

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

Case No. CGRF(NUZ)/069/2010

- Applicant : M/s. ZIM Laboratories Ltd.,
B-21/22, MIDC Kalmeshwar,
Dist. 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 25.10.2010)

The present grievance application has been filed on dated 27.09.2010 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. ZIM Laboratories Limited MIDC Kalmeshwar, has applied for load extension to the Superintending Engineer, Nagpur Rural Circle, (NRC) non-applicant in the month of September, 2009. The non-applicant has sanctioned the load extension and informed to the applicant to purchase CT's from MSEDCL's approved vendor. Therefore he has purchased the same, but later he has observed that MSEDCL has wrongly collected CT charges. So he requested to the non-applicant to refund the same. But no action was taken by the non-applicant. Therefore he has registered the grievance application in the Forum on dated 27.09.2010 and requested to the Forum---

- a) To advise MSEDCL to refund Rs. 40,362=00 which was paid against incorrect demand note issued by the non-applicant.
- b) To pay compound interest at standard rates on the amount from the day of its payment by the applicant to till the date of refund.
- c) To advice MSEDCL to issue a statement showing the calculation of the refund amount.
- d) To specify the time frame in which the above amount shall be refunded to the applicant.

2. According to the grievance letter of the applicant, the non-applicant has sanctioned his load enhancement from 500kVA to 650 kVA vide sanctioned order dated 24.09.2009. As per this order, the applicant was informed to purchase CTs. Therefore the applicant had

purchased the CTs from MSEDCL's approved vendor, M/s. Huphen Electomech, Nashik.

But the applicant has noticed that as per Consumer Grievance Redressal Forum, Nagpur Urban Zone's, order in case no. 31/2009 that CTs should be supplied by MSEDCL free of cost. Therefore the applicant has quoted that it is clear that charges had been incorrectly calculated by the non-applicant.

3. Therefore in the month of July 2010, the applicant has requested to the non-applicant to refund the amount charged for metering cubicle which had been recovered by issuing incorrect demand note. The applicant has given details of amount which has to be refunded by the non-applicant as follows.

Sr. No.	Particulars	Amount in Rs.
1)	Service connection charges	2,535/-
2)	Testing of CTs	3,000/-
3)	Supervision charges	326/-
4)	Cost of CTs incurred by the applicant.	34,501/-
	Total	40,362=00

For cost of CT. The applicant has enclosed an invoice dated 06.10.2009 which shows that CTs were purchased from M/s. Huphen Electomech, Nashik.

4. The applicant has requested in his grievance letter to refund expenses with interest which were incurred by the applicant due to incorrect demand note which was issued by the non-applicant. Also the non-applicant would be directed to give a statement to the applicant showing calculations of refund amount.
5. The non-applicant has submitted reply to the Forum at the time of hearing. Therefore the Forum has strictly instructed to the non-applicant to eliminate such practice and follow the instruction as mentioned in the notice for submitting the reply.
6. As per the reply of the non-applicant M/s. Zim Laboratories Limited, is a consumer of MSEDCL with Contract Demand of 500kVA on 11 kV and has applied for additional load of 150 kVA on dated 07.09.2009. The load was sanctioned vide order dated 24.09.2009. The consumer has given supply through 11kV from 220 kVA Kalmeshawar Sub-station. As the consumer was ready to carry out the work under 1.3% supervision scheme and has give a undertaking to pay the necessary demand charges. Also he submitted that, as per MERC case no. 70/2005 with respect to schedule of charges a rate of 1.3% of the normative charges is applicable towards supervision charges, if MSEDECL permits the applicant to carry out the work through Licensed Electrical Contractor. So the service connection charges demanded is correct and hence cannot be refunded.

7. The applicant has further mentioned that the testing of CT's is mandatory because if there is any internal defects in CTs it will hamper the whole system and cause damage to the equipments of the consumer also. Therefore the testing of CTs is beneficial to both, the licensee and the consumer and hence refused the refund testing fee of CTs and the cubicle.
8. The non-applicant has accepted in his reply that CTs has to be purchased by MSEDCL therefore he is ready to refund the cost towards purchase of CTs but he will not pay the compound interest on the amount to be refunded. He has also shown his consent for providing calculation statement as per the instruction would be issued by the Forum. He also prayed that the request of the applicant for deleting the testing fee for CTs and 1.3% normative charges of service connection would be rejected in the interest of justice.
9. The matter was heard on dated 15.10.2010. Both the parties were present. On behalf of the non-applicant, Shri V.B. Setty, Assistant Engineer, Nagpur Rural Circle, was present.

