

**CONSUMER GRIEVANCE REDRESSAL FORUM
MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LTD.
NASHIK ZONE**

(Established under the section 42 (5) of the Electricity Act, 2003)

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**Office of the
Consumer Grievance Redressal Forum
Kharbanda Park, 1st Floor,
Room N. 115-118
Dwarka, NASHIK 422011**

**No. / CGRF /Nashik/Nagar Circle/Sangm.Dn/446/26-14/
(BY R.P.A.D.)**

Date:

**Date of Submission of the case : 28/08/2014
Date of Decision : 17/10/2014**

To.

1. M/s. Shikshan Prasarak Sanstha .
Sangamner Collage Nashik Road,
Sangamner,
Dist. Ahmednagar 422605
(Consumer No. 155040025549)

} Complainant

2. Nodal Officer ,
Maharashtra State Electricity Distribution Com. Ltd.,
O&M Circle office, Ahmednagar
3. Executive Engineer ,
Maharashtra State Electricity Distribution Com. Ltd.
Sangamner Division office,
Dist. Ahmednagar.

} Distribution Company
(Respondent)

DECISION

M/s. Shikshan Prasarak Sanstha (hereafter referred as the Complainant). Sangamner Dist. Ahmednagar (hereafter referred as the Distribution Company). The Complainant has submitted grievance against MSEDCL for Refund of the Non DDF estimate amount with transformer Testing fee. The Complainant has filed a complaint regarding this with the Internal Grievance Redressal Committee of the Maharashtra State Electricity Distribution Company Ltd. But not satisfied with the decision of the IGRC , the consumer has submitted a representation to the Consumer Grievance Redressal Forum in Schedule "A. The representation is registered at Serial No.156 of 2013 on 28 /08/2014.

The Forum in its meeting on 05/09/2014, decided to admit this case for hearing on 26/09/2014 at 12.00 pm in the office of the forum . A notice dated 05/09/2014 to that effect was sent to the appellant and the concerned officers of the Distribution Company. A copy of the grievance was also forwarded with this notice to the Nodal Officer, MSEDCL, Circle Office Ahmednagar and to the Executive Engineer ,Sangamner for submitting para-wise comments to the Forum on the grievance within 15 days under intimation to the consumer.

Shri V.G. Bhivsani, Dy. Executive Engineer Circle Office Aahmednagar, Shri U.R. Gogate Additional Executive Engineer, Sangamner, Shri. H.V. Chonde, Dy. Executive Engineer Circle Nashik Ahmednagar, Shri. P. S. Sali , Dy. Executive Engineer, Sangamner S/Dn.. represented the Distribution Company during the hearing. Shri. B.R. Mantri appeared on behalf of the consumer.

Consumers Representation:

1. The complainant has applied for new connection in August 2008.
2. The Superintending Engineer, Ahmednagar sanctioned the estimate of Rs. 3,86,000/- on date 12/02/2009 under T.S. No.SE/Circle/T/ARR/Non-DDF,CC RF/08-09/113 dated 04/02/2009 and asked the consumer to execute the work . MSEDCL has also recovered Rs. 3,000/-Transformer testing fee and asked to execute the work under non DDF scheme. MSEDCL
3. The complainant has executed the work and the connection was released on 04/03/2011.
4. As per scheme, MSEDCL has to refund the estimated amount adjustment in monthly bill as per Circular no. CE (Dist)/D-III/Circular/22197 date 20/05/2008.
5. "If the Consumer / group of consumer wants early connections and opts to execute the work and bear the cost of infrastructure then the refund of the cost of infrastructure will be given by way of adjustment through energy bills."
6. From the billing month of May 2014, MSEDCL has started the refunding amount restricted to 50% of total monthly bill. In the above circular, there is no condition for 50% amount of energy bill will be adjusted.
7. Also MSEDCL has informed that only Rs. 287000/- material cost will be refunded instead of Rs. 3,86,000/-
8. The complainant has spent as per estimated amount of Rs. 386000/- to electrical contractor for carry out the same work. So the complainant has to get the total refund as per estimate.
9. The complainant has paid around Rs.3.5 lacs against monthly bill from the date of connection

Demands of the Consumer:

Refund the Non DDF estimate amount with Transformer Testing fee.

