

**Maharashtra State Electricity Distribution Co. Ltd.'s
Consumer Grievance Redressal Forum
Nagpur Urban Zone, Nagpur**

Case No. CGRF(NUZ)/08/2012

Applicant : M/s. Darpan Multi Polypack (I) Pvt.Ltd.
At Lal Imli Gali Bhandara Road,,
Itwari, Nagpur.

Non-applicant : Nodal Officer,
The Superintending Engineer,
Nagpur Rural Circle,
Nagpur.

Quorum Present : 1) Shri. Shivajirao S. Patil
Chairman,

2) Adv. Smt. Gouri Chandrayan,
Member,

3) Smt. Kavita K. Gharat
Member Secretary.

ORDER PASSED ON 11.3.2012.

1. The applicant filed this grievance application on 12.01.2012 under Regulation 6.4 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 (hereinafter referred to as Regulations).

2. The applicant, M/s. Darpan Multi Polypack (I) Pvt. Ltd. bearing Consumer No. 410039008210 admitted a grievance at Internal Grievance Redressal Cell (IGRC), Nagpur Rural Circle, for rejection of its application for

reduction in Contract Demand(CD) from 1510 kVA to 1000 kVA. The applicant submitted the case at I.G.R.C. on Dt. 5.11.2011, but no action was initiated by the I.G.R.C. Therefore, being aggrieved, the applicant filed the grievance in the Forum on Dt. 12.1.2012 and requested to the Forum to –

i) Advise M.S.E.D.C.L. to reduce the Contract Demand from 1810kVA to 1000 kVA with retrospective effect from second billing cycle after the date of application i.e. 19.2.2010.

ii) To refund the excessive amount along with standard bank interest

iii) Pay compensation as per clause 7(ii) of SOP.

3. The applicant's case in brief is that the applicant is an H.T. Consumer with Contract Demand of 1510 kVA which was sanctioned by M.S.E.D.C.L. vide order No. 4005 Dt. 9.7.2008. The applicant vide letter Dt. 19.2.2010 applied for reduction in demand to 1000 kVA. The Non-applicant rejected this application vide letter dt. 4.3.2010 on the grounds that as per condition 5.3 (c) of MERC supply and regulations code, load over and above 1500 kVA to 5000 kVA is to be sanctioned on 33 KV level. The applicant filed the case to IGRC on the point that the clause referred in SOP, nowhere indicates that deviation is not possible. The applicant for this, produced clause which says -

“5.3 – Except where otherwise previously approved by the Authority, the classification of installation shall be as follows.”

This indicates that deviation is possible with an approval. Further, the applicant added that as per Commercial Circular No. 101 of M.S.E.D.C.L. Dt. 16.10.2009 and as per Clause 6.8 of Electricity supply code, no restriction has been placed about the voltage levels for reduction in Contract Demand. Also, in case of non availability of infrastructure at required voltage level, some times supply to consumer can be given at a voltage higher or lower than specified in SOP. He further indicated that the non-applicant has done many such cases.

4. The applicant stated that as per clause 7 (ii) of SOP applicable to M.S.E.D.C.L. because the reduction in Contract Demand should be given to a consumer within 2nd billing cycle but the Non applicant has not reduced any contract demand and no reply received from I.G.R.C. Therefore, Forum should accept the request of the applicant as stated above.

5. The Non applicant filed his reply to the Forum on Dt. 24.1.2012. According to it, the applicant is a consumer of M.S.E.D.C.L. with Contract Demand of 1510 kVA on 33 KV vide load sanction order No. SE/NRC/Tech/4005 Dt. 9.7.2009. The Non applicant admitted that the applicant requested for reduction in contract demand from 1510 kVA to 1000 kVA for a period of six months vide letter Dt. 19.2.2010. The consumer was informed vide his office letter dated 4.3.2010 that load reduction application can not be allowed because as per M.E.R.C. (Standard of Performance) Electric supply & Regulations 2005, clause 5.3 (i)(e) , all the installations with

contract demand above 1500 kVA and up to 3000 kVA is to be given on 33 KV level and as per clause No. 5.3(i) (c) all the installations with contract demand above 100 kVA and up to 1500 kVA has to be given on 11 KV level. As the applicant was given supply initially on 33 KV level, hence the consumer was informed accordingly.

