, Shri Sanjay Panchlangia consumer & consumer representatives attended the hearing.

- 7) In explanation regarding disconnection of consumer, Licensee explained that Additional Security Deposit (ASD) has been demanded by Licensee vide 15 days disconnection notice dt.18/09/08. Again Licensee issued one month notice dt. 22nd Sept. 08. Due to non compliance of the consumer upto 21st Oct. 08, Licensee disconnected the supply. Against this action consumer approached to the forum regarding disconnection. (Consumer said that the demanded amount by notice is also disputed amount. Hence consumer is not agreed to pay the disputed amount,) non payment of Service Line Charges (SLC), non payment of Maximum Demand (MD) charges, non payment of ASLC & subsidy in tariff , hence additional Security Deposit (ASD) demanded by notice is illegal.
- 8) Forum asked the licensee about calculation of amount of Security Deposit (SD) to be paid by the consumer. The licensee said generally one month bill amount is required to be deposited with licensee as SD. They calculated the SD on the basis of average of 12 months consumption i.e. 12 months consumption divided by 12. Monthly bills of 12 months can

not be taken because the consumer is paying the full bill amount which carry forwarded subsequent months.

- 9) The consumer said that this is not correct as per rules, SD should be total 12 months bill amount divided by 12. And the licensee calculated @ of Rs.7/- per unit whereas it should @ Rs.1.60 based on the subsidized rate as per directives of Govt. of Maharashtra.
- 10) The consumer stated that licensee has to be calculated the SD on the basis of average of 12 months bill. They are ready to pay this amount considering SD already with licensee.
- 11) On this licensee argued that the consumer initially applied for HT power supply for mfg. of cotton, Acrylic & Blended yarn and accordingly licensee sanctioned the load for the above purpose with connected load of 3750 KW and CD 2400 KVA. Initially, licensee has sanctioned the load additional for weaving purpose to the tune of 1500 KVA and 3400 KVA. But consumer failed to complete the formalities and not made the payment within 60 days. Hence the separation of unit and tariff of power loom is not applicable. Therefore as stated by the consumer that “they are entitled for subsidized tariff as per Govt. subsidy,” is not correct. However, licensee is obliged to obey the order of the Hon. forum which hon. forum feel fit and direct the licensee.

On above background the forum has passed reconnection order on 24/10/08 vide letter No. EE/CGRF/Kalyan/306, dated 24/10/2008.

- 12) The Member Secretary & Member of the Forum heard both the parties on 31/10/08 @ 14.00 Hrs. in the meeting hall of the Forum's Office. Shri R. K. Agarwal, Shri S. C. Kalra , Consumer & Shri D. R. Bansode, Nodal Officer, & Shri P. M. Peshattiwari, Junior Manager representatives of the Licensee attended hearing.
- 13) As regards **SLC** consumer stated that the connected load of 3750 KW with contract demand of 3000 KVA was released to them on 18.10.93 and the same was enhanced to 6400 KW with Maximum Demand of 4900 KVA w.e.f. from July 1994 and SLC for this line was fully paid. The licensee has demanded Addl. Service Line Charges (Addl.SLC) as per their letter No.3925 dt. 01.08.2006, Rs. 6,50,000/-. In the meantime, MERC rules out that SLC should not be recovered from the consumer. Subsequently the licensee sanctioned Maximum Demand (MD) of 1500 KVA vide their sanction letter No. 6436 dt. 15.12.06 which was needed to its power looms but again sought to levy SLC charges. Thus licensee has unjustifiably demanded SLC charges, though the consumer had paid SLC charges earlier for 4900 KVA when first connected load was granted. As per MERC order dt. 08.09.06 the consumer is not liable to pay SLC charges.

Further the licensee is not entitle to charge SLC to any consumer, towards construction of express feeder, unless the consumer demand for separate dedicated feeder. The consumer have not applied for such feeder. Therefore charging SLC against express feeder is not accepted to the consumer.

