

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

Case No. CGRF(NUZ)/71/2014

Applicant : M/s. Sanvijay Rolling & Engg.Ltd.,
B-203/204, MIDC,
Butibori,
Nagpur.

Non-applicant : Nodal Officer,
The Superintending Engineer,
Nagpur Urban Circle,
MSEDCL,
NAGPUR.

Quorum Present : 1) Shri Vishnu S. Bute,
Chairman.

2) Adv. Subhash Jichkar
Member.

3) Shri B.A. Wasnik,
Member Secretary.

ORDER PASSED ON 8.5.2014.

1. The applicant filed present grievance application before this Forum on 12.3.2014 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's case in brief is that applicant is industrial consumer of non applicant, bearing Consumer No. 420819006720 connected at 220 kV having Contract Demand of 8000 kVA and connected load of 63880 kW. The unit of the applicant is

situated at Plot No. B-203, B-204, B-205 & B-206. The applicant also had one more unit on adjacent plot No. B-202 with a contract demand of 2313 kVA. MIDC amalgamated plot No. B-202 with plot Nos. B-203 to 206. Since 2 separate supply are not permissible, applicant applied S.E. MSEDCL for termination of agreement and permanent disconnection of supply at plot No. B-202 under clause 6.6 of MERC Supply Code Regulations 2005 and also communicated that since this plot is merged with other plot, the applicant has to surrender supply at plot No. B-202 and supply from B 203 & B-204 shall be extended to plot No. B202 for operating the load at Plot No. B-202.

2. Since additional load was required due to merger of plot and surrender of supply at one plot, applicant submitted application for enhancement of contract demand from 8000 kVA to 12000 kVA at Plot No. B-203 to B-206 on Dt. 22.8.2012 which was submitted on 23.8.2012 with necessary documents.

3. The applicant's load was sanctioned after a lapse of 4 months from the date of application vide load sanction letter dated 31.12.2012. An amount of Rs. 1,35,78,944/- was demanded from applicant which included Security Deposit of Rs. 1,34,78,944/-, cost of agreement Rs. 200/-, 1.3% Supervision Charges Rs. 69,461/-, Testing fees of Rs. 12000/- and application processing fees Rs. 3400/-. The applicant made payment of Rs. 85061/- and bank guarantee against security deposit for Rs. 1,34,78,944/- on Dt. 16.2.2013. Even after making of payment, the applicant had to make a very lengthy and unnecessary follow up and subsequently load was released from the month of October 2013.

4. Though applicant applied timely for enhancement of load but MSEDCL delayed load sanction and release of additional load violating SOP regulations, the applicant's demand regularly exceeded and applicant had to pay demand penalty regularly from the month of September 2012 to September 2013 and thereafter the demand was enhanced by MSEDCL.

5. Because MSEDCL did not release additional contract demand, the recorded demand of applicant increased due to merger of load. Applicant was regularly penalized for exceeding contract demand from the month of September 2012 till September 2013. Thus, the total demand penalty is Rs. 74,32,771.50. From the month of October 2013, MSEDCL stopped giving 3% EHV rebate to the applicant, which is applicable vide Commission's order in Case No. 19 of 2012 Dt. 16.8.2012. Earlier to enhancement of demand MSEDCL was providing the EHV incentive to the applicant up to the month of September 2013.

6. MSEDCL violated section 43(1) of EA 2003 and SOP Regulations clause 4 by not sanctioning and releasing the additional demand in specified time and applicant had to pay heavy penalty for exceeding the contract demand. MSEDCL also violated section 45 of EA 2003 clause 3.4 of Supply Code Regulations by not providing EHV rebate to the applicant. Aggrieved by this act of MSEDCL, applicant filed grievance application with IGRC on Dt. 17.1.2014. I.G.R.C. rejected the grievance application of applicant vide order dated 21.2.2014. Hence applicant filed present grievance application before this Forum.

