

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

Case No. CGRF(NUZ)/065/2010

Applicant : M/s. MPM Durrans Refracoat Pvt. Ltd
H-18 MIDC, Buti-bori,
NAGPUR.

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

Quorum Present: 1) Smt. K.K. Gharat
Member Secretary,
Consumer Grievance Redressal
Forum, Nagpur Urban Zone,
Nagpur.

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

ORDER (Passed on 19.10.2010)

The present grievance application has been filed on dated 09.09.2010 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.

1. The applicant M/s. MPM Durrans Refracoat Pvt. Ltd H-18, MIDC Butibori, Nagpur has applied for new connection to the Superintending Engineer, Nagpur Rural Circle (NRC), in the month of December 2009. The non-applicant has sanctioned an estimate for releasing new connection and accordingly issued a demand note to the applicant. But the applicant has observed some discrepancies in the demand note as issued by the non-applicant which were against MERC rules & regulation. So he has registered a grievance with Internal Grievance Redressal Cell, Nagpur Rural Circle, in the month of June 2010 and requested to revise the demand note. But no reply was received from IGRC. Therefore, aggrieved by this, the applicant has filed his grievance application in the Forum on dated 09.09.2010 and requested to the Forum that

- a) To advise MSEDCL to issue a sanction order as per MERC regulations.
- b) To advise MSEDCL to inform the applicant the area required for installation of metering cubicle and any other equipment in his premises.
- c) To pay compensation for delay in intimation of charges as per SOP.

2. The applicant had stated in his grievance letter submitted to the Forum that he has applied for new

connection of 175 kVA on dated 11.12.2009 to the concerned MSEDCL office. The Superintending Engineer, (NRC) has sanctioned the estimate on dated 06.04.2010 with amount of Rs. 6,25,013/- for carrying out some work of HT line.

3. The applicant further stated that while going through the demand note following discrepancies were noticed.

a) As per MERC's order in case no. 70/2005, the infrastructure development has to be carried out by licensee. So the work of HT line for which the estimate prepared was not as per MERC guidelines.

b) Also sanctioned order has given for an underground HT connection although the connection will be given from an overhead line. As per MERC's order in case no. 70/2005, there is a provision for overhead service connection. Since supply to him will be given from an overhead line, the service connection should also be overhead.

c) The estimate was sanctioned under 1.3% normative charges, according to which the work has to be carried out by the applicant through a Licensed Electrical Contractor. Hence the applicant said that it is not acceptable to him and he is ready to pay the full charges for HT overhead service connection as per MERC's order in case no.

70 of 2005, but the work of providing overhead service connection has to be carried out by MSEDCL.

- d) He further pointed out that the licensee has quoted cost of agreement which is not in line with MERC regulation. Therefore it should be withdrawn from the demand note.

Further he stated that MSEDCL has asked him to procure metering cubicle and get it tested by Testing Division but this is not as per MERC regulation. Therefore this clause should be deleted from the demand note as metering cubicle has to be supplied by MSEDCL.

- e) He added that testing fees for cubicle and transformer testing has been shown in the demand note which are not as per Schedule of Charges approved by MERC. Therefore the said amounts should be withdrawn from the demand note.

- f) He further stated that more than 8 months have been passed since the applicant has applied for electric connection to MSEDCL but till this date the non-applicant has not been issued proper sanction order. Also Internal Grievance Redressal Cell did not bother to reply his application for redressal of the grievance. Therefore he has already started the construction work at his site in order to avoid further delay, which would seriously

hamper his production. Therefore he requested to Forum to revise the demand note as per MERC regulations and give compensation for delay in intimation of charges to be borne by him from the date of application as per SOP. He further requested to the Forum to direct MSEDCL to view matter seriously and take immediate action.

4. The non-applicant has submitted the reply to the Forum on dated 30.09.2010. The non-applicant has stated in his reply that as per clause no. 3.3.1 of MERC (Electricity Supply Code & Other Condition of Supply)

“The Distribution Licensee shall recover the expenses referred to in Regulation 3.2 (a) above, in accordance with the principles contained in this Regulation 3.3 and based on the rules contained in the schedule of charges approved by the commission under Regulation 18”.

The consumer has applied for contract demand of 175 KVA on 11 KV line and the load was sanctioned on dated 06.04.2010. According to this order, the applicant's connection would be extended supply through the 11 KV feeder from 33 KV Butibori S/stn. The said work was carried out by the applicant through Licensed Electrical Contractor by obtaining and paying 1.3% of the normative charges towards supervision charges

5. He further quoted, MERC (Electricity Supply Code and Other Condition of Supply) Regulation 2005 and MERC SOP clause no. 2.1 (n) in case of HT consumer “the point of supply means the point at the outgoing terminal of the distribution licensee metering cubicle”.