- 14) In respect of **Maximum Demand (MD)** the consumer stated that vide tariff order dated 8.9.04 the MERC directed that in case of Captive Power Plants (CPP) , the CPP users were required to pay a penalty for exceeding the contract demand. The CPP holder is liable to pay 1.5 times the demand charges (on monthly basis) for excess drawn in case of planned shutdown and two times the demand charges (on monthly basis) for unplanned shutdown. The additional demand is computed on the basis of the MD multiplied by the number of hours across all time zone during which the MD has exceeded the CD. The Additional demand is not charged as required based on the actual demand but have been taken on the basis of the maximum demand during the entire month. The consumer stated if the method of MERC 's order dt.8.9.04 is applied, the MD charges would be substantially less.
- 15) As regards **Addl. Security Deposit** is concerned the consumer stated that Additional Security Deposit (ASD) ought to be computed on the basis of actually sanctioned

and connected the standby demand of 1000 KVA as requested and which was illegally withheld due to non payment of illegally demanded SLC charges of Rs. 6,50,000/- . The ASC charges should be calculated on the basis of 2500 KVA, inclusive of standby demand of 1000 KVA sanctioned but not released by the licensee as per sanction in Dec. 06. Further consumer have not supplied express feeder, therefore no ASC is liable to be paid by them. Moreover, the licensee has taken another basis on the basis of average consumption of 12 months consumption on the higher rate. This is not accepted by the consumer because Govt. of Maharashtra vide their circular No. 42 dt.19.8.06 have granted concessional rates @ 1.60 p/u to power looms w.e.f. April 06. The licensee has demanded Rs. 66,12,720/- in addition to SD of Rs.14,14,600/- lying with them. The licensee should revise the monthly bills at concessional rate granted by Govt. and then take average bill of 12 months to arrive at ASD which would not be more than Rs. 40,000/-. The consumer is ready to pay short fall of such one month bill i.e. about Rs. 25 lakhs but not Rs. 66 lakhs. Not only that they demand different ASD in each time which do not tally each other.

- 16) The licensee stated that the consumer was connected in the system in Oct.1993 and at that time CD was 4900 KVA. As per practice prevailed at that time a Security Deposit (SD) of

Rs. 33,86,900/- was to be collected from the consumer. The HT supply was given to this consumer for manufacturing of Cotton, ACRYLIC and Blended Yarn as per their application dt. 01.05.1993. The consumer installed CPP in 1997. After that he requested to reduce the CD from 4900 KVA to 3000 KVA and reduced the same from Sept. 07. He again requested to reduce the CD from 3000 KVA to 1500 KVA with CL of 6413 KW vide his letters dated 17.07.07 and 27.12.2007 and the same was reduced vide letter No. 322 dt. 26.12.01 with a condition that any enhancement if required in future, the consumer will have to apply as new and it will be processed a fresh as per rate prevailing rules and would have to pay all the charges applicable alongwith compliance of all other formalities and this letter itself forms part of Agreement which is accepted by the consumer. The consumer gone on enhanced and reduced their connected load and contract demand but the purpose of manufacturing activity is remained unchanged. The consumer applied for standby demand of 1000 KVA without change of purpose and licensee sanctioned the same vide Order No.3125 dt.01.08.06. The licensee demanded SLC charges as per prevailing rate was in force at that time. The consumer did not comply the formalities therefore standby demand could not considered and additional load calculated for Additional Demand Charges.

- 17) The consumer applied for additional load of 9561 KW with CL of 4900 KVA. This being beyond 3000 KVA, the same was forwarded to Head Office under whom the power vests. In the meantime, due to urgency the consumer, the consumer revised the load and applied for 3000 KVA CD to bring the sanction within the limit of Superintending Engineer, without changing the CL and licensee sanctioned CD from 1500 to 3000 KVA with CL of 6413 KW to 9560 KW vide order No. 6436 dt. 15.12.06. In the meantime, on the application forwarded to Head Office, Head Office given the sanction vide their letter No. 6093 dt. 03.03.07 and approved the load making total 9561 CL with 4900 CD. Accordingly the licensee (Superintending Engineer Pen Circle) informed the consumer to treat their earlier load sanction issued vide L. No. 6436 dt. 15.12.06 as cancelled on the basis approval given by Head Office and demanded certain charges of Rs. 68,15,050/- towards Addl. Fixed service connection charges, 15% supervision charges, ASD, procession fee, stamp fee etc.
- 18) As per one of the terms of above Head Office load sanction, consumer was required to give acceptance in writing and above F. Q's validity within 60 days for all terms and conditions. But consumer failed to accept or reject the load sanction or make any payment in stipulated time limit given in the order. The licensee had not demanded any amount of

SLC against this order. Since the load is more than 3000 KVA, this has to give through 33 KV or EHV level. Since such facility was not available nearby vicinity of this consumer, the competent authority sanctioned 4900 KVA load on 22 KV level with erection of separate express feeder. Therefore the statement of consumer that the SLC charges illegally demanded is not correct.