Shri Suhas Khandekar, the applicant's representative has informed to the Forum that the applicant was asked to submit an undertaking for carrying out the requisite work. As the consumer was not aware about the regulations, the applicant has submitted an undertaking. But as CTs are parts of metering cubicle its cost cannot be recovered from the applicant. He has further pointed out that the same

issue was discussed in Consumer Grievance Redressal Forum, in case no. 31/2009. But again the non-applicant has collected the service connection charges, although no work was involved with respect to providing service connection. Therefore he requested to the Forum to refund all the charges as mentioned in the grievance letter to the applicant with interest from the date of payment by the applicant to the date of refund from the non-applicant.

10. The non-applicant has clarified that the charges were recovered as per rules, hence cannot be refunded. But was not able to explain about the charges recovered for service connection. He said that as applicant has submitted an undertaking to carryout the work in 1.3% supervision scheme. Therefore the demand charges issued to the applicant are correct.

11. Both the parties were heard and observed the documents on record. It is revealed that the matter is of refund of CT cost of service connection charges wrongly charged by the non-applicant. The Forum has observed that the same matter was discussed in case no. 31/2009 dated 26.06.2009 and has passed an order to refund the service connection charges, CTs testing charges, cost of CT purchased by the applicant, 15% supervision charges with interest as per current bank rate. But the non-applicant has again repeated the same practice of charging against the MERC order with respect to schedule of charges. Therefore the Forum against

reiterated MERC Regulation with respect to cost of meter and its testing there on.

12. As per Central Electricity Authority (CEA), notification dated 17.03.2006, the definition of meter is

“meter means a device suitable for majoring, indicating and recording consumption of electricity or any other quantity related with electrical system and shall include, wherever applicable, other equipment such as current transformer (CT), voltage transformer (VT) or capacitor voltage transformer (CVT) necessary for such purpose”.

Further as per section 55 of the Act, it is responsibility of the licensee to supply the electricity through installation of correct meter in accordance with the regulations made in this regard by the Authority i.e. C.E.A.. Therefore in case no. 70/2005. Hon. Commission has ruled that

“meter for new connection should be provided by the licensee and the cost of meter & meter box shall be borne by the licensee, except where a consumer elects to purchase the meter from licensee”.

Therefore CT being the part of meter the non-applicant has to refund the cost of CTs which were purchased by the applicant.

13. In the context of testing of meter. The Hon. Commission has stated in the order dated 08.09.2006 in the matter of “Approved of MSEDCL Schedule of Charges that

“The testing charges approved shall be applicable only in case the consumer request 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 non-applicant can not recover the testing charges of CTs.

14. In case no. 70/2005, the Hon. Commission has stated that

“MSEDCL has interpreted service connection as a link between licensee’s nearest distributing point (i.e distribution main) to the point of supply at consumer’s premises, which also includes other accessories i.e. any apparatus connected to any such line for the purpose of carrying electricity and service connection charges covers cost involved in providing service connection from distributing main” and the Commission has ruled 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”.

and also approves a rate of 1.3% of normative charges to be recovered towards supervision charges in case MSEDCL permits an applicant to carry out the works through a Licensed Electrical Contractor”.

In this case the Forum has observed that no work was involved in laying down service line from the distributing main to applicant's premises. Therefore Service Connection Charges cannot be recovered from the applicant and hence no questions arise for recovery of 1.3% of the normative charges toward supervision.

15. The Forum also observed that, the non-applicant has sanctioned the load in September, 2009, the applicant has purchased CT in the month of October 2009 and

paid the remaining demand charges in the same month. Also the Consumer Grievance Redressal Forum order in case no. 31/2009 was passed in June, 2009. But the applicant has applied for refund of demand charges to the applicant in the month of July 2010 that means after the lapse of several months. In other words, the applicant has failed to bring its grievance to the notice of the non-applicant for several months. In view of this the non-applicant request for payment of compound interest on the refund amount does not have substance. Therefore this request is hereby rejected.

The applicant has also requested to the Forum to advise MSEDCL to issue a statement showing calculation of the refund amount. The prayer of interest on the refund amount is rejected by the Forum, hence there is no need to issue a statement showing the refund amount calculation.

16. The Forum by this order instructs to the non-applicant to follow the order of CGRF because in case no. 31/2009, the Forum has passed the order of refund of these charges as discussed above to the non-applicant. But again the non-applicant has included these charges while issuing the demand note for some type of matters, hence this grievance has arisen. The non-applicant should avoid such practices in order to reduce the grievances.

ORDER

The applicant's grievance application is partly allowed.

1. The non-applicant is hereby directed to refund Rs.40,362/- which was paid against incorrect demand note issued by the non-applicant.
2. The claim for interest on the refund is hereby rejected.
3. The non-applicant shall carry out this order and report compliance to this Forum before 30 days from the date of issuing this order.

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

Sd/-
(Smt.Gauri Chandrayan)
Member