



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

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**IN THE MATTER OF GRIEVANCE NO. K/E/317/354 OF 09-10 OF M/S  
BHAGWANDAS ISPAT PVT. LTD. MURBAD , REGISTERED WITH  
CONSUMER GRIEVANCE REDRESSAL FORUM KALYAN ZONE, KALYAN  
ABOUT REFUND OF EXCESS COLLECTED AMOUNT WITH INTEREST.**

M/s. Bhagwandas Ispat Pvt. Ltd.  
H-20, MIDC, Addl. Murbad  
Village - Kundavli,  
Dist : Thane

(Here in after  
referred to  
as Consumer)

**Versus**

Maharashtra State Electricity Distribution  
Company Limited through its  
Superintending Engineer, Kalyan Circle -II

(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 of the Licensee. The Consumer is billed as per Industrial tariff. The consumer registered grievance with the Forum on 08/01/2010 regarding Refund of Excess collected amount with Interest. The details are as follows : -

Name of the consumer : M/s. Bhagwandas Ispat Pvt. Ltd.

Address: - As above

Consumer No : 018019021150

Reason for Dispute : - Regarding Refund of Excess collected amount with Interest

- 3). The batch of papers containing above grievance was sent by Forum vide letter No. EE/CGRF/Kalyan/0010, dt. 08/01/2010 to the Nodal Officer of the Licensee, and the Licensee through Nodal Officer MSEDCL Kalyan Circle-II filed reply vide letter No. SE/KCK-II/Tech/AE(III)/378, dt. 28/01/2010.
- 4) The Members of the forum heard both the parties at length on 01/02/2010 @ 15.00 Hrs. in the meeting hall of the Forum's office. Shri B. R. Mantry representative of the consumer & Shri R. V. Purohit, Nodal Officer, Shri V. D. Kale, Asstt. Engr. & Shri P. M. Garg A.A. 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) By the letter dt. 19/07/08 the Chief Engineer (Comm) on the request of the consumer company sanctioned additional power supply to the extent of 1605 KW as connected load with the additional contract demand of 1950 KVA for the industry of the company situated at MIDC Murbad Thane. According to consumer additional 2% extra units on the energy units consumed is in contravention to the SOP and that supply voltage condition is binding on MSEDCL and not the consumer. It is contended by the consumer that they availed additional power supply w.e.f. August 08 as per the affidavit prepared by the Dist. Licensee dt. 22/07/08 and further averred that as the MERC have not determined the surcharge, they apprised the licensee to refund the extra amount collected from them. Since the licensee did not reply the said letter again by letter dt. 20/10/09 consumer made demand of the said amount but in vain. Since the licensee did not respond to the request made by the consumer company, the present grievance with a prayer to direct the licensee to refund the extra collected amount from August 08 with interest at the Bank rate vide Section 62(6) of Electricity Act 2003.
- 6) The opponent licensee opposed the above said contentions on the ground that the consumer was in need of electricity had made demand of extra energy and considering their demand Chief Engineer sanctioned additional power supply to the extent of 1605 KW as connected load with additional contract demand of 1950 KVA on the undertaking given by the consumer that Company would pay charges for additional 2% extra unit on the energy units consumed till such a time the MERC determines additional surcharge. It is contended that the consumer company

consumed 2% extra units and therefore liable to pay additional charges thereon till the MERC determines the surcharge however, the MERC have so far not determined the surcharge therefore the consumer is liable to pay charges on 2% extra unit, therefore question of refund of the amount as prayed by the consumer does not arise. The licensee therefore prayed to reject the grievance being devoid of substance.