19)The licensee stated that in respect of Additional Demand charges, for exceeding Contract Demand (CD) the CPP holder would be levied @ 1.5 times of Demand Charges (on monthly basis) in force, in case of Planned shut down at the rate of 2 times demand charges (on hourly basis) in force in case of unplanned shut down. The penal charges are computed as per the guidelines of MERC's order dt.8.9.04 in Case No.55 and 56 of 2003, considering the guidelines issued as per table No.8 alongwith table No.11 & 12. The consumer has been charged penal demand charges on exceeding the CD at the rate of 2 times of normal demand charges on hourly basis as per MRI data and as per MERC order dated 8.9.04.

20)The licensee stated that the consumer's load have been enhanced two times vide L.No.6436 dt. 15.12.06 and 3532 dt. 20.6.07, but in both the case, the consumer has failed either to accept the terms and conditions or to make the payment. Hence the additional load sanctioned was not released.

Hence the statement of consumer that their load was not exceed beyond sanctioned load of 4900 KVA is not correct, because this is not released for want completion of formalities. Therefore this will be treated as exceeding of sanction load and charged accordingly.

21)The licensee stated that initially the licensee sanctioned the load additional for weaving purpose to the tune of 1500 KVA as well as 3400 KVA. But consumer failed to complete the formalities and not made the payment. Hence the separation of unit and tariff of power loom is not applicable. Therefore the statement of consumer that they are entitle to the subsidized tariff as per Govt. subsidy is not correct.

22)The licensee stated that as per Hon. High Court directives, the consumer filed a petition before the Hon. MERC vide case No.77 of 2007 and the point raised by the consumer in their petition regarding charging of ASC, SLC and subsidized tariff for their weaving unit are disposed off by the Hon. Commission in their order dt.15.9.08. Hence the consumer is liable to make payment as per monthly bills issued by the licensee which as per the tariff order. Hence we issued notice as per I.E. Act 2003. The consumer himself stated in their application dated 1.8.08 that “we could not avail the load sanctioned/applied for our weaving plant due to reasons beyond our control” and requested to treat them as cancelled and to sanction new load.

- 23) Licensee stated that Addl. SD are reviewed considering the exceeding maximum demand, every year. They reviewed the SD in April 06 and then in April 07. The consumer said that they have not received the reviewed bill of April 06. A copy of the same given to the consumer in the hearing. The consumer requested on 7.10.07 to refund their excess SD considering the reduced demand. According to the request of consumer and considering Rs. 18 lakh monthly bill, the excess security deposit of Rs. 14,86,900/- has been adjusted against arrears upto 31.08.07 and licensee have informed the consumer accordingly vide Letter No. 3655 dt. 7.10.07. Again as per consumer's request CD is reduced to 1500 KVA in Aug.07 and on the average monthly bill of Rs. 3 lakhs, the excess SD of Rs.14 lakhs has been adjusted through monthly energy bills from Feb.02 to May 03, limited to 30% of the current bill amount by keeping SD of Rs. 5 lakhs with the licensee. As per MERC directives the licensee demanded ASD along with monthly energy bill for April 07 through system amounting to Rs. 90,18,100/-. The consumer did not pay the ASD. The licensee recalculated the average monthly bill amount considering the last twelve months consumption and MD billed for the period from Sept. 07 to Aug. 08, which comes to Rs. 80,27,30/-. Considering the SD balance with licensee Rs. 14,14,600/-, the shortfall amount of Rs. 66,12,720/- is payable by consumer as Addl. Security Deposit. The licensee given 30

days notice vide letter No.5704 dt. 22.9.08 to pay ASD on or before 21.10.08. The consumer has not made the payment upto 17.30 on 21.10.08. Hence the supply is disconnected on 21.10.08 at 19.30 hours.

- 24) The licensee stated that the maximum demand is taken on load maximum availed in a month and bill charged according to that. Consumer argued that they have gone some upto 5000 KVA and some time 1000 KVA, so minimum should be considered.
- 25) The consumer stated that they have separate power unit and separate SSI registration certificate (Green Card). The licensee said they have not submitted any such certificate or green card. The consumer has been asked to submit the same.
- 26) The consumer stated that they have power loom sanction. On this licensee said that they have not given sanction for power loom. The purpose in original agreement is manufacturing of cotton, ACYLYLIC and Blended Yarn which is not changed uptill now.
- 27) The forum asked the licensee to submit agreement copy, any order/circular for forfeiting charges, list of machineries for given purpose on or before upto 01.11.08. And consumer has been asked to submit SSI registration certificate, Green Card, excise certificate etc.