6. The non applicant further stated that SOP regulations came into force during 2005 and circulated vide letter No. PR-II/COS/4810 Dt. 15.2.2005, but the said connection was released on Dt. 25.11.2009, much later date after issue of this order. Therefore, as per SOP the connection was extended on 33 KV with a Contract Demand of 1510kVA so there was no necessity of prior approval from the authority for giving the supply to the consumer at the time of connection. The first sentence of clause 5.3 – *“Except where otherwise previously approved by the authority, the classification of installations shall be as follows”*, but there is no meaning of this clause for reduction of load.

7. For the point of giving supply at a voltage higher or lower than as specified in SOP the non-applicant mentioned that due to non availability of infrastructure at required voltage level , these supplies were given after getting prior approval from the Competent Authority. Similarly, for this application, this office has forwarded request to Chief Engineer (Commercial), Mumbai vide letter No. 480 Dt. 20.1.2012. The Non applicant also pointed out the mistake of

the applicant by quoting that in the nature of relief sought from the Forum, the applicant mentioned that the Contract Demand to be reduced from 1800 kVA to 1000 kVA, but present Contract Demand of applicant is 1510 kVA. Therefore request for reduction from 1800 kVA is irrelevant. Hence the claim of the applicant for reduction of load and refund of amount may be dismissed as it has no merits.

8. To this reply, the applicant's representative submitted a letter Dt.30.1.2012 to the Forum. According to this letter, the non applicant has referred the matter to the Chief Engineer (Commercial) for the approval only after the Grievance was brought before C.G.R.F. for redressal. As per circular No. 101, the sanctioning authority is Superintending Engineer, so the approval should have been given immediately after the application and if it required the approval of Chief Engineer (Commercial), the matter should have been referred to the said authority at the very time of application instead of refusal to the consumer. The applicant's representative also pointed that I.G.R.C. has not taken any action. This shows nothing but the MSEDCL's approach that it is least interested in resolving the grievances of the consumers.

9. The applicant's representative has also given the logic behind correlating the voltage level with contract demand of consumer in his letter.

“At any voltage level, as the demand increases, the current in the distribution system increases. This has a two fold effect.

Firstly, the voltage drop in the distribution system increases, and secondly and more importantly, the losses in the system also increase. The voltage drop increases in proportion to the current but the distribution losses increase in proportion to the square of the current. If we consider the voltage levels of say 440 V and 11 kV, for supplying same amount of kVA (KV x current) the current in a 440 volt system would be $11000/440 = 25$ times higher. Since losses are proportional to the square of the current, they would go up by 625 times, and the whole set up could become economically unviable after a particular demand level. This necessitates the fixing of the level of voltage restriction for the upper limit of demand". He further added that if M.S.E.D.C.L. supplies power to a consumer at a voltage level lower than that is prescribed in the SOP, it stands to loose in terms of excessive distribution losses and if the consumer is given supply at a voltage higher than that is specified in SOP, the consumer stands to loose because the cost of equipments goes up with the voltage.

In this case, the contract demand is 1510 kVA and the infrastructure required for 33 kV is already in place. Therefore, no further expenses are required to be incurred. On the other hand, by reducing the contract demand to 1000 kVA, MSEDCL does not stand to loose any thing. Therefore, there is no reason for MSEDCL to refuse the reduction. The only thing, MSEDCL is going to loose is extra amount received by them on account of non utilization of minimum contract demand but idle capacity to the extent of 510 kVA will be freed from the feeder and M.S.E.D.C.L. can feed additional

consumers with that. In other words, by rejecting the request of the applicant, M.S.E.D.C.L. is only trying to extract additional money on account of non utilized contract demand. The applicant in his application regretted for the mistake of writing the contract demand as 1800 kVA instead of 1510 kVA. He further requested that the relief asked by him should be given.

10. The matter was heard in Forum on Dt. 31.1.2012. Both the parties were present. On behalf of Non applicant, Shri H. Randive, Superintending Engineer, Nagpur Rural Circle was present. The applicant's side was presented by Shri Suhas Khandekar.

11. The non applicant pleaded that he referred the matter to the higher authorities for approval and as soon as the approval would be received, the necessary action will be taken. The applicant's representative reiterated the points as stated in the application and requested for the relief as mentioned in his application.

12. Forum heard both the parties and carefully perused the documents on record. However, for deciding the matter, the Forum defers in opinion. The descending view of the Hon'ble Chairperson is noted as a part of the order.

MAJORITY VIEW OF THE FORUM

1) The grievance revolves only on one point i.e. whether the load reduction is permissible at the voltage higher than the prescribed level. For this, it is necessary to refer the clause as mentioned in SOP regulations 2005.

