

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

Case No. CGRF(NUZ)/058/2007

- Applicant : M/s. HARTEX Tubes Pvt. Ltd.,
87, Canal Road, Ramdaspath,
NAGPUR.
- Non-applicant : MSEDCL represented by
the Nodal Officer-
Executive Engineer,
Division-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 31.01.2008)

The present grievance application has been filed on 19.12.2007 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 non-release of additional contract demand of 80 KVA and also in respect of erroneous charging of metering arrangement charges and service connection charges. The applicant has also a grievance in respect of the non-applicant's erroneous action of asking him unilaterally to execute works costing Rs.3,13,800/- + Rs.3850/- which include 11 KV metering cubicle, additional HT cables, additional overhead HT line under 15% ORC scheme.

The applicant has sought relief's on the following points:

- A) Release the additional contract demand to the tune of 80 KVA to the applicant immediately without charging any metering arrangement charges which is already existing and without charging service connection charges since no work is required to be carried out.
- B) Provide compensation for delay for inspection, for issuing demand note, for delay in release of load as per MERC (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations 2005 hereinafter referred to as SOP Regulations.
- C) Refund the excess demand penalty charged from August 2007 onwards which amounts to Rs.1,11,600/- till October, 2007.

The applicant had applied for enhancement of contract demand by 80 KVA and additional connected load of 150 KW on 25.06.2007 to MSEDCL. The application processing charges of Rs.1000/- were paid by the applicant on 25.06.2007 and this amount was accepted by MSEDCL on 16.07.2007. In the meantime, there was some correspondence made by MSEDCL with the applicant. The MSEDCL prepared estimate for giving supply amounting to Rs.3,13,800/- + Rs.3850/- which includes 11KV metering cubicle, additional HT cables, additional overhead HT line under 15% ORC scheme. The applicant protested this action and communicated on 08.11.2007 to MSEDCL that the applicant's industry is an existing industry with a contract demand of 370 KVA and it only requires additional demand of 80 KVA in addition to the existing contract demand. The applicant also protested shifting of point of supply and stated that the estimate of works prepared by the non-applicant is not at all warranted. The additional load demanded by the applicant is still not released. The load sanction order issued by the non-applicant on 13.11.2007 asking the applicant to pay total charges of Rs.61,439/- in addition to carrying out the works contemplated in the estimate amounting to Rs.3,13,800/- is also challenged by the applicant. In the mean time, since the additional load was not sanctioned, MSEDCL charged penalty for exceeding demand in the month of August, September and October, 2007 totaling to Rs.1,11,600/-. This also is not acceptable to the applicant. Since the applicant's grievance is not redressed by the non-applicant despite his complaint application dated

25.07.2007, the applicant has filed this grievance application under the said Regulations for redressal thereof.

The intimation given to the non-applicant by way of application dated 25.07.2007 is deemed to the intimation given to the Internal Grievance Redressal Cell (in short, the Cell) and hence, the applicant was not required to approach the Cell again for redressal of this grievance before coming to this Forum

The matter was heard on 23.01.2008.

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 re-presented the non-applicant Company.

The applicant's representative narrated chronological events date-wise right from his application dated 25.06.2007. He added that though the applicant has paid the processing fee of Rs.1000/- on 25.06.2007 which was accepted by MSEDCL on 16.07.2007, the additional load of 80 KVA sought for is not yet released. He also protested the cost estimate of Rs.3,13,800/- + Rs. 3850/- towards 11KV metering cubicle, additional HT cables, overhead HT line under 15% ORC scheme stating that there is no need of carrying out any works as such in view of fact that this is not a case of a new connection and further that the metering arrangement is already existing at the Unit since long past. Accordingly, a communication dated 08.11.2007 was sent to the Superintending Engineer, NRC requesting him to sanction additional load without insisting upon him to make payment of cost estimate. He also referred to the Assistant Engineer's

letter dated 01.09.2007 by which the Assistant Engineer asked the applicant to submit the layout map of industry consequent upon inspection of his Unit on 24.08.2007. Accordingly, the applicant submitted layout map of factory on 07.09.2007.

He strongly contended that the MERC (in short the Commission) decided schedule of charges to be paid by consumers vide its order dated 08.09.2006 and ruled that MSEDCL cannot recover any cost of metering and meter box except where the consumer opts to purchase the meter from MSEDCL. The Commission further ruled in clause 1.4 of its order dated 08.09.2006 that “in case a consumer applies for an additional load/contract demand i.e. extension of load and if the release of additional load/contract demand entails any work, the Commission allows MSEDCL to recover the normative charges for the total contract demand.” Relying on this order, the applicant’s representative forcefully argued that no additional work was required to be carried out in this case and hence, no service connection charges are payable.