- 28) The consumer also stated that they have paid SD whatever charged at the initial stage. Then why addl. SD is demanded.
- 29) The licensee stated that in the original agreement he has mentioned power loom. In the addl. Load application the purpose is mentioned as weaving, but it was not released due to non compliance of formalities. What are the machineries included in the power loom process. Submit a list of machineries.
- 30) The consumer said that they applied for 1500 KVA MD the SD was less than standby 1000 KVA MD demanded why this is not taken as per proportion of load. The SD should be adopted as per the discussions held in the last meeting. The licensee said the charging of ASD is depended upon the tariff prevailing at that time and CD is different, therefore SD is also variable. The licensee can not / will not recover any amount beyond the rules. The consumer written on 20.6.07 on demanding ASD that their CPP is under breakdown and expect to start function by 5th July 07 therefore they may allowed to draw licensee's power temporarily. Till that time they will deposit the addl. SD in case they are not able to run the Diesel Generating Set (DG set) within the stipulated time. But DG set did not started for long period of two years and they continued to avail full load from licensee without paying a single paise as promised by them as per this letter. Every time when licensee demand the payment they said "we will

start the Captive Power Plant (CPP) shortly”. Neither the CPP is started nor the payment is effected by the consumer.

- 31) The forum asked the consumer that they have sanction of only 1500 KVA and they are exceeding the sanction frequently, why not given revised application. The consumer replied that they have applied for revised load because they have already sanction of 4900 KVA load. The licensee said on this that 4900 KVA load is only sanctioned and not released due to non compliance of formalities. Therefore, they have only 1500 KVA sanction and they are availing illegal supply.
- 32) Forum asked the consumer that in application to Forum dt. 6.10.08 they have mentioned exhibits enclosed upto “S”, but they did not enclosed exhibits “S”. Due to which the forum could not understand contents of exhibit “S” (consumer’s application Sr. No. 8-a) The consumer committed his mistake and he provided documents in emergency hearing on 23/10/08.
- 33) **Forum Findings :**
Consumer has mentioned the following points in his case registered by him.
- a)About SLC Charges
 - b)About Excess M.D. Charges
 - c)About Additional Supply Charges (ASC)
 - d)About Additional Security Deposit (ASD)
 - e)About Power Loom Subsidy

34) **Nature of relief sought from the Forum :**

- i) Appropriate order or direction from Forum for not disconnection of power supply.
- ii) Relief from tariff at the rate of 1.6 per unit based on the subsidized rate as per directives of Government.
- iii) Order or direction to be issued to the Distribution Licensee to compute the ADC strictly in accordance with the tariff order dt. 08/09/04.
- iv) Distribution Licensee to compute the ADC on the basis that the consumer had a contract demand of 3000 KVA w.e.f. 01/08/2006 onwards and appropriate credit to be given to the consumer w.e.f. 01/08/2006.
- v) The Distribution Licensee to compute the ASC charges on the basis that the consumer was sanctioned contract demand 3000 KVA w.e.f. 01/08/2006 onwards and appropriate credit to be given to the consumer.
- vi) The Distribution Licensee provide additional load of 1500 KVA sanctioned by the Distribution Licensee vide letter dt. 01/08/2006 and 31.12.2006 without demanding any SLC charges.
- vii) That Pending hearing and final disposal of the grievance the Distribution Licensee be restrained disconnecting the electricity supply for non payment of bills provided in prayers.
- viii) That pending the hearing and final disposal of the Application/Grievance, the Distribution Licensee be

restrained by an order and injunction of the Hon. Forum from implementing the disconnection notice dt. 18/09/2008. Exhibit "S" to the application/grievance.

- ix) That an interim reliefs in terms of prayers be granted.
- x) That the cost of the application/grievance be provided for ;
- xi) That such other & further reliefs be granted as the Hon forum may deem fit to grant in the facts & circumstances of the case.