Arguments from the Distribution Company.

The Distribution Company submitted a letter dated 23/09/2014 from the Nodal Officer, MSEDCL, Ahmednagar Circle Office and other relevant correspondence in this case. Putting forth the arguments on the points raised in the grievance. The representatives of the Distribution Company stated that:

The A.E. Sangamner reported vide his letter No. AE/SNGR/Camp-Nagar dtd. 17/05/2014, that the Executive Engineer, Sangamner has already given approval to refund the amount vide Outward No. EE/SNGR/A/c./5087 dtd.28/07/2011. MSEDCL has agreed to give the refund of material in the next billing cycle.

Action by IGRC:

1. The complainant submitted the grievance to the IGRC, Ahmednagar Circle on 05/05/2014.
2. The Distribution Company represented as under in IGRC:
 - The Work Completion Report (WCR) of the works was sent to Divisional Office on 17/03/2011
 - The Executive Engineer , Sangamner has given approval for refund vide letter no. 5087 dated 28/07/2011.Till date the refund of consumer has not been credited in consumer billing cycle.
3. After hearing both the parties IGRC gave decision as under by a letter dated 20/06/2014
"As per the MSEDCL Ltd. Rules, amount of material cost should be refunded to the consumer in the next (coming) billing cycle. Concerned responsible for delayed dealing the case should be fined as per SOP."

Observations by the Forum:

1. The Distribution Company has agreed to refund the infrastructure cost by way of adjustment through energy bills and already started doing so since billing month of May 2014. The issues before Forum are:
 - Delay in starting the refund.
 - Amount of refund deducted per month
 - Monthly amount of refund
2. The complainant has stated that the full amount of Rs.386000/- incurred on infrastructure cost should be refunded , whereas the Distribution Company has agreed to refund only material

cost. The Distribution Company informed the Forum that monthly refund is at 50% of the monthly bill which has been objected by the complainant. The Forum asked the Distribution Company to submit the necessary circular to support this, before 30/09/2014. The Distribution Company has forwarded copy of the CE(Dist) Circular no. 22197 dated 20/05/2008 and CE (Dist) circular no. no. 39206 dated 21/12/2009.

- As per circular dated 20/05/2008 *“If the consumer/ group of consumers wants early connections and opts to execute the work and bears the cost of infrastructure then the refund of the cost of infrastructure will be given by way of adjustment through energy bills.”*
- As per circular dated 21/12/2009 *“....Managing Director MSEDCL has accorded approval to refund the entire expenditure incurred by the prospective consumer for release of the supply under dedicated distribution facility (even though work is not dedicated) by way of adjusting 50% of the monthly bill amount till clearance of the total expenditure.”*

As per these circulars the entire expenditure incurred by the consumer is to be refunded by adjusting 50% of the monthly bill till the clearance of the total expenditure.

