



Consumer Grievance Redressal Forum, Kalyan Zone
Behind "Tejashree", Jahangir Meherwanji Road, Kalyan (West) 421301
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IN THE MATTER OF GRIEVANCE NO. K/E/346/390 OF 2010-2011 OF
M/S. SAI METAL TREAT, VASAI REGISTERED WITH CONSUMER
GRIEVANCE REDRESSAL FORUM KALYAN ZONE, KALYAN ABOUT
EXCESSIVE BILLING.

M/s. Sai Metal Treat
Gala No. 13/14,
Neminath Ind. Estate,
Bldg. No. 05, Navghar,
Vasai (East), Dist. : Thane

} (Here-in-after
referred
as Consumer)

Versus

Maharashtra State Electricity Distribution
Company Limited through its
Dy. Executive Engineer
Vasai Road (East) Sub-Dn.
Vasai, Dist. Thane.

} (Here-in-after
referred
as licensee)

- 1) Consumer Grievance Redressal Forum has been established under "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 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 L.T. consumer of the licensee with C. D. 54 KVA. The Consumer is billed as per Industrial tariff. Consumer registered grievance with the Forum on 15/06/2010 for Excessive Energy Bills. The details are as follows: -

Name of the consumer :- M/s. Sai Metal Treat

Address: - As given in the title

Consumer No : - 1)001849027910 – 107 HP

2)001610359899 – 65 HP

Reason of dispute: Excessive Energy Bills.

- 3) The batch of papers containing above grievance was sent by Forum vide letter No EE/CGRF/Kalyan/248 dated 15/06/2010 to Nodal Officer of licensee. The licensee filed reply vide letter No. IGRC/VC/CGRC-0346/0390/2010-11/4656, dated 03/07/2010.
- 4) The forum heard both the parties on 12/07/2010 @ 15.00 Hrs. in the meeting hall of the Forum's office. Shri Harshad Sheth, Shri Vinit Sheth representatives of the consumer & Shri S. R. Purohit Nodal Officer and Shri S. M. Bangar, Dy. Ex. Engr. 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 each party in respect of each grievance shall be referred while deciding each of the grievances to avoid repetition.

- 5) The consumer has taken electricity connection from the Distribution Licensee (DL) to the industry situated at Neminath Ind. Estate, Navghar Vasai (East) in the year 1997. According to consumer at the time of new connection they paid Rs. 19,500 (+) Rs. 29,250 as six month minimum charges towards Security Deposit (SD) but not shown the said amount in the bill. Consumer claimed the said amount and interest thereon as per the enclosed chart in the month of Feb. 2010 but the licensee did not respond flouting the rules to the Clause 9.4 of Maharashtra Electricity Regulatory Commission (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2005 thereby liable for compensation. It is averred by the consumer that connected load penalty was to be collected as per the directions in MERC case of 2 of 03 and representation of Ombudsman No. 39 of 06 however, by provisional bill dt. 23/05/03 licensee collected excess amount of Rs. 13,752/- and the same is liable to be refunded with interest totaling Rs. 27,504/- As regards RLC according to consumer it is loan given by consumer to MSEB in it's difficult time of 2003 and this amount is to be refunded to the consumer from July 08 onwards, however due to extension of load from 65 HP to 107 HP since consumer number was changed RLC was not refunded though this amount was paid during Dec. 2003 to Sept. 2006 at 50 paise per unit of monthly consumption. It is contended licensee is liable to refund this amount of RLC as per the chart enclosed. It is further the contention of consumer that their single phase connection was disconnected in June 2006 however amount collected to that effect like SD/ASD/RLC has not been refunded. It is further contended

that officials of the licensee did not supply correct and update copy of CPL for want of which they face difficulty to put forth grievance properly. Consumer apprised the same to Dy. Ex. Engr. vide application dt. 13/02/10 and 28/05/10 but officials of the licensee did not pay heed therefore they moved the IGR Cell but in vain. Consumer therefore lodged this grievance with prayer to direct the licensee to refund the amount of SD/ASD/RLC/connected load penalty with interest and adequate compensation for negligence/inaction/lethargy on their part and further to direct to issue correct and update copy of CPL.

- 6) Licensee filed reply dt. 03/07/2010 contending that their Accounts Section is examining the position on refund of SD/ASD as averred by the consumer and on verifying the receipts and record amount will be refunded as per rules. So far delay caused in this context, erring officials will be dealt seriously. As regards RLC refund it is contended as per guide lines given by Hon. MERC if excess amount collected from the consumer will be refunded. As regards connected load penalty it is averred it was charged as per Clause 31(e) of MSEB's conditions of supply since period of recovery is from Nov. 02 to April 03 and as such charged connected load penalty is correct. According to licensee consumer did not furnish separate application for permanent disconnection of their single phase meter nor for getting the amounts as stated. It is contended on furnishing separate application concerned amounts will be refunded as per the rules. As such according to licensee grievance application since sans merits be dismissed in limine.