35) **Reason of Dispute :**

- i) The Licensee charged Rs. 6,04,17,350/- against Additional Supply Charges (ASC) & etc.
- ii) Consumer approached to High Court against disputed bill in July 07. Order passed by the Hon. High Court on 26th July 07 that 50% of the disputed amount i.e. Rs. 49.00 lakhs should be paid by the petitioner and approach to MERC regarding further orders. Again consumer approached to High Court in Oct. 07 and against this Hon. High Court passed the order to deposit the 50% disputed amount.
- iii) Consumer approached to MERC in Sept. 2008 as directed by High Court and MERC passed the orders against case No. 42 of 2007 dt. 15th Sept. 2008 and case No. 77 of 2007 dt. 15th Sept. 2008. MERC given it's decision on 15th Sept. 08 to

approach the forum regarding billing mechanism but consumer again approached to High Court in Oct. 2008 instead of approaching to forum. High Court passed order on 03/10/2008 regarding non disconnection for seven days.

iv) Consumer approached to MERC and MERC directed to consumer to approach forum regarding grievance. Consumer registered the case with the forum on 06/10/08.

v) In spite of stay order given by forum vide letter No. EE/CGRF/Kalyan/272, dated 06/10/2008. Licensee disconnected the supply for want of Additional Security Deposit (ASD). Then the consumer approached to forum regarding reconnection vide letter dt. 21st Oct. 08. Then forum decided to take emergency hearing on 24/10/08 but on consumer request, the forum decided to prepone the hearing on 23/10/08 at 17.00 p.m. The hearing was conducted on 23/10/08 at 17.00 p.m.

36) **About SLC Charges :**

The consumer has applied stand by demand of 1000 KVA without changing purpose and MSEDCL has sanctioned the same vide order No. 3125 dt. 01/08/2006. The consumer has not paid related charges to the licensee hence load is not released. MSEDCL had demanded the charges as per prevailing rules and SLC Charges in force. Again the consumer asked for C.D. 4900 KVA. As per delegation of powers and conditions of supply, the C.D. is more than 3000

KVA hence the proposal was forwarded to H.O. Meanwhile due to urgency from consumer, the consumer revised their load for 3000 KVA with no change in C.D. In response licensee has sanctioned the C.D. from 1500 KVA to 3000 KVA with connected load 6413 KW to 9560 KW vide load sanctioned order No. 6436 dt. 15/12/2006. Meanwhile the H.O. had given approval vide letter No. 6093 dt. 03/03/2007 for additional load 3148 KW with C.D. 3400 KVA making total 9561 KW with 4900 KVA. Accordingly as per H.O. approval load sanction order is given by licensee vide No. 6436 dt. 15/12/2006.

- 37) For the said sanction order the Distribution Licensee demanded additional Security Deposit of Rs. 09,14,000/- and additional SLC amounting to Rs. 06,50,000/-. In the meantime the MERC directed that the SLC will not be paid by the consumer. The consumer paid the additional Security Deposit of Rs. 09,14,000/- vide sanction letter dt. 15/12/2006. The Distribution Licensee sanctioned additional maximum demand of 1500 KVA which was needed for consumer's power loom but again sought to levy SLC charges. As per MERC vide its tariff order dt. 08/09/2006 directed that the Distribution Licensee was not entitled to levy SLC charges to any consumer for Express Feeder line.
- 38) Express Feeder : Licensee has not raised any amount of SLC from the consumer, as the payment of Rs. 52,075/-

demanded against the supervision charges for development of infrastructure. As per the MERC (Standards of Performance of Dist. Licensee) the load is more than 3000 KVA, it pertains to 33 KV or EHV level. The 33 KV voltage level is not in vicinity of the consumer surrounding (as 33 KV level is not in existence to the nearby sub-station). Due to non availability of 33 KV voltage level, the competent authority has sanctioned the load of 4900 KVA on 22 KV voltage level with erection of separate express feeder for feeding the supply with other infrastructure for metering purpose. Hence as stated by the consumer as the payment of SLC charges illegally demanded by the licensee is not correct. *As per Maharashtra Electricity Regulatory Commission (Standard Of Performance of Distribution Licensees, period for giving supply & determination of compensation)Regulations, 2005 Clause No.5.3 (d)Three Phase, 50 cycles, 22KV – all installations with contract demand above 1,500 KVA and upto 3,000 KVA. (e)Three Phase, 50 cycles, 33 KV – all installations with contract demand above 1,500 KVA and upto 5,000 KVA.*

39) **About Excess M. D. Charges :**

According to Excess M. D. charges following points are disputed by the consumer.

- a) The Licensee's additional demand charges are not charges as required based on the actual demand but have been

taken on the basis of the maximum demand during the entire month.