5.3 – Except where otherwise previously approved by the authority the classification of installations shall be as follows :-

.....
(c) Three phase, 50 cycles, 11 kV/22 kV – all installations with contract demand above 80 kW/100 kVA (107 HP) in all areas, except in Municipal Corporation areas where such limit would be 150 kW/187 kVA (201HP) and up to 1500 kVA.

(e) Three phase, 50 cycles, 33 kV – all installations with contract demand above 1500 kVA and up to 5000 kVA.

In these regulations, there is mentioned that at what load which voltage level should be adopted but nothing is mentioned about exceptional cases. In this case, the applicant has requested for reduction of load from 1510 kVA to 1000 kVA. As per SOP, 1500 kVA is approved for 33 kV, and 1000 kVA is approved for 11 kV, but nowhere, it is observed that the non applicant has given any technical feasibility for 11 kV level. He merely rejected the application only on the grounds that SOP does not allow him to sanction the load of 1000kVA at 33 kV level. However, different MSEDCL's internal circulars as attached with the application, viz. Commercial Circular No. 101 Dt. 16.10.2009 and Commercial Circular No. 135 Dt. 13.5.2011 specifically mention that –

“MERC electricity supply code and standards of performance are in force since 20.1.2005 in which specified voltage levels corresponding to load / contract demand and time bound policy of releasing the connections to the consumer have been

mentioned. In order to maintain the time bound schedule of standards of performance (SoP) and to fulfill the power requirement of various consumers as per appendix 'A' mentioned under SoP Regulations No. 12, the existing delegation of powers have been modified / re-delegated by the Managing Director (MSEDCL)."

"MERC (Standards of Performance of Distribution Licensees, Period for giving Supply and Determination of Compensation) Regulation, 2005 has determined the Standards of Performance in Appendix 'A'. In Clause No. 7 (ii) of this appendix, period for reduction in Contract Demand / Sanctioned Load is mentioned that the same should be effected from second billing cycle".

This clearly indicates that M.S.E.D.C.L. is very keen to follow the regulations as specified by MERC. Therefore, non applicant's simple rejection without searching any possibilities can not be accepted. The regulation 6.8 of MERC(Electricity Supply Code and Other condition of supply) Regulations. 2005 mandates Distribution Licensee to increase or reduce the contract demand/sanctioned load of the consumer upon receipt of an application for the same from the consumer. Therefore, the non applicant has to search for either technical feasibility at 11 KV level or refer the matter to the higher authority for approval at a higher voltage within time bound manner if it is not in power of the non-applicant. Hence Forum in majority

view allows the grievance application on the point of reduction of load from 1510 to 1000 kVA.

- 2) However, the request for compensation as per SOP can not be allowed at this level as the request is premature as per regulation. Also, after the rejection of the application from the non applicant on Dt. 4.3.2010, the non applicant did not take any action or approach any authority up to 21 months for its grievance redressal. The reason for this delay was also not explained by the applicant's representative. This indicates that the applicant has no problem with the Contract Demand upto 5.11.2011. Therefore, the request for refund of excess amount recovered along with standard bank interest is not acceptable to the Forum.

DESCENDING VIEW OF HON'BLE CHAIRPERSON OF
THE FORUM

1. "Heard arguments from both the sides and perused the record carefully.
2. The applicant consumer is a consumer of M.S.E.D.C.L. having contract demand of 1510 kVA on 33 kV line as per sanction order Dt. 9.7.2009. The applicant consumer had requested for decreasing the contract demand from 1510 kVA

to 1000 kVA for a period of six months as per letter Dt. 19.2.2010. M.S.E.D.C.L. had informed the fact that the load reduction application can not be allowed. In support of the contention, the non applicant had produced copy of letter Dt. 4.3.2011 which is at Annexure 'A' along with the reply of the non applicant Dt. 4.1.2012.

3. As per M.E.R.C. (Standard of Performance) Electric Supply & Regulation 2005, at Clause No. 5.3 (i) (e), it is mentioned that all the installations with contract demand above 1500 kVA and up to 3000 kVA is to be given at 33 kV level. Therefore, while giving power supply to the applicant the supply was extended on 33 kV level.

