



Consumer Grievance Redressal Forum, Kalyan Zone  
Behind "Tejashree", Jahangir Meherwanji Road, Kalyan (West) 421301  
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**GRIEVANCE NO.K/E/835/1020/2014-15**      Date of Grievance      : 24/12/2014  
Date of Order      : 19/05/2015  
Period Taken      : 146 days

**IN THE MATTER OF GRIEVANCE NO.K/E/835/1020/2014-15 PARAS INTERNATIONAL, GALA NO.1, RAMA IND. ESTATE, NR. UNIQUE INDUSTRIAL EST A TE, GOLANI,VASAI (E), DIST. PALGHAR, PIN CODE 401 208, REGISTERED WITH CONSUMER GRIEVANCE REDRESSAL FORUM KALYAN ZONE, KALYAN REGARDING KALYAN ZONE, KALYAN ABOUT BILLING DISPUTE.**

**Paras International (Merged in Triveni Houseware adjoining unit),**

Gala No.1, Rama Ind. Estate,

Near Unique Ind. Estate,

Golani, Vasai (E),

Dist. Palghar

Pin Code 401 208.

.....

(Hereinafter referred to consumer)

Versus

Maharashtra State Electricity Distribution

Company Limited through its

Addl. Executive Engineer,

Sub Divn., Vasai Circle

.....

(Hereinafter referred to Licencee)

Appearance :-      For Consumer - Shri Harshad Seth- Consumer's Representative.  
For Licensee -Shri Birje –Addl.Exe.Engineer

(Per Shri. Sadashiv S. Deshmukh, Chairperson)

Maharashtra Electricity Regulatory Commission, is, constituted u/s. 82 of Electricity Act 2003 (36/2003). Hereinafter for the sake of brevity referred as 'MERC'. This Consumer Grievance Redressal Forum has been established as per the notification issued by MERC i.e. "Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum &

Ombudsman) Regulation 2006” to redress the grievances of consumers vide powers conferred on it by Section 181 read with sub-section 5 to 7 of section 42

of the Electricity Act, (36/2003). Hereinafter it is referred as ‘Regulation’. Further the regulation has been made by MERC i.e. ‘Maharashtra Electricity Regulatory Commission. Hereinafter referred as ‘Supply Code’ for the sake of brevity. Even, regulation has been made by MERC i.e. ‘Maharashtra Electricity Regulatory Commission (Standards of Performance of Distribution Licensees, Period for Giving Supply & Determination of Compensation) Regulations, 2014.’ Hereinafter referred ‘SOP’ for the sake of convenience (Electricity Supply Code and other conditions of supply) Regulations 2014’.

2] Consumer filed this grievance on 24/12/2014, seeking refund amount towards excess fixed charges levied from September 2004 to September 2006. Further sought refund of SD/ASD for Rs.18,884/-. Consumer sought refund of capacitor penalty of Rs.47,145/- and interest thereon Rs.79,135/-, total Rs. 1,29,462/-. Consumer approached Dy. Executive Engineer of Licencee on 28/4/2014 and to IGRC on 28/8/2014. Consumer addressed letter to IGRC on 17/9/2014 and letter to Addl. Executive Engineer on 21/10/2014. None granted relief till to the date of filing of this grievance. Hence, consumer approached this Forum.

3] In this matter, copy of grievance application along with the papers enclosed, were, sent by this Forum vide letter No. EE/CGRF/Kalyan /0448 dated 24/12/2014 to the Nodal Officer of Licensee.

4] In response to it, the Officer of the licensee filed reply dated 17/1/2015 and on 11/5/2015, submitted chart of calculation of excess fixed charges recovered. Consumer filed rejoinders on 3/2/2015, 11/3/2015, 24/3/2015 and 14/5/2015. As Licencee not clarified about fixed charges/excess fixed charges recovered and details thereof, hence we called those details which are submitted on 11/5/2015. Excess demand is quantified by the Licencee to the

tune of Rs.75,571. 20 Ps. as against claim of consumer to the extent of Rs.1,26,224.50 Ps which includes penalty collected to the extent of Rs.