- b) As per MERC's tariff order dt. 8th Sept. 2004 directed that in case of CPP Plants users were required to pay penalty for exceeding the contract demand liable to pay 1.5 times the demand charges (on monthly basis) for excess drawn in case of a planned shut down in two times the demand charges (on monthly basis) for planned shut down.
- 40) The Licensee released C. D. 4900 in Oct. 1993. The consumer is having two units of different purpose but licensee has sanctioned load for Industrial purpose only and not for the other unit.
- 41) Consumer requested to reduce the C.D. from 4900 KVA to 3000 KVA & reduced the same from Sept. 07.
- 42) He again requested to reduce the C. D. from 3000 KVA to 1500 KVA with connected load of 6413 KW vide his letter dated 17/07/07 and 27/12/07 and same was reduced vide Licensee letter No. 332, dt. 26/12/01.
- 43) Again the consumer applied for standby demand of 1000 KVA without change of purpose and Licensee sanctioned the same vide order No. 3125, dated 01/08/06.
- 44) The consumer applied for additional load of 9561 KW with connected load of 4900 KVA. This being beyond 3000 KVA the same was forwarded to H.O. In the meantime consumer revised the load and applied for 3000 KVA C.D. to bring the

sanction within the limit of S.E. Licensee sanctioned C.D. from 1500 to 3000 KVA vide order No. 6436 dt. 15/12/2006. In the meantime H.O. sanctioned 4900 C.D. vide their letter No. 6093 dt. 03/03/2007.

45) Licensee given load sanctioned order No. 3532 dt. 20/06/2007 for 4900 KVA M.D accordingly in load sanction letter they demanded following charges.

- | | |
|---|--------------|
| a) 15% supervision charges on the estimated cost towards supervision charges. | 52,075.00 |
| b) Additional fixed service connection charges. | 73,000.00 |
| c) Additional security deposit. | 66,88,775.00 |
| d) Processing fees. | 1,000.00 |
| e) Agreement fees | 200.00 |

Total amount
68,15,050.00

46) The consumer has not paid the firm quotation charges and not completed the other formalities as per the additional load sanction order for his weaving unit due to which licensee could not released the supply for additional demand. So Pen Circle vide letter No. 4623 dated 08/08/2006 requested to make payment as well as complete the formalities for availing additional load by laying of 22 KV express feeder.

47) Previous load sanctioned order No., 6436 dt. 15/12/06 is cancelled by Licensee. As per load sanction letter dt.

20/6/06 firm quotation of following charges was issued to the consumer i.e.

a)	15% supervision charges on the estimated cost towards supervision charges.	52,075.00
b)	Additional fixed service connection charges.	73,000.00
c)	Additional security deposit.	66,88,775.00
d)	Processing fees.	1,000.00
e)	Agreement fees	200.00
	Total amount	

68,15,050.00

48) Against above order consumer did not give any response to the licensee and did not pay the F. Q. amount, so the additional load is not released. Hence the consumer is liable only for 1500 KVA C. D. i.e. his sanction demand. Whatever the consumer use the load above sanctioned C.D. he is liable for penalty hence the action regarding penalty of sanctioned C.D. by licensee is correct. Sample calculation given by the licensee for the month of Oct. 08 is verified by forum and seems to be correct.

49) Regarding CPP no correspondence with licensee by the consumer. So CPP plant is considered as a unplanned shut down / break down. Hence licensee's action to impose two times penalty is correct. The consumer vide letter No. 5871, dt. 29/05/07 addressed to S. E. Pen Circle has informed that both engines of CPP Plant are under break down, so he is

temporarily using MSEDCL's power. However, the engines are likely to start by first week of June and thereafter he will use CPP plant.

As per Office Note dt. 20.10.08 of Assistant Engineer, Pen Circle the CPP policy & consumer has no any correspondence with their office, hence the MD exceeded is considered as unplanned shut down/break down. Hence the penalty will be charged for MD exceeded is hourly basis & two times instead of flat rate 1.5 times monthly basis. *As per MERC's Electricity Supply Code 2005, Clause No. 2, 2.1 (P) "Maximum Demand" in kilowatts or kilo-volt-amperes, in relation to any period shall, unless otherwise provided in any general or special order of the Commission, mean twice the largest number of kilowatt – hours or kilo-volt-ampere-hours supplied and taken during any consecutive thirty minute blocks in that period.*

50) **ADDITIONAL SECURITY DEPOSIT**

- (i) The Licensee released C. D. 4900 in Oct. 1993.
- (ii) The consumer installed CPP in 1997.
- (iii) Consumer requested to reduce the C.D. from 4900 KVA to 3000 KVA & reduced the same from Sept. 07.
- (iv) He again requested to reduce the C. D. from 3000 KVA to 1500 KVA with connected load of 6413 KW vide his letter dated 17/07/07 and 27/12/07 and same was reduced vide Licensee letter No. 332, dt. 26/12/01.