He added that the non-applicant charged penalty amounts to the applicant for exceeding demand in the months of August, September & October 2007 totaling to Rs.1,11,600/-. This action of the non-applicant, according to him, is unjust and improper because such a penalty could not have been inflicted upon the applicant had the additional demand of 80 KVA been released diligently in pursuance of the applicant’s application dated 25.02.2007 within the time limit prescribed by the MERC (Standards of Performance of Distributing Licensees, Period for Giving Supply and Determination of

Compensation) Regulations, 2005 hereinafter referred to as SOP Regulations.

Referring to SOP Regulations, the applicant's representative contended that inspection of his premises should have been carried out by the non-applicant within seven days from the date of receipt of application which the non-applicant failed to do. Hence, compensation @ Rs.100/- per week or part thereof of delay is payable to the applicant on this count. The time-period for intimation of charges to be borne by the applicant from the date of receipt of application as prescribed by SOP Regulations is of 15 days. Here also, charges to be borne by him were not intimated to the applicant within the prescribed period of fifteen days pursuant to his application dated 25.07.2007 and as such, compensation @ Rs.100/- per week or part thereof of delay is payable to the applicant. Supply of Electricity has not been provided to the applicant. For this purpose, the time period prescribed is of one month from the date of receipt of completed application and as such, here also compensation of Rs.100/- per week or part thereof of delay is payable to the applicant.

Based on above submissions, the applicant's representative prayed for grant of following reliefs:

- A) Release the additional contract demand to the tune of 80 KVA to the applicant immediately without charging any metering arrangement charges which is already existing and without charging service connection charges since no work is required to be carried out.

- B) Provide compensation for delay for inspection, for issuing demand note, for delay in release of load as per SOP Regulations.
- C) Refund the excess demand penalty charged from August 2007 onwards till October 2007 which amounts to Rs.1,11,600/-.

The non-applicant has submitted his parawise report which is on record.

It has been stated in this parawise report as well as in the oral submissions made before this Forum by the S.E. representing the non-applicant Company that the applicant paid processing fees on 16.07.2007 and his premises was inspected by the authorized representative of MSEDCL on 24.07.2007 for studying the technical requirements etc. The date of inspection, according to him, is 24.07.2007 and not 24.08.2007 as contended by the applicant's representative. As the layout map was not submitted at the time of inspection, the applicant was asked to submit the same. The Assistant Engineer, Hingna asked the applicant to submit this layout map as per his letter dated 01.09.2007. The same was submitted by the applicant on 10.09.2007.

He added that during the inspection, it was observed that as the existing metering room of consumer was at inaccessible and inconvenient location, it was decided to shift it near the main entry gate of the premises and this was brought to notice of the consumer's representative. As agreed mutually, it was decided to change the location of existing metering room to an accessible location which, in turn,

required shifting of existing 11KV line which is passing through the premises. The shifting of the 11KV line was proposed as per the guidelines issued from the Director (Operations), H.O., Mumabi vide his letter 21.07.2006. As per guidelines, except metering, all other H.T. / L.T. line of MSEDCL's installation if available in consumer's premises is required to be shifted /removed before releasing the H.T. connection. These guidelines were issued as it was observed in cases of some HT consumers that some of the consumers who were habitual to carrying out tampering of metering installation get time to set right the tampering evidence or destroy the evidence. In view of above, a need was felt to issue and circulate such guidelines. Considering the applicant's enhancement of load, existing metering arrangement was proposed to be changed along with fixing of indoor metering cubicle of appropriate rating. Accordingly, an estimate was prepared after joint inspection of the premises. This estimate is costing of Rs.3,13,800/- which has duly been sanctioned by order dated 06.10.2007. This estimate includes the cost of shifting of HT line passing through the premises of the consumer and testing charges for 11KV metering cubicle. After sanction of the estimate, load sanction was issued by the Superintending Engineer, NRC vide his letter dated 13.11.2007

Narrating these details, the S.E. strongly argued that contentions raised by the applicant's representative are not correct. He also stated that the applicant paid the processing fee of Rs.1000/- of 16.07.2007 and inspection was carried out on 24.07.2007. Hence, there is no delay in carrying

out the inspection. Hence, the applicant is not entitled to receive any compensation towards delay in inspection. The demand note was issued 13.11.2007 as estimate was sanctioned on 06.10.2007 which, according to him, is also well within the prescribed time limit.

According to him, the applicant's request for awarding compensation as per SOP Regulations does not deserve any consideration.

On the point of the applicant's liability to make payment of demand penalty, he submitted that the applicant has exceeded his contract demand from August 2007 onwards without getting sanction for the enhancement of load and as such, the penalty amount was rightly inflicted upon him.

He lastly prayed that the grievance application may be dismissed.