50,650.80 Ps. debited in November 2004. Consumer had calculated interest on it, as per order of MERC dated 14/7/2005, in case No. 2 of 2003, at different rates. Such chart is enclosed with grievance application and again filed it on 14/5/2015.

5] We heard both sides at length. Mainly matter is for refund of excess fixed charges, levied and recovered. While citing the claim, consumer produced chart bearing title "Calculation chart as per Ombudsman decision showing demand and capacitor penalty collected as per MERC case No.2 dated 14/7/2005. In respect of other claim i.e. refund SD/ASD , it is not insisted and withdrawn. Even it is made clear that penalty charged is already refunded and it is not being claimed. Consumer in addition, has sought refund of amount recovered as power factor penalty and it is referred in the grievance application as capacitor penalty. Accordingly claim is made limited to excess fixed charges levied and amount recovered towards power factor penalty in view of tariff order of MERC passed in case No.2/2003 dated 14/7/2015.

During course of hearing, on behalf of Licencee arguments were advanced about bar of limitation in the light of Regulation 6.6, 6.7 and 6.9 of MERC (CGRF & EO Regulations). Further reference is made to the provisions of Limitation Act and its scheduled. Hence we find this aspect of limitation needs to be addressed first.

It is a fact that present claim covers period from September 2004 to September 2006 and consumer made grievance to this Forum on 24/12/2014 and prior to it approached to Deputy Executive Engineer of Licencee i.e. Vasai Sub- Division on 28/4/2014, approached IGRC on 28/8/2014. Accordingly, matter came to us not directly but after approaching Licencee and IGRC.

6] Though about limitation, on behalf of Licencee reference is made to the clauses of MERC, (CGRF & EO) Regulation i.e. 6.6. 6.7 and 6.9. Consumer's representative submitted that said aspect is already decided by

Hon'ble Ombudsman in Representation No. 65 of 2006. Precisely he referred to Para No.23 of the order, wherein Hon'ble Ombudsman dealt that aspect. Said paragraph No. 23 reads as under:

“Let us look at the issue from another angle. What would have been the fate of the refund which the Appellant is lawfully entitled, had he not approached the Cell or the Forum at all? This has to be answered in affirmative in view of the provisions of the tariff order and the Commission's order. Nothing can disentitle the consumer of his claim for refund with the

interest, including the Appellant's action of approaching the Cell or the Forum for redress. **It would be not only unfair but also ridiculous**, as all other consumers who do not approach the Forum for redress, are still entitled for refund. Moreover, the action of the Respondent in not refunding the excess amount may amount to non compliance of directions of the Appropriate Commission under section 142 of the Electricity Act, 2003 and with the consequences stipulated therein. Further, application of Regulation 6.6 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman ) Regulations, 2006, holding the cause of occurrence of grievance as 1<sup>st</sup> December 2003, would adversely affect implementation of the tariff order as well as the Commission's order, apart from the fact that such an interpretation would neither be logical nor in the interest of the consumer. To sum up, the Appellant is entitled to get refund of excess amounts recovered with interest with effect from 1<sup>st</sup> December 2003. The Forum's order to this extent is therefore liable to be and is hereby modified.”

Accordingly, we find the present aspect pertaining to tariff order of MERC 2/2003 towards refund of excess fixed charges / power factor penalty is dealt, hence, there is no any force in the objection of limitation.

7] Though, reference is made to rely on the provision of Limitation Act, we find said provisions are not applicable to this matter. Said act applicable to suits and applications to be dealt in Court.