7. Non applicant denied applicant's case by filing reply Dt. 26.3.2014. It is submitted that there 2 Nos. connections in respect of M/s. Sanvijay Rolling & Engineering Ltd. at MIDC Butibori one at Plot No. B-203/204, MIDC, Butibori Nagpur connected on 220 kV with connected load 63880 kW and contract demand 800 kVA connected on 23.3.2006 with connection No. 420819006720 and another on Plot No. B-202, MIDC, Butibori Nagpur connected on 33 kV with Contract Demand 4000 kVA with connection No. 430019004125. Due to amalgamation of Plot No.1 B-202 with Plot No. B-203-206 the consumer applied for disconnection of power supply at Plot No. B-202 and applied for enhancement of load for 220 kV connection from 8000 kVA to 12000 kVA on Dt. 22.8.2012. The contract demand was enhanced to 12000 kVA on Dt. 5.10.2013. The above consumer has requested CGRF to direct MSEDCL to refund penalty amount of Rs. 7432771.50 for exceeding the contract demand during the period September 2012 to September 2013, to provide EHV rebate from the month of October 2013 and refund the excess amount collected and to pay compensation of one year to the applicant as per SOP regulations of MERC for delaying the release of additional contract demand of the applicant. It is further submitted that as per Flying Squad report, additional bill to the consumer calculating the difference of maximum demand charges for the period April 2006 to June 2010, as per validity clause in the load sanction order amounting to Rs. 16,66,09.859/- was issued on 26.7.2010. When the consumer approached CGRF, Hon'ble CGRF rejected application of the applicant. Applicant approached to Hon'ble Electricity Ombudsman Mumbai where order was passed in favour of the consumer. This order is challenged before Hon'ble High Court, Nagpur bench Nagpur and the matter is still subjudice. As per letter from Chief Engineer,

Commercial vide No. Comm/CPII/Sanvijay Rolling & Engg.Ltd/20562 Dt. 25.7.2013 the arrears of Rs. 16,66,09.859/- were included in the bill of the consumer from the month of October 2013 and as the consumer was in arrears, 3% rebate on EHV supply was not given since October 2013. As regards, the demand penalty charges, it is submitted the consumer has already extended the enhanced supply from Plot No. B 203 – 206 to Plot No. B - 202. This extension was carried out without the permission from Electrical Inspector or MSEDCL. Hence excess demand penalty was levied from September 2012 to September 2013 as per rules. The consumer approached I.G.R.C. Learned I.G.R.C. rejected grievance application of the applicant by order Dt. 21.2.2014. Hence Grievance application may be dismissed.

8. Forum heard arguments of both the sides and perused the record.

9. Forum has observed that the consumer extended the enhanced supply with out proper sanction and permission from the non applicant or Electrical Inspector. Record shows that the consumer has informed the non applicant regarding enhancement of contract demand. However, simply intimation that the supply will be extended to the amalgamated plot, does not permit the applicant to avail the enhanced load. The delay in release of enhanced load for whatever reasons, also does not allow the applicant to avail the load on his own, without completing the necessary formalities, which amounts to breach of agreement and rightly attracts the excess demand penalty as levied by the non applicant.

10. Record also shows that as per the directives of Chief Engineer (Comm.), Mumbai, the amount of additional bill to the consumer calculating the difference of maximum demand charges for the period April 2006 to June 2010, as per validity clause in the load sanction order amounting to Rs. 16,66,09.859/- was added in the bill of the applicant from the month of October 2013, which rightly made applicant liable for denial from getting 3% EHV supply rebate.

11. Forum has observed that there was delay of more than one month in release of additional load. However, Forum is of the opinion that this delay is caused due to non completion of formalities by both the parties. Hence this delay can be termed as procedural delay. Moreover, there is no provision in MERC SOP regulations 2005 regarding compensation for delay in enhancement of contract demand. There is provision of compensation for delay in reduction in contract demand as per clause 7 (ii) of Annexure 'A' appended to MERC SOP regulations 2005, which can not be squarely applied to the case in hand.

12. For these reasons, Forum proceeds to pass following order: -

ORDER

- 1) Grievance application is dismissed.

Sd/-
(B.A. Wasnik)
MEMBER
SECRETARY

Sd/-
(Adv. Subhash Jichkar)
MEMBER

Sd/-
(Vishnu S. Bute),
CHAIRMAN