

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

Case No. CGRF(NUZ)/0052/2007

Applicant : M/s. Indo Rama Textiles Limited
Plot No. A-31, MIDC Industrial Area,
Butibori,
Dist. Nagpur.

Non-applicant : MSEDCL represented by
the Nodal Officer-
Executive Engineer,
Division No. II, NUZ,
Nagpur.

Quorum Present : 1) Shri S.D. Jahagirdar,
Chairman,
Consumer Grievance Redressal
Forum,
Nagpur Urban Zone,
Nagpur.

2) Smt. Gouri Chandrayan,
Member,
Consumer Grievance Redressal
Forum,
Nagpur Urban Zone,
Nagpur.

3) Shri S.J. Bhargawa
Executive Engineer &
Member Secretary,
Consumer Grievance Redressal
Forum, Nagpur Urban Zone,
Nagpur.

ORDER (Passed on 26.11.2007)

The present grievance application has been filed on
16.10.2007 under Regulation 6.4 of the Maharashtra Electricity

Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 here-in-after referred-to-as the said Regulations.

The grievance of the applicant is in respect of excess demand charges amounting to Rs. 6,68,439/- charged to him in the months of August & September, 2006.

He has requested this Forum to order refund of this amount alongwith interest at the Bank rate as per Section 62 (6) of the Electricity Act, 2003.

Before approaching this Forum, the applicant had filed his complaint dated 10.10.2006 addressed to the Superintending Engineer, NRC, MSEDCL, Nagpur with a request to refund excess demand charges charged in the billing months of August and September 2006. In response to this complaint application, the Superintending Engineer informed the applicant by his letter, being letter no. 9064 dated 18.11.2007, that the demand charges are billed correctly. Being aggrieved by this decision by the S.E., the applicant has filed this grievance application under the said Regulations.

The matter was heard on 22.11.2007.

The applicant's case was presented before this Forum by his nominated representative one Shri R.B. Goenka while the S.E. NRC MSEDCL Nagpur presented the MSEDCL's case.

It is the strong contention of the applicant's representative that excess demand charges have been billed to him for the months of August & September 2006 erroneously. He added that the applicant's supply was connected on 09.08.2006 and the first meter reading was taken on 29.08.2006. The KVA MD recorded on 29.08.2006 was 5484

KVA. This demand was used by the applicant for 20 days only. The monthly demand charges as per applicable tariff was Rs.330/- per KVA. The word "Month" as defined in MERC (Electricity Supply Code the Other Conditions of Supply) Regulations, 2005 in relation to billing charges means calendar month or a period of 30 days. The applicant has not utilized the demand for a calendar month or 30 days. Hence, the demand should be considered on pro rata basis as under:

Proportionate MD charges for 20 days =

$$= \frac{5484 \times 330 \times 20}{30} = 12,06,480/-$$

As against this, the demand charges charged to the applicant was Rs.13,42,695/-. According to him, this proves that excess demand charges of Rs.1,36,215/- were wrongly charged to the applicant in the billing month of August 2006. Similar is the case in respect of the billing month of September 2006. The KVA MD recorded on 19.09.2006 was 5376 KVA. This demand was used for 21 days only from 29.08.2006 to 19.09.2006. Hence, proportionate MD charges for 21 days comes to

$$\frac{5376 \times 330 \times 21}{30} = 12,41,856/-.$$

As against this, MSEDCL has charged Rs. 17,74,080/- as demand charges in the billing month of September 2006. The applicant's representative, therefore, strongly contended that excess amount of Rs. 5,32,224/- has been charged to the applicant erroneously in the billing month of September 2006. According to him, a total amount of Rs.6,68,439/- is refundable to the applicant towards excess demand charges for these two months.

During the course of arguments, he cited decision dated 07.11.2007 of the Electricity Ombudsman given in Representation no. 64 / 2007 in the matter of levy of demand charges for CPP holder in the case of M/s. Murli Agro Products Ltd V/s. MSEDCL. Strongly relying on this decision, he contended that the facts and circumstances of the present case are similar to those involved in the aforementioned Representation. Hence, he emphatically argued that this decision of the Electricity Ombudsman is binding on the MSEDCL in the present case also.

He lastly prayed that the excess amount charged towards demand charges should be refunded to the applicant alongwith interest at Bank rate.