- (v) Again the consumer applied for standby demand of 1000 KVA without change of purpose and Licensee sanctioned the same vide order No. 3125, dated 01/08/06.
- (vi) The consumer applied for additional load of 9561 KW with connected load of 4900 KVA. This being beyond 3000 KVA the same was forwarded to H.O. In the meantime consumer revised the load and applied for 3000 KVA C.D. to bring the sanction within the limit of S.E. Licensee sanctioned C.D. from 1500 to 3000 KVA vide order No. 6436 dt. 15/12/2006. In the meantime H.O. sanctioned 4900 C.D. vide their letter No. 6093 dt. 03/03/2007.
- (vii) Additional security deposit is essential to recover from the consumer because the consumer is paid the energy bills after consumption. Therefore licensee is liable to recover ASD charges from the consumer. The licensee is having ASD less than the monthly consumption of the consumer.

51) **ADDITIONAL SUPPLY CHARGES**

Additional Supply Charges levied by the licensee time to time is correct.

52) **SUBSIDY**

Consumer has applied for power loom concession to the Licensee in his application dt 01/08/06. Accordingly Licensee has sanctioned the load for power loom with Firm Quotation (F. Q.) but the consumer did not pay the charges and there was no correspondence from the consumer regarding

acceptance of load sanction letter. Further, he did not pay the payment to the licensee, hence licensee did not release the additional load. Therefore, consumer is not liable for subsidy compensation.

- 53) **Additional Security Deposit** : The H. T. power supply was released to the consumer on 18/10/93., the consumer have made payment of Rs. 9,60,000/- as per demand raised by Licensee. The consumer have made payment of Rs. 5,26,900/- as per demand raised by Licensee in January 94. Then the consumer made payment of Rs. 15.00 lakhs on dt. 25/07/94. After enhancement in C. D. security deposit balance with MSEDCL Rs. 29,86,900/-. On 30/03/95 consumer made payment of Rs. 4.00 lakhs. The consumer requested to licensee for refund of excess S. D. vide letter dt. 07/10/97 due to reduction in C. D. to extent of 3000 KVA. The excess S. D. is Rs. 14,86,900/- is adjusted against the arrears upto 31/08/97 and licensee informed the consumer accordingly vide letter No. 3655, dt. 07/10/97. So total S. D. balance with licensee Rs. 19.00 lakhs. Consumer has requested vide letter dt. 04/01/2000 for refund of excess S. D. due to reduction in C. D. to 1500 KVA in August 97. Therefore the licensee have adjusted S. D. Rs. 14.00 lakhs through monthly energy bill from February 2002 to May 2003 limited to 30% of the current bill amount by keeping S. D. of Rs. 5.00 lakhs

- 54) The Licensee has demanded the additional S.D of Rs. 9,14,600/- with monthly energy bill for April 2006 as per MERC's directives and the consumer has made the payment on 05/08/2006. The S.D. balance with the licensee is Rs. 14,14,600/-.
- 55) The licensee has demanded additional S.D. along with monthly energy bill for April 07 as per the MERC's directives through system amounting to Rs. 90,18,100/- considering the average monthly bill amount and the S.D held with the licensee.
- 56) The consumer has not made the payment as per the above demand within stipulated time , hence the licensee has requested to make the payment within 15 days vide letter NO. 2735 dt. 15/05/2007. But the consumer has not made the payment and not given any response hence again the reminder was given against the payment vide letter No. 3112 dt. 31/06/07.
- 57) The consumer has not started their CPP plant and using the licensee 's power till the month ending Sept. 07. Hence the licensee has requested to make the payment of additional S.D. amounting to Rs. 90,18,100/- within 15 days i.e. on or before 04/10/2007 vide letter No. 5561 dt. 19/09/2007.
- 58) The licensee has recalculated the average monthly bill amount considering the last 12 months consumptions and MD billed for period from Sept.07 to Aug. 08 which comes to Rs.

80,27,320/- . Considering the S.D. balance with licensee Rs. 14,14,600/-, the short fall amount of Rs. 66,12,720/- is payable by the consumer as additional S.D. which is conveyed by licensee vide letter No. SE/PC/HTB/ASD/5704, dt. 22/09/08.