The supply to metering cubicle should be provided with underground cable, hence underground provision has been made in the estimate.

6. He further stated that as the point of supply for the HT consumer commences at the outgoing terminals of distribution licensee’s metering cubicle, the question of giving overhead service connection does not arise. Also the applicant was accepted vide his letter dated 21.12.2009 that he was agreed to carry out the work for the service connection under supervision of the non-applicant by payment of 1.3% supervision charges through the licensed contractor.

7. He further added that the cost of agreement is the mandatory charges of the non-applicant & these are not specified by MERC, hence cannot be withdrawn. Also he added that the metering cubicle has to be procured by MSEDCL of approved make and get it tested by testing division. Therefore the deletion of this clause from the load sanctioned order is not accepted from the non-applicant. Testing of transformer and metering cubicle is mandatory because any defect in these equipment will hamper

the whole system and cause damage to the equipments and the consumer also. Testing of transformer is beneficial to both the licensee and the consumer. Hence the non-applicant has refused to refund the testing charges for transformer and metering cubicle.

8. The non-applicant has requested to the Forum by his reply letter for deleting of fees for transformer and cubicle testing, refund of cost of agreement and modifying the service connection to overhead may be rejected in the interest of justice.
9. The applicant's representative has submitted the reply to above submission of non-applicant. In which he re-submitted few points same stated in his grievance application. In addition to that he has mentioned case no. 4/2010 of Consumer Grievance Redressal Forum, Nagpur Urban Zone in which MSEDCL had voluntary agreed to refund the cost of infrastructure.

He further added that the non-applicant has not mentioned any documents or orders of MERC with respect of supply to metering cubicle through underground cable. Therefore, the non-applicant's contention should not be accepted and overhead service connection should be provided as such type of arrangement has already existed in the system. For this the applicant's representative has enclosed a photograph which shows an overhead service

connection arrangement which is already existed in the distribution system. He admitted that the applicant has submitted a consent letter to carry out the work of service connection. But at this stage the applicant was not in a position to undertake this work. So he has shown his commitment towards the decision of Forum with respect to the work of service connection.

10. The matter was heard on dated 15.10.2010 both the parties were present. Shri V.B. Setty, Assitant Engineer, Nagpur Rural Circle, was present on behalf of the non-applicant.

Shri. Suhas Khandekar, the applicant's representative has reiterated his points as mentioned in the grievance application and requested to the Forum to direct the non-applicant to issue correct demand note. He also said that no choice was given at the time of issuing demand note in respect of work to be carried out for releasing new connection. Also although the applicant has shown his consent for service connection work, but developing infrastructure is the responsibility of the licensee. So the applicant representative said that this work should be carried out by the non-applicant and as far as work of service connection is concerned, the applicant is abide by the decision of the Forum.

11. The non-applicant has also adhered with his reply that the charges mentioned in the demand note will

not be altered as these are essential for releasing new connection. When the Forum asked about necessity of underground service connection, the non-applicant has replied that the metering cubicle available with them is suitable for underground connection only and for this it is not technically feasibility to provide overhead service. On this applicant's representative has stated that the Commission has made provision for overhead service connection, therefore the non-applicant should provide the supply from overhead service only because the underground service connection will cost him more.

12. Heard both the parties and observed all the documents on record. The matter is about infrastructure development and the expenditure thereof. The matter revolves around the schedule of charges for releasing new connection. In case no. 70/2005, regarding 'approval of MSEDCL schedule of charges' Hon. Commission has ruled for Service Line Charges that

“As per the provision of the Act, developing infrastructure is the responsibility of licensee. The Commission, therefore directed that the cost towards infrastructure from delivery point of transmission system to distributing main should be born by MSEDCL”.

Therefore, the non-applicant can not recover the infrastructure cost and he cannot ask the applicant to carry out the work. So recovery of 1.3% supervision charges on estimate is not according to MERC Regulation.