In this case, the applicant has applied for enhancement of contract demand by 80 KVA and additional connected load of 150 KW on 25.06.2007. This application was received by MSEDCL on 27.06.2007. Processing fee of Rs.1000/- was actually paid by him on 16.07.2007. Hence, the date of receipt of duly completed application is 16.07.2007.

It is to be seen whether actions subsequent to the date of receipt of duly completed application are taken by the non-applicant within the time limits prescribed by SOP Regulations. The first step prescribed is of inspection of applicant's premises for which a period of 7 days is prescribed for towns and cities and a period of 10 days is prescribed for rural area. The applicant's unit is located in plot no. 80, Mouda, Tq. Hangna, Dist. Nagpur. This is the factory address

of the applicant. Hence, it is clear that the applicant's unit is located in rural area and not in town & City. Thus, the inspection was required to be carried out within 10 days from the date of receipt of application i.e. 16th July, 2007 in this case. The inspection was actually thus required to be carried out on or before 26.07.2007. It is the contention of the non-applicant that the applicant's premises was inspected on 24.07.2007 while the applicant's representative strongly contended that this inspection was carried out on 24.08.2007. It is a matter of record in this respect that the Assistant Engineer, Hingna by his letter dated 01.09.2007 addressed to the applicant has informed that the applicant's Unit was visited on 24.08.2007. When pointedly asked by us, the Superintending Engineer representing the non-applicant company was not able to prove with reference to any documentary evidence that the inspection was carried out on 24.07.2007. No record of any kind, whatsoever, was produced to believe his submission that the factory was inspected on 24.07.2007 and not on 24.08.2007. It is, therefore, clear that the date of inspection is 24.08.2007. In view of this position, there is a delay caused in respect of inspection of the applicant's premises beyond the prescribed period of 10 days. The applicant is, therefore, entitled to receive compensation under SOP Regulations @ Rs. 100/- per week or part thereof of delay caused for the intervening period to be reckoned from 26.07.2007 to 24.08.2007.

The next point is about intimation of charges to be borne by the applicant. Here, as per SOP Regulations, a time period of 20 days is prescribed for rural area. Looking to the

date of application, which is on 16.07.2007 this time period of 20 days ends on 05.08.2007. Thus, the non-applicant was required to intimate charges to be borne by the applicant on or before 05.08.2007. It is a matter of record that this time limit has not been observed in this case. As per non-applicant's contention, the applicant was informed about cost of Rs.3,13,800/- to be borne by him vide his letter dated 06.10.2007 and also about detailed charges amounting to Rs.61,439/- to be paid by the applicant vide the S.E's load sanction order dated 13.11.2007. This was done beyond the prescribed time limit of 20 days. Evidently, the applicant is entitled to receive compensation @ Rs. 100/- per week or part thereof of delay beyond 20 days' period i.e. beyond 05.08.2007 on this count.

Here, a crucial point arises as to whether any charges are payable at all by the applicant for enabling him to get the additional load of 80 KVA. The applicant's contention is that no charges are payable. He has already given reasoning as explained in his submission. In this regard, the S.E. representing the non-applicant Company while relying upon the guidelines issued by the H.O. on 21.07.2007 strongly argued that it was necessary to shift the HT line passing through the premises of the applicant and hence, an estimate of Rs. 3,13,800/- was prepared and sanctioned and that this work was required to be done by the applicant at his cost under the non-applicant's supervision. The load sanction order dated 13.11.2007 issued by him makes a mention that the applicant should make payment on the following six items.

Sr. No.	Nos. of Items	Amount
1)	Security Deposit	Rs. 49,704/-
2)	Cost of Agreement	Rs.200/-
3)	Application processing fee	Rs.1000/-
4)	Service connection charges	Rs.2275/-
5)	Testing of cubicle	Rs. 5000/-
6)	Supervision charges	Rs.3260/-
	Total amount	Rs.61,439=00

In respect of payment of charges, following view is expressed by the Member-Secretary (Executive Engineer) of this Forum:

Opinion of Member-Secretary

“The applicant M/s. Hartex Tube Pvt. Ltd has applied for increasing contract demand by 80 KVA to present contract demand of 370 KVA. He is aggrieved by the non-applicant’s demand note as per load sanction letter no. SE/NRC/7675 Dated 13.11.2007 in the above letter supervision charges are charged for shifting of 11KV line from existing meter point to be brought to near main gate as per present company policy which is easily assessable, the applicant has objected to the same.

In my view, while sanctioning additional load Company is right to follow present policy of fixing metering point. However, the Company should charge only Rs.1,75,000/- as normative charges and carryout the works for the same”.

However, a different and concurrent view is expressed by the other two members including the Chairman

in respect of payment of normative charges. The same is explained below.