- 59) Licensee has disconnected the power supply against ASD by giving 15 days notice and one month notice to the consumer. Hence licensee's action about disconnection is correct.
- 60) Stay Order dt. 06/10/08 regarding disputed amount issued by forum is only for disputed amount and the same was not issued blanketly. The consumer has also misled the forum about Exhibit "S". Copy of Exhibit "S" was not attached to the grievance application. Only date is mentioned in grievance application and no details specified in the application. The consumer has submitted exhibits upto "O" only with his grievance application. Hence consumer is not liable for compensation for disconnection. Consumer submitted a letter No. 05704, dt. 22/09/08 to the forum at the time of emergency hearing on 23/10/08 which was issued by licensee to the consumer regarding Security Deposit. Power supply of consumer was disconnected by Licensee on 21/10/08 at 17.30 hrs. and power supply of consumer is reconnected on 24/10/08 at 17.35 hrs. as per letter No. 06823, dt. 24/11/08 from Nodal Officer, Pen Circle. The said letter is received by forum vide Inward No. 346, dt. 24/11/08.

- 61) Consumer has sent letter dt. 04/08/08 to S.E. Pen Circle regarding SLC & MD increase. The said letter is received by forum on dt. 05/11/08 vide Inward No. 315. Since there is much more overwriting in that letter, the said letter is not considered by forum.
- 62) The licensee has issued 30 days notice for payment of additional S.D. vide letter No. 5704 dt. 22/09/2008 on or before 21/10/2008. But the consumer has not made the payment upto 17.30 hrs. as on 21/10/2008. Hence the power supply of the consumer is disconnected on 21/10/08 at 19.30 hrs. by the licensee.
- 63) The forum vide letter No. EE/CGRF/Kalyan/336, dt. 14/11/08 asked agreement copy & balance sheet from consumer. Consumer submitted only balance sheet. According to agreement copy, the consumer informed that the same is not traceable. From licensee agreement copy, disconnection & reconnection date & time, M. D. exceed table month wise. All information received by licensee except agreement (which is not traceable as informed by licensee).
- 64) The licensee's action regarding SLC Charges, Excess M.D. Charges, Additional Supply Charges, Additional Security Deposit, Power Loom Subsidy is correct in all respect.
- 65) The consumer applied for additional load 1500 KVA on dated 19/10/2006. But the licensee issued quotation on dated 15/12/2006. The licensee issued Firm Quotation regarding

payment on 15/12/2006, hence survey is carried out after seven weeks. Hence consumer is entitled for late survey i.e. seven weeks, the late survey carried compensation is Rs. 700/- (seven weeks x Rs.100/- per week = Rs. 700/-). Also licensee issued Firm Quotation after lapse of five weeks, hence consumer is entitled for compensation Rs. 500/- (5 weeks x Rs. 100/- per week = Rs. 500/-).

- 66) After carefully going through the entire episode & studying all papers submitted by both the parties, the forum unanimously decided following order : -

O-R-D-E-R

- 1). Stay Order issued by the Forum vide letter No. EE/CGRF/Kalyan/272, dt. 06/10/08 is hereby vacated.
- 2). The bill charged by the Licensee in July 2008 i. e. Rs. 06,04,17,344=70 is correct and the consumer should pay the same amount within 60 days from the date of decision.
- 3) If the consumer has not paid the above amount within 60 days, Licensee can impose interest and D.P.C. on the above amount.

- 4) The pray of consumer as per Para No. 34, Sr. No. ii), iii), iv), v), vi), ix), x), xi) are hereby rejected.
- 5) As per level of compensation payable to consumer for failure to meet standards of performance (Appendix 'A' Sr.No. 1) the consumer is entitled for compensation of Rs. 1200/- (Rs. Twelve Hundred only) (Refer Para No.65).The compensation amount should be given to the consumer by licensee within 90 days from the date of decision.
- 6) The compliance should be submitted to the forum within stipulated period.
- 7) Consumer can file appeal against this decision with the 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 this order.

- 8) Consumer, as per section 142 of the Electricity Act, 2003, can approach Maharashtra Electricity Regulatory Commission the following address:-

*“Maharashtra Electricity Regulatory Commission,
13th floor, World Trade Center, Cuffe Parade, Colaba, Mumbai 05”*

For non-compliance, part compliance or delay in compliance of this decision issued under “Maharashtra

Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Ombudsman) Regulation 2003”.

Date : 04/12/2008

(Sau V. V. Kelkar)

(R.V.Shivdas)

Member

Member Secretary

CGRF Kalyan

CGRF

Kalyan