13. The demand note issued by the non-applicant has included following charges--

1)	Service connection charges (1.3% normative charges)	Rs.2275/-
2)	Security Deposit	Rs.102323/-
3)	Cost of agreement	Rs.200/-
4)	Testing fee of cubicle	Rs.5000/-
5)	Testing fee of Transformer	Rs.3000/-
6)	1.3% supervision charges as per estimate	Rs.8021/-
7)	Application processing fee	Rs.1000/-
	Total charges	Rs.1,20,819/-

The above table shows that the non-applicant has charged Service Connection Charges (1.3% normative charges). But Hon. Commission's ruling in the matter of Service Connection Charges is that—

“Regulation 3.3.2 of Electricity Supply Code authorizes the Distribution licensee to recover all expenses reasonably incurred in laying down service line from the Distributing mains to applicant's premises from the applicant.

Thus the applicant is required to pay the entire cost of Service Connection line from the distributing main to his premises”.

“The Commission approves a rate of 1.30% of the normative charges to be recovered towards supervision charges in case MSEDCL permitted an applicant to carry out the works through a Licensed Electrical Contractor”.

In this case the applicant was not ready to carry out the service connection work. So the non-applicant has to recover the total service connection charges from the applicant as per approved by Hon. Commission will carry out the work of service connection to release the new connection.

14. In context to cost of agreement no provision is observed in the approved schedule of charges. Also as per MERC (Supply Code and Other Condition of Supply) Regulation, 2005, regulation 6 for Agreement—

Regulation 6.1.

“The Distribution Licensee may require the applicant to execute an agreement for obtaining a new connection, for change of name and for enhancement of sanctioned load”.

Regulation 6.2

“An electronic media version of the form of agreement shall be made available on the internet website of the Distribution Licensee in downloadable format”.

But nothing has mentioned about the agreement charges. Also regulation 3.3.1 states that--
“The Distribution Licensee shall recover the expenses referred to in Regulation 3.2 (a) above, in accordance with the principles contained in this Regulation 3.3 above, based on the rates contained in the schedule of charges approved by the Commission under Regulation 18”.

As no provision has mentioned in the approved schedule of charges for cost of Agreement, the same cannot be recovered from the applicant.

15. As far as testing fees for metering cubicle and testing fees for transformer is concerned. The Hon. Commission has ruled for testing of metering cubicle in case no. 70/2005.

“The testing charges approved shall be applicable only in case the consumer requests the Licensee to test the meter as mentioned above, and the expenditure towards first testing prior to release of new connection (even if the meter is purchased by the consumer) and all routine testing as per regulation 14.4.1 shall be borne by MSEDCL”.

Therefore the testing fees of cubicle cannot be recovered from the applicant.

16. During the hearing when asked about the ownership of transformer, the applicant's representative has informed to the Forum that the transformer is belong to the applicant. The Hon. Commission has ruled in case no. 70/2005 for transformer testing that,

“Charges proposed for providing various types of equipments to the consumer are on basis and charges for testing of equipments belonging to consumer cannot be considered under Schedule of Charges, as these are non-regulatory items generating ‘other income’ for the licensee”.

Therefore as the transformer belonging to the applicant and he did not request for the testing to the non-applicant the testing fees of transformer is not recoverable from the applicant.

17. In the context of which type of Service Connection should be given. As per Hon. Commission order metering cubicle should be provided by the licensee. Therefore the Forum is of the view that the metering cubicle available with the non-applicant has no technical feasibility for overhead connection the underground service connection should be provided. Therefore the applicant has to pay the required service connection charges for underground connection.

18. On above ground the non-applicant has to revise the demand note for releasing new connection. The applicant has requested for an information regarding the area required for installation of metering cubicle and any other equipment in his premises, the same should be provided to the applicant.

19. The applicant has requested for compensation as per SOP for delay in intimation of charges. During the hearing, the applicant's representative has informed to the Forum that proper demand note has not been issued by the non-applicant, therefore he is treating as no demand note has been issued by the non-applicant. But in Forum's opinion, this grievance has arisen after the applicant has observed that an improper demand note has been issued by the non-applicant and the redressal of the same grievance is under process.

Therefore, the basic point that the demand note is improper cannot be treated as delay in intimation of the charges. Hence prayer for compensation is rejected.

ORDER

The applicant's grievance application is partly allowed.

- 1) The non-applicant has to revise the demand note by excluding 1.3% service connection charges, cost of agreement, testing fee of metering cubicles, testing fee of transformer and 1.3% supervision charges as per estimate.
- 2) The work of Infrastructure and underground service connection has to be carried out by the non-applicant. The underground service connection charges may be recovered from the applicant.
- 3) The prayer of compensation is hereby rejected.
- 4) The non-applicant shall carry out this order and report compliance within 30 days from the date of issue of this order.

Sd/-
(Smt.K.K.Gharat)
Member-Secretary

Sd/-
(Smt.Gauri Chandrayan)
Member

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