- 7) On perusal of the record and hearing both the parties at length 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 SD/ASD of which receipts produced with interest? | Yes |
| b) Whether licensee is liable to refund connected load penalty if recovered excess with interest as per the directions of Hon. MERC and Ombudsman to the consumer ? | Yes |
| c) Whether licensee is liable to refund the amount of RLC to the consumer as per the directions of Hon. MERC and Ombudsman ? | Yes |
| d) Whether licensee is liable to refund the amount of SD/ASD & RLC with interest in respect of single phase permanently disconnected connection to consumer ? | Yes |
| e) Whether licensee is liable to pay compensation for causing delay in giving final dues to consumer ? If yes, how much ? | Yes Rs. 2400/- |
| f) What Order ? | As per Order below |

Reasons

- 8) At the outset learned representative for the consumer submitted that officials of the licensee have not supplied them correct and update CPL for want of which they face difficulty to putforth their grievances properly. During the course of hearing Forum directed the representative for the licensee to supply correct and update CPL to consumer and accordingly it

was supplied. In fact, officials of the licensee are duty bound to supply correct and update CPL as and when required.

- 9) It is the grievance of consumer that officials of the licensee did not refund amount of SD/ASD though receipts produced way back in Feb. 2010 thereby their huge amounts are blocked and consequently they are put to financial difficulty. It is urged by the learned representative for consumer that amount of SD/ASD as depicted in the enclosed chart inclusive the amount of interest needs to be refunded to the consumer within the period of 30 days as stipulated in clause 9.4 of Maharashtra Electricity Regulatory Commission (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2005 and breach of this on account of negligence/inaction/lethargy saddle the licensee with compensation vide schedule Appendix 'A'. Consumer enclosed chart of these amounts with letter dt. 13/02/10. As per the reply filed by licensee on 03/07/10 learned Nodal Officer Vasai Circle pointed out that necessary instructions in this context have already been given to the concerned officials and the errant officials would be dealt severely. It is the admitted position on record that the consumer presented original receipts of SD & ASD in Feb. 2010 however nothing is done clearly indicative of inaction/lethargy/negligence on the part of concerned officials of the licensee. Had receipts as above not presented one can understand time require to verify the records but when the receipts presented licensee is duty bound to refund outstanding amounts verifying the records to the consumer within a period of 30 days as per clause 9.4 of the Regulation referred to supra. In view of the position licensee is liable to refund the

amount of SD/ASD with RBI rate of interest in addition to compensation for negligence/inaction/lethargy for causing intentional delay.

- 10) So far RLC is concerned, it was paid by the consumer company during Dec. 03 to Sept. 06 at 50 paise per unit monthly consumption. According to consumer as per the directions of the Hon. MERC this amount was charged as per the chart enclosed. This amount of RLC was given by the consumer as loan in the difficult time of MSEB in the year 2003 is to be refunded to the consumer with interest. It is seen due to extension of load from 65 HP to 107 HP consumer number was changed therefore RLC could not be refunded. Hon. MERC in case No. 72 of 07 clearly depicted methodology as regards refund of RLC and as per the directions given therein licensee is under obligation to refund the same. According to licensee refund of RLC will be made in next billing cycle. Relevant is to refund the amount of RLC to the consumer who helped the MSEB in difficult days as per the directions of Hon. MERC and not as per the sweet will of the officials of licensee.
- 11) So far connected load penalty according to consumer, licensee recovered this penalty amount in excess as per chart enclosed and the same being contrary to the directions given by Hon. MERC in case No. 2 of 03 dt. 14/07/05 and Hon. Ombudsman in 39 of 06 dt. 05/09/06 needs to be refunded with interest. According to licensee amount on this count was correctly recovered. On going through the chart enclosed and hearing the contentions made by the learned representative for the licensee we find force in the submission of learned representative for consumer. Under the circumstance we find proper to direct the officials of licensee verifying the records couple with the chart enclosed, in the light of directions given by

the Hon. MERC and Ombudsman to work out the amount of excess collected penalty and refund the same to the consumer bearing in mind the observations made by Hon. Ombudsman in para 14 of the case No. 39 of 06. It is relevant to mention here that learned representative for the consumer seriously alleged that officials of the licensee give anti consumer treatment, do not even peep to their documents and their attitude is recalcitrant towards the consumer. In the present scenario considering the laudable objects of the Electricity Act 2003 and the directions given by the Hon. MERC and the Ombudsman it is high time for the officials to hear the consumers patiently and to act wisely so that consumers as a whole would not put to trouble, inconvenience, harassment.