In Regulations, there is provision of bringing matters before the Consumer Forum within two years from the date of cause of action. In addition to what is dealt by Hon'ble Ombudsman as noted above, we are clear that if consumer has approached the Officers of Licencee for relief, such Officers if not able to decide the matter, direct the consumer to IGRC and said aspect is treated, as if consumer has approached IGRC. Accordingly we find there is no time limit prescribed for approaching Licencee/ IGRC and hence, if, any matter is brought to the Forum after approaching Licencee/IGRC, then it cannot be refused on the ground of bar of limitation, considering the period of demand. We are required to consider the fact of order not passed by IGRC, as cause of action when consumer approached on 28/4/2014/28/8/2014. This spirit is laid down by our High Court in the case of **M/s. Hindustan Petroleum V/s. Mah. State Electricity Distribution Co. Ltd. in Writ Petition No.9455/2011 decided on 19/1/2012**. Accordingly, we find Limitation or provision of Limitation Act, as quoted by the Licencee are not applicable. We cannot restrain ourselves from mentioning that inspite of order of Hon'ble Ombudsman referred above, though, it is within the knowledge of Licencee, this peculiar unnecessary stand is taken. Hence, we find no force in the aspect of challenging claim on the ground of limitation.

**Refund of excess fixed charges recovered.**

8] Main claim of consumer is on the basis of order of MERC passed in case No.2 /2003 date 14/7/2005. In the said order, at length it is laid down by MERC, as to how the aspect pertaining to calculating the charges, on the basis of connected load dispensed with. Precisely those observations are on page No. 8 of order wherein it is mentioned that concept of connected load is abolished and concept is developed, on the basis of sanctioned load only. On this position, direction given vide Para 3 (a )to (f) . Clause (f) is of utmost importance, it reads as under:-

---“MSEB shall refund any amount collected on account of invocation of connected load / power factor penalty, not in line with this dispensation to the concerned consumer along with interest at the rate of applied by MSEB to their consumers from the date of collection till to the date of refund but not later than three months from this order.”

It is a fact that Licencee ought to have complied the refund, if any arising, on the basis of above order within three months. Consumer's representative contended that it is not complied till this date. Towards complying the tariff order, there is no bar of limitation as laid down by Hon'ble Ombudsman in Representation No.65 or 2006 dated 2/11/2006. Accordingly, it is clear that as per the said order of MERC i.e. 2 of 2003, dated 14/7/2005, if any excess fixed charges/power factor penalty are levied those are required to be refunded. Rightly, consumer has pointed out that even this Forum has allowed the said refund in Grievance No. 922 M/s. Agrawal Fasteners V/s. MSEDCL decided on 13/5/2014 and 921 M/s. Andier Fasteners V/s/ MSEDCL, decided on 13/5/2014 and we noted that even those orders are already complied by Licencee.

9] We noted that consumer given chart showing the quantum of refund towards excess fixed charges and interest thereon. Said calculation come to Rs.3,23,633.23 Ps. which includes interest thereon. However the net amount of refund towards excess fixed charges is of Rs.1,26,224.50 Ps. As against it, Licencee submitted the figures of excess fixed charges recovered, it comes to Rs.75,571.20 Ps..

10] CR submitted fresh calculation sheet on 14/5/2015 and worked the net refund sought towards excess fixed charges is of Rs.1,26,222/- and with interest Rs.3,48,240.26 Ps. Hence difference in the claim of consumer and figures of Licencee towards excess fixed charges comes to Rs.1,26,224.50 Ps. - Rs.75,571.20 Ps. = Rs.50,653.30 Ps. About this quantum, we tried to find out the position. It is pointed out by the Officers of Licencee and even by CR that in the CPL figure shown towards arrears and debited for the month of November 2004 of Rs.50,650/-. This figure though reflected in CPL, it is not clearly brought on record by either side that it pertains to excess fixed charges recovered,. Hence no clue is available for this Forum to treat it as excess fixed charges. Hence said quantum is to be deducted along with interest figures thereon. So if, this aspect is considered, then after the above item debited, figure tallies with the calculation of Licencee. Hence towards excess fixed charges recovered, an amount of Rs.75,571.20 Ps. is to be awarded and consumer has calculated interest on the said sum @ 12% for three months, 15% for further three months and 18% for the rest of the period and it is up to April 2015 and said figure is from the said chart submitted on 14/5/2015 as per order of MERC. We confirmed the rate of interest which MERC allowed to charge on the consumers towards recovery, as shown in the tariff order of MERC in case No.19/2012 dated 16/8/2012. Accordingly, the calculation of interest worked out by consumer is to be accepted just deducting the amount for November

2014 i.e.Rs.50,650/-and consequently, interest shown against this figures i.e. (Total refund comes to Rs.75,571.20 Ps. (amount towards refund of excess fixed charges collected) + Rs.1,28,187.26 Ps. ( interest calculated as per the order of MERC and as per the chart of consumer i.e. Rs.2,22,016.26 Ps. – Rs.93,831/- = Rs.1,28,187.26. Accordingly, this part of grievance is to be allowed.