- 7) Consumer complainant in support of their case filed electricity bills alongwith the copy of sanction order issued by Chief Engineer (Comm). Licensee placed on record copy of affidavit cum undertaking dt. 22/07/08 and the copy of agreement form.
- 8) 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 licensee is liable to refund the amount of 2% extra units on the energy consumption with interest to the consumer ?	No
b)What Order ?	As per Order below

Reasons

- 9) Complainant company is old consumer of MSEDCL. Admittedly vide order of Chief Engineer (Comm) dt. 19/07/08 additional power supply to the extent of 1605 KW as connected load with additional contract demand of 1950 KVA has been sanctioned to the consumer. For this 2% extra unit on

the energy consumed is to be added for computing in the energy bill till such a time the MERC determines additional surcharge on the power supply. According to consumer their company being old consumer, adding 2% extra unit on the consumption of energy is not as per the MERC Rules & Regulations. Company further added that as per Standard Of Performance (SOP) supply voltage condition is binding to MSEDCL and not to the consumer, therefore, the undertaking vide affidavit dt. 22/07/2008 is redundant and not binding to the consumer. It is further the contention of consumer that MERC has not so far given approval for addition of 2% extra unit under the premises, the licensee is liable to refund the collected amount of 2% energy unit with interest from August 08 which is running in lacs.

- 10) It is the contention of licensee's representative that consumer company's existing contract demand is 1950 KVA. As per SOP Regulation 5.3 (i) (e) Three Phase 50 cycles 33 KV – all installations with contract demand above 1500 KVA and upto 5000 KVA. Consumer demanded additional contract demand 1950 KVA, as such consumer's total contract demand exceeds to 3000 KVA. As per SOP 5.3 (i) (d) Three Phase 50 cycles 22 KV – All installations with contract demand above 1500 KVA and upto 3000 KVA. Additional demand of 1950 KVA, total contract demand exceeds 3000 KVA is not as per the norms mentioned in the above referred Regulation. The licensee is not having 33 KV voltage level to meet the additional contract demand of the consumer. Since power supply on 22 KV level is not reliable as 33 KV level, interruptions may occur in supply thereby there are chances of loss of energy and to compensate this loss 2% extra unit on the energy consumed is charged.

- 11) On perusal of the order of Chief Engineer (Comm) dt. 17/07/08 it is apparent that on the request of the consumer additional power supply was sanctioned and at the same time the consumer was cautioned that the quality of power supply on 22 KV level may not be as reliable as 33 KV level supply and may cause voltage dip/interruptions. By the affidavit dt. 22/07/08 the consumer clearly admitted an additional 2% extra unit on the energy consumption till an additional surcharge is determined by MERC. As per the undertaking vide affidavit the consumer paid charges on additional 2% extra units with effect from August 2008. This additional load was sanctioned by Chief Engineer (Comm) subject to the approval of Hon. MERC. At this juncture LR submitted that the licensee has filed representation before the MERC for approval however, so far approval has not been accorded for addition of 2% extra units.
- 12) On going through the overall record it seems that on the request of the consumer company, the licensee sanctioned additional power supply to the extent of 1605 KW as connected load (additional) with an additional contract demand of 1950 KVA totaling 3210 KW with 3900 KVA (contract demand) on the terms and conditions enumerated in the sanction order and the same were admitted in clear terms by the consumer vide affidavit referred to above. On the premise the consumer cannot now disown his liability to pay charges on 2% extra units on the energy consumed. Since the consumer undertook to pay charges as above till MERC determines an additional surcharge, the consumer has no alternative except to go on as per the sanction order of Chief Engineer (Comm). We find force in the contention of the licensee going through the cons and pros of the matter. By the order dated 19/07/08 additional power supply was given to the consumer whereby they could

manufacture more product and on the other hand, giving additional supply licensee suffer losses for which giving additional charge is absolutely reasonable and apt. On this background contention of consumer that charging 2% extra units on the energy units consumed is contrary to SOP and therefore, licensee is liable to refund charges of 2% extra units collected by them though the MERC has not so far determined on this aspect, that too with interest, is hard to accept. In view of this grievance lodged by consumer does not carry substance and the same deserves to be dismissed. Point is answered accordingly and hence the order :

**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 Bldg, Bandra Kurla Complex, Mumbai 51”*

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

Date : 08/02/2010

(Mrs. S.A. Jamdar)  
Member  
CGRF Kalyan

(R.V.Shivdas)  
Member Secretary  
CGRF Kalyan

(S.N. Saundankar)  
Chairperson  
CGRF Kalyan