The non-applicant has filed his parawise report dated 20.11.2007 which is on record. A copy of this parawise report has duly been received by the applicant. It is stated in this report as well as in the oral submissions of the Superintending Engineer representing MSEDCL that the demand charges recovered from the applicant were as per the practice of the Company and there is no justification in the applicant's representative's submissions. The demand charges have been charged to the applicant for 23 days in the billing month of August 2006 while for the billing month of September 2006 they are charged for 30 days of September 2006. According to him, the demand charges are charged based on calendar month basis. He added that as per general practice and software of the Company, correct demand charges were billed to the applicant.

In this case, it is an undisputed fact that the applicant's supply was connected on 09.08.2006 and the first reading taken on

29.08.2006. There is also no dispute that the recorded KVA demand for the billing month of August 2006 was 5484 KVA. It is, therefore, obvious that the applicant should have been billed for the 20 days' period intervening between the date of connection of supply i.e. 09.08.2006 and the date of first reading recorded i.e. 29.08.2006. As against this position, demand charges for 23 days have wrongly been charged to the applicant. Similar is the case in respect of billing month September 2006. Here, the period intervening between the previous date of reading viz. 29th August 2006 in the billing month of August 2006 and the date viz. 19.09.2006 on which the next reading for the month of September 2006 was taken is of 21 days. Hence, the non-applicant ought to have charged demand charges on pro rata basis for 21 days in the billing month of September 2006. As against this, the applicant is wrongly charged for 30 days. This has no doubt resulted in recovery of excess demand charges amounting to Rs.1,36,215/- and Rs. 5,32,224/- respectively in the billing months of August and September 2006.

There is no justification in the arguments of the non-applicant that demand charges were charged as per practice in vogue and as per software of the Company. It is pertinent to note that there cannot be two different basis for the purpose of charging demand charges and for consumption of units.

The Electricity Ombudsman in his order dated 07.11.2007 passed in the Representation no. 64/2007 quoted by the applicant's representative has held as under.

(Paragraph 13 on page no. 4 of the order).

“In other words, the respondent can raise bills on the basis of calendar month or it could choose any other period of 30 days for this purpose. In the former case, if the Respondent wants to carry out the billing process on calendar month basis, it has to record the readings on every first of the month so that the demand charges as well as energy units are charged for the calendar month. Alternatively, the billing for the month could be carried out for any 30 days between which the reading was taken. In the present case, the Respondent’s billing cycle appears to be from 21st of the earlier month to the 21st of the subsequent month on which the readings are taken. Clearly, therefore, the billing month in this case is not a calendar month but a period of 30 days for the purpose of billing. The Respondent agreed during the hearing that the energy units were measured from 21st of the earlier month to the next reading on 21st of the subsequent month. However, he could not explain as to why he wants the calendar month as a basis for the purpose of computing only demand charges and not the energy charges. He did not produce any rule or regulations to show that there can be two different basis for working out the charges for demand and the charges for energy units”.

The facts and circumstances involved in the Representation no. 64 / 2007 decided by the Electricity Ombudsman are exactly similar to those of the present case. Hence, the decision of the Electricity Ombudsman shall be binding on the non-applicant Company in the present case.

The applicant’s representative’s contentions are cogent, convincing and legal and hence they are acceptable to this Forum. The reliance placed by him on the Electricity Ombudsman’s order is also

correct and legal. We also observe that there is no justification in the non-applicant's contentions.

In view of above position, there is no other alternative before us than to order refund of the excess demand charges amounting to Rs.6,68,439/- billed to the applicant in the billing months of August and September 2006.

The applicant's grievance application is thus allowed in toto and we direct the non-applicant to refund the aforementioned excess amount to the applicant alongwith interest at Bank rate as provided in Section 62 (6) of the Electricity Act, 2003 on or before 21.12.2007.

The non-applicant shall carryout the above directions and report compliance on or before 31.12.2007.

Sd/-	Sd/-	Sd/-
(S.J. Bhargawa)	(Smt. Gauri Chandrayan)	(S.D. Jahagirdar)
Member-Secretary	MEMBER	CHAIRMAN

CONSUMER GRIEVANCE REDRESSAL FORUM
MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO LTD's
NAGPUR URBAN ZONE, NAGPUR.