3. The estimate of Rs. 3,86,000/- was sanctioned by the Distribution Company towards the works of infrastructure. However in the Works Completion Report (WCR) the concerned AE Sangamner has recommended expenditure of only Rs. 2,17,679/- for refund. Accordingly the Executive Engineer, Sangamner has sanctioned refund of Rs. 2,17,679/- vide letter no. 5087 dated 28/07/2011, for this consumer. It is not known which items are excluded and why? As per CE (Dist) circular dated 21/12/2009, the entire expenditure is to be refunded. Hence the Distribution Company should review the expenditure recommended for refund in the light of circular dated 21/12/2009 and revise the exact amount if necessary.
4. The Executive Engineer, Sangamner approved refund on 28/07/2011. From CPL it is revealed that first bill was issued on 30/04/2011 for the month April 2011 and bill for August 2011 was generated on 31/08/2011. Hence refund by adjustment of the monthly bills should have started from August 2011 bill i.e after approval by the Executive Engineer, Sangamner. But the Distribution Company has failed to do so and started refund from May 2014.
5. The CPL reflects that the Distribution Company has raised bills from time to time inclusive of DPC and interest for the period April 2011 till September 2014. Against this the complainant has actually paid Rs. 3,54,992/- upto September 2014 over and above the expenditure incurred before release of the supply. Hence the Distribution Company should rework the account of the consumer and reset it by following the method as given below:
 - Determine the correct amount to be refunded (being actual entire expenditure incurred) as per CE(Dist) Circular no. 39206 dated 21/12/2009
 - Start refund from August 2011 at 50% of the monthly bill
 - Adjust the monthly payments actually made by the consumer.
 - Refund the excess amount received if any with interest at bank rate of RBI
6. The abnormal delay in refund in this case is not justified. The date of supply is 04/03/2011. Ideally the refund should have started from the first April 2011 bill itself. As the Executive Engineer, Sangamner has given approval for refund vide letter dated 28/07/2011, it should have started at least in the billing month of August 2011. However it took about 34 months to actually start refund. The Executive Engineer, Sangamner took more than 4 months to approve the refund. The Distribution Company has not given any clarification for this abnormal delay. The Forum suggests that the matter should be investigated and action against the persons responsible for the delay should be initiated as per rules.
7. The complainant has demanded refund of transformer testing fee. The MERC under Order dated 16th August, 2012 [Case no. 19 of 2012] has approved the revised Schedule of Charges under different heads. But it does not cover transformer testing fee. Hence recovery of the same is contrary to the MERC directives. As such the transformer testing fee should be refunded along with interest at bank rate of RBI till the date of refund.

After considering the representation submitted by the consumer, comments and arguments by the Distribution Licensee, all other records available, the grievance is decided with the observations and directions as elaborated in the preceding paragraphs and the following order is passed by the Forum for implementation:

ORDER

1. The Distribution Company, within 30 days from the date of this order, should rework the account of the consumer and reset it as per guidelines in the CE(Dist) Circular no. 39206 dated 21/12/2009 by reviewing the amount to be refunded and starting refund from August 2011. The excess amount recovered if any should be refunded with interest at bank rate of RBI till the date of refund .
2. The Distribution Company should refund the transformer testing fee within 30 days from the date of this order , along with interest at bank rate of RBI till the date of refund.
3. As per regulation 8.7 of the MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 , order passed or direction issued by the Forum in this order shall be implemented by the Distribution Licensee within the time frame stipulated and the concerned Nodal Officer shall furnish intimation of such compliance to the Forum within one month from the date of this order.
4. As per regulation 22 of the above mentioned regulations , non-compliance of the orders/directions in this order by the Distribution Licensee in any manner whatsoever shall be deemed to be a contravention of the provisions of these Regulations and the Maharashtra Electricity Regulatory Commission can initiate proceedings suo motu or on a complaint filed by any person to impose penalty or prosecution proceeding under Sections 142 and 149 of the Electricity Act, 2003.
5. If aggrieved by the non-redressal of his Grievance by the Forum, the appellant may make a representation to the Electricity Ombudsman, 606, 'KESHAVA', Bandra Kurla Complex, Bandra (East), Mumbai 400 051 within sixty (60) days from the date of this order under regulation 17.2 of the MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006.

(Ramesh V. Shivdas)
Member-Secretary & Executive Engineer

(Suresh P.Wagh)
Chairman

Consumer Grievance Redressal Forum
Nashik Zone

Copy for information and necessary action to:

1. Chief Engineer , Nashik Zone, Maharashtra State Electricity Distribution Company Ltd. , Vidyt Bhavan, Nashik Road 422101
2. Superintending Engineer, Maharashtra State Electricity Distribution Company Ltd. , O&M Circle office, Ahmednagar.