11] Accordingly, we find that in this matter excess fixed charges are recovered and those are to be refunded with interest as per MERC order.

12] In this matter, in addition to excess fixed charges recovered and its refund another claim is there, it is of power factor penalty refund, which is termed capacitor penalty in the grievance application. Said item is dealt by Licensee in reply dated 17/1/2015 in para 4 on the 2<sup>nd</sup> page . In the chart in the third column, Licensee contended that credit adjustment is given to the consumer other than regular adjustment. It is of Rs.1,38,700/-. As against it, consumer contended in reply dated 11/3/2015, contending that towards power factor penalty claimed is for Rs.47,145/-. So called credit adjustment claimed by Licensee is not at all having any connection or relevance to it. Said credit adjustment is independent one and it is explained in the said reply in Para 3. It is contended that though two initial adjustments are towards the order of MERC and third adjustment is given due to reverting to the tariff from MD to LT. In respect of fourth , it is claimed that said credit shown is false one but final bill paid on 6/2/2013 is not displayed in the CPL. In short, it is contended that so called adjustment which consumer claims has no relevance to the extent of power factor penalty being claimed. . Accordingly, now question comes up whether there is any force in the contention of Licensee that this power factor penalty is not payable, we are to decide it . In respect of power factor penalty , now it is submitted by consumer that as per the order of MERC 2003, said refund is also to carry interest at the rate which Licensee charging to



the consumers i.e. 12%,15% and 18% Accordingly that calculation is done. It is in separate chart given by the consumer. **This fact is to be once again verified by the Licencee before complying the order about the status of that amount.**

**13]** In view of the above, grievance of consumer is to be allowed, towards the prayer of refund of excess fixed charges and of power factor penalty.

**14]** This matter could not be decided in time as details were incomplete from Licencee's side which were called and Licencee is submitted details on 11/5/2015, then those were confronted to consumer and then this matter is being decided.

Hence the order.

### **ORDER**

Grievance of consumer is hereby allowed.

Licencee is directed to refund excess fixed charges quantified to the tune of Rs.75,571.20 Ps. along with interest calculated and quantified for Rs.1,28,187.26 Ps up to April 2015. Licencee to refund to the consumer amount towards refund of power factor penalty to the tune of Rs.47,185/- and interest thereon of Rs.79,135/-up to April 2015, total Rs.1,29,462/-. Said amount be refunded to the consumer if required by verifying the correctness of interest shown above, within 45 days from the date of this order and interest be given on Rs.75,571.20 Ps. and Rs.47,185 further from May 2015 till to the date of refund @ 18% per annum, considering the order of MERC in 2/2003 referred above. Said refund be adjusted in the account of Triveni Houseware in which present consumer unit is merged. Licencee to submit the compliance report thereafter within 15 days.

Dated: 19/05/2015.

I agree

I agree

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

(Chandrashekhar U.Patil)  
Member Secretary  
CGRF,Kalyan

(Sadashiv S.Deshmukh)  
Chairperson  
CGRF, Kalyan

**Note:-**

a) The consumer if not satisfied, may file representation against this order before the Hon. Ombudsman within 60 days from the date of this order at the following address.

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

b) Consumer, as per section 142 of the Electricity Act, 2003, can approach Hon. Maharashtra Electricity Regulatory Commission 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” at the following address:-

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

c) It is hereby informed that if you have filed any original documents or important papers you have to take it back after 90 days. Those will not be available after three years as per MERC Regulations and those will be destroyed.