4. M.E.R.C. Standard of Performance of Distribution Licensee Regulations 2005 came into force during the year 2005. Said connection was released on Dt. 25.11.2009 i.e. much later after the date of this order. As per the norms of standard of performance, the connection was extended on 33 kV level with contract demand of 1510 kVA. Therefore, there was no necessity to send any approval to higher authorities for giving supply to the applicant at the time of connection.

5. "While reading the circular No. 135 Dt. 13.5.2011, issued by M.S.E.D.C.L. Chief Engineer (Com.), we can not read this circular partly but we have to read this circular carefully and completely. We cannot rely on few traced lines of the circular but we have to read complete circular and thereafter

we have to infer real meaning of the circular with proper interpretation. At the bottom of this circular, it is specifically mentioned as under –

“All the cases where specified norms of MERC regulations 2005 (Standard of Performance) is not being mentioned will be dealt at Head Office only. The consumer seeking the connections may be advised to submit their application to concerned offices along with the relevant documents”.

6. Under such circumstances, it is clear that in such type of cases, it is the Head Office who will take final decision in accordance with the regulations and therefore this Forum has absolutely no authority or jurisdiction to direct the Non-applicant to get the approval of Competent Authority for load reduction at appropriate level and sanction the load reduction application of the applicant within any specified period. It is the sole jurisdiction of Head Office either to allow the application or to reject it in accordance of the regulations. In such situation, if direction is given to Non-applicant to get the approval of Competent Authority, such type of order will be outside the jurisdiction of this Forum and not executable order. By directing the non applicant to get such approval from Competent Authority will be amounting to encroachment on the powers and rights of the Head Office, because Head Office has to utilize its judicial discretion and thereafter may allow or may reject such type of application. In such

circumstances, no such directions can be given to non applicant to get the approval from the Competent Authority.

7. Furthermore, the application appears to be a premature application. Record shows that non applicant had already forwarded the matter of the applicant to Chief Engineer (Commercial), M.S.E.D.C.L. Prakashgarh, Bandara (E), Mumbai, as per letter Dt. 20.1.2012. Thereafter Chief Engineer (Com.) Mumbai will pass judicious order in accordance with the regulations and thereafter may allow or may reject the proposal of the applicant referred by Superintending Engineer (N.R.C.), MSEDCL, Nagpur. If Chief Engineer (Com.) Mumbai, in future, rejects the said proposal, thereafter only the applicant may file Grievance application initially before I.G.R.C. and thereafter before C.G.R.F. if the regulations and circumstances permit. At present, the proposal of the applicant is pending before Chief Engineer (Com.) Mumbai, it is neither allowed nor rejected. In such circumstances, issuance of any directions for approval of this proposal by Competent Authority issued by this Forum may be amounting to interference with the administrative and judicial aspect of Chief Engineer (Com.) Mumbai. Therefore, no such directions can be issued to non applicant at this moment by this Forum to get the approval of Competent Authority, because granting the approval or non granting the approval is the sole jurisdiction of the Competent Authority. Therefore, Grievance application is premature and therefore deserves to be dismissed. In my opinion, when the matter is

pending before Chief Engineer (Com.) no such positive directions can be issued and application deserves to be dismissed.

8. So far as the compensation as per SoP is concerned, it also can not be allowed at this level, as the request is premature as per regulations. It is only the Competent Authority who is empowered either to allow or to reject the application. Therefore request for refund of excess amount recovered along with standard bank interest is untenable before this Forum and deserves to be dismissed”.

9. For these reasons, I find no force in present Grievance Application and Grievance application of the applicant deserves to be dismissed.

14. The Forum in majority is observed that the non applicant did not search for technical feasibility on 11 kV level and did not approach higher authority for approval and did not point out any technical difficulty for reducing the load at a voltage higher than as specified in standards at the time of initial application. But after presenting it as a grievance at Forum, the non-applicant forwarded the application to his higher authority for approval. Therefore, the Forum in majority view partly allows the Grievance application.

ORDER

1. The non applicant is hereby directed to get the approval of Competent Authority for load reduction at appropriate level and sanction the load reduction application of the applicant within one month from this order.

2. The applicant's request to refund the excess amount recovered with standard bank interest and for compensation as per clause 7(ii) of the SOP is hereby rejected.

3. The non applicant shall intimate the compliance of this order to the Forum within 40 days from the issue of this order.

Sd/- (Smt.K.K.Gharat) MEMBER SECRETARY	Sd/- (Adv.Smt.GauriChandrayan) MEMBER	Sd/- (ShriShivajirao S.Patil) CHAIRMAN
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