- 12) It is the grievance of consumer that their single phase connection vide consumer No. 001610359899 was permanently disconnected in June 2006 while extending load from 65 HP to 107 HP, however licensee did not transfer SD, RLC and interest in respect of this single phase connection so far to the account of consumer No. 001849027910 till today. Learned representative for the consumer in this context submitted that on 13/02/10 they had requested the Dy. Executive Engineer to refund SD & RLC of this permanently disconnected connection in June 2006 but none responded though approached the IGR Cell. He urged with force that as per MERC Regulation 2005 and SOP referred to above licensee has to settle dues of such consumers within 30 days from the date of receipt of application for closure of account and for delay on this count penalty of Rs. 100/- per week is to be imposed. On the other hand, learned representative for the licensee submitted that as per the department circular dt. 15/12/08 consumer has to apply for P. D. and refund of SD, RLC separately,

however consumer has not given separate applications in as much as these applications are processed through various sections like Accounts, Audit, I.T. etc. On perusal the records available i.e. letter dt. 12/07/10 mentions consumer gave application for P.D. on 13/02/10, however nothing to show that he gave separate application for refund of SD & RLC as required. It is seen while extending the load from 65 to 107 HP in June 2006 single phase connection was permanently disconnected without application and that later on this sort of application tendered. Apart from giving applications, one thing is apparent that in case of P. D. connection licensee is under obligation to refund/transfer the amount of SD & RLC with interest to the consumer. In this case according to licensee this amount has not been transferred/refunded since separate application as per the circular dt. 15/12/08 not given by consumer. Under the circumstance consumer can be directed to give separate application for refund of SD/ASD/RLC if not given earlier. Assuming for a movement, no separate application is given vide application dt. 12/07/10 consumer apprised that his single phase connection is to be made P.D. follows SD/RLC in this context to be refunded therefore it cannot be said that officials of the licensee were and are not aware of single phase connection P.D. Considering the position we are of the considered view that licensee has to refund SD/ASD/RLC of such connections with RBI rate of interest.

- 13) As stated above officials of the licensee caused abnormal delay in refund of SD/ASD though receipts produced way back on 13/02/10 due to lethargy/negligence/inaction and as such it is fit case to saddle the officials of the licensee with compensation for this abnormal delay thereby the

consumer is deprived from using huge amount for the company purpose. As per Maharashtra Electricity Regulatory Commission (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2005 Appendix 'A', Clause 7 (iii) 30 days time is provided as standard time for payment of final dues to consumer from the date of application for closure of account. In this case consumer presented their SD/ASD receipts for refund on 13/02/10 therefore officials of the licensee should have paid final dues of SD/ASD to the consumer herein within 30 days from 13/02/10 i.e. till 13/03/10 however till today nothing done is apparently causing delay due to inaction/lethargy/negligence on the part of concerned officials of the licensee and for this licensee is liable to pay compensation. As per Appendix 'A', Clause 7 (iii) as above this compensation comes 6 months X 4 weeks = 24 weeks X Rs. 100 per week = Rs. 2400/-. It is therefore proper to direct the licensee to pay Rs. 2400/- as compensation for delay in not giving payment of final dues as above and further to pay compensation of Rs. 100/- per week till final payment on this count is made. In view of the discussion supra licensee will have to be directed to refund the amount of SD/ASD of which receipts are presented and the connected load penalty recovered excess with interest. We further direct the licensee to refund the amount of RLC as directed by the Hon. MERC and Ombudsman and the amount of SD/ASD with interest regarding permanently disconnected connection of consumer and points are answered accordingly.

- 14) While parting to the matter it is to be noted that this grievance was submitted by the consumer before the Forum and was registered on

15/06/2010. Vide para 6.18 of Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 Forum has to decide the grievance within a period of two months from the date of receipt. Learned representative for the licensee sought time to file written argument therefore delay is caused in deciding the grievance. Hence the order :

O-R-D-E-R

- 1) The grievance application is allowed.
- 2) Licensee is directed to refund the amount of SD and ASD as per the receipts produced to the consumer with R.B.I. rate of interest.
- 3) Licensee is directed to refund the amount of connected load penalty recovered excess with interest to the consumer as per the directions of Hon. MERC.
- 4) Licensee is directed to work out the amount of RLC and to refund the excess amount to the consumer as per the directions of Hon. MERC and Ombudsman.
- 5) Licensee is directed on receipt of application from consumer, to disconnect permanently single phase connection and transfer the amount of this connection towards SD/ASD/ RLC to the existing LT-V connection of consumer.
- 6) Licensee to furnish update and correct copy of CPL to consumer as and when required.

- 7) Licensee to pay compensation of Rs. 2400/- (Rs. Two Thousand Four Hundred only) for delay in giving final dues to consumer and further to pay compensation of Rs. 100/- per week from today till the final dues are paid.
- 8) The Compliance should be reported to the forum within 60 days from the date of receipt of this decision.
- 9) The Consumer can file representation against this decision with the Hon. Electricity 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”.

- 10) Consumer, as per section 142 of the Electricity Act, 003, 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”

Date : 27/09/2010

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

(R.V.Shivdas)
Member Secretary
CGRF Kalyan

(S.N. Saundankar)
Chairperson
CGRF Kalyan