“The Commission has stated in clause 1.4 of its order dated 12.09.2006 that “in case a consumer applies for an additional load/contract demand i.e. extension of load and if the release of additional load/contract demand entails any work, the Commission allows MSEDCL to recover the normative charges for the total contract demand.” It is a matter of record that the applicant’s unit is an existing unit and has been getting supply of electricity at the existing location of metering arrangement. By way of application dated 25.06.2007, he has only sought for sanction of additional load of 80 KVA. Thus, the already accessible location of the service point was not really required to be changed. The non-applicant could have easily considered sanction/release of additional load at the existing point of supply only. The guidelines of the H.O. quoted by the non-applicant for fixing point of supply and providing metering system pertain to new service connections of H.T. consumers. Hence, according to us, the concept of guidelines of the H.O. cannot be applied to cases in which metering arrangement is already existing that too at an accessible position and where only additional load is sought for and where the existing infrastructure can easily sustain the additional load. In the instant case, the applicant’s sanction contract demand is of 370 KVA and the applicant is seeking enhancement of contract demand of 80 KVA. As such, we do not see any reason for shifting the entire HT line to a different location. Such an exercise on the part of MSEDCL is clearly unwarranted and unjustified. The applicant’s case has

also a strong support of Commission's order dated 08.09.2006. Hence, the applicant's contentions that no additional work was required to be carried out and also that the service connection charges should be zero are quite correct and they are in tune with the Commission's order. The non-applicant's action of asking the applicant to carry out works costing of Rs.13,13,800/- and of payment of supervision charges of Rs.3,260/- and service connection charges to MSEDCL is, therefore, devoid of any merit and logic and hence, it deserves to be quashed. No normative charges are thus payable by the applicant. Security Deposit amount & cost of agreement are, however, payable by him".

The time-period prescribed by SOP Regulations for provision of supply from the date of receipt of completed application and date of payment of charges is one month in case connection is to be given from the existing net work.

Thus, on the point of payment of normative charges, the majority of members holds, that no normative charges i.e. service connection charges and supervision charges are payable by the applicant and hence, the decision is that these charges are not payable by the applicant.

The net result is that it cannot be said that the non-applicant has intimated correct charges to be borne by the applicant. Hence, till the time the non-applicant intimates the applicant about correct quantum of charges to be borne by the applicant, the applicant shall be entitled to get compensation @ Rs. 100/- per week or part thereof of delay beyond 05.08.2007. So a responsibility is now cast upon the non-applicant to quickly inform him about the exact charges to

be borne by him as stated above so that burden of payment of compensation shall be reduced.

The last item is about provision of supply which the applicant has yet not received. Here also, the non-applicant will have to pay compensation @ Rs.100/- per week or part thereof of delay till the actual supply is released to the applicant. However, this compensation shall be payable with effect from the date that falls after expiration of period of one month to be reckoned from the date on which the applicant actually makes payment of charges to the non-applicant till the date on which supply is actually connected.

In view of above position, we direct the non-applicant to make payment of compensation to the applicant for delay caused by him as per SOP Regulations as detailed above.

The applicant's request for payment of this compensation as per SOP Regulations is granted. The Forum is unanimous on this point.

The non-applicant is also directed to ensure that the additional contract demand to the tune of 80 KVA as sought by the applicant is released as immediately as possible without charging any charges excepting security deposit & cost of agreement.

A grievance has been made by the applicant's representative that the non-applicant's action of charging penalty amount towards demand charges from August, 2007 to October, 2007 amounting to Rs. 1,11,600/- was not proper and legal. He, therefore, stressed that the applicant is entitled to

refund of erroneously charged contract demand penalty amount.

The non-applicant has replied this point by stating that the applicant utilized excess load during these months over and above his sanctioned contract demand and hence, the penalty amount was rightly billed to him. In this respect, the Forum observes that the applicant should not have exceeded his sanctioned limit of contract demand without getting prior sanction for the additional load from the non-applicant.

What was necessary on the part of the applicant was that he should have obtained prior sanction of the Competent Authority before he exceeded his sanction contract demand. Option was available with the applicant of making payment of charges communicated to him by the non-applicant under protest. In that case he could have made a grievance before this Forum for refund of any amounts erroneously charged to him. This was not done by him and instead, unilaterally exceeded his contract demand on the presumption that his additional demand would be sanctioned. The fact remains that since the applicant exceeded his sanctioned contract demand in the months of August, September & October, 2007 without proper sanction the non-applicant rightly charged penalty amounts upon the applicant. Question of refund of this penalty amounting to Rs.1,11,600/- to the applicant does not arise. Hence, the same stands rejected.

The applicant's grievance application is thus partly allowed and it stands disposed of accordingly.

The non-applicant shall carryout the above order and inform the compliance thereof to this Forum on or before 29.02.2008.

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.**