

**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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Consumer Grievance Redressal Forum
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Dwarka, NASHIK 422011**

No. / CGRF /Nashik/Nagar Circle/UCR Nagar/454/37-14/

Date: 23/12/2014

(BY R.P.A.D.)

Date of Submission of the case :15/11/2014

Date of Decision : 23/12/2014

To.

M/s. Ambika Waste Management Pvt. Ltd.
L-154, MIDC, Ahmednagar
Ahmednagar 414111
(Consumer No. 162019001482)

Complainant

1. Nodal Officer ,
Maharashtra State Electricity Distribution Com. Ltd.,
Ahmednagar Circle office,
Ahmednagar
2. Executive Engineer (UCR)
Maharashtra State Electricity Distribution Com. Ltd.
Ahmednagar.

Distribution Licensee
(Distribution Company)

DECISION

M/s. Ambika Waste Management Pvt. Ltd. (hereafter referred as the Complainant). Ahmednagar is the Industrial consumer of the Maharashtra State Electricity Distribution Company Ltd. (hereafter referred as the Distribution Company). The Complainant has submitted grievance against MSEDCL for denying the load factor incentive for the month of November of 2013. The complainant approached the Superintending Engineer, Ahmednagar vide letter dated 10/12/2013 with a request to grant Load Factor Incentive. But there was no decision. Later the complainant submitted a representation in this regard against MSEDCL for Contravention of Hon'ble Commissions Orders in Case No.s 71 of 2009 and 111 of 2009 directly to the MERC by a petition dated 20/12/2013. But the Dy. Director (Legal) vide letter dated 10/02/2014 informed that the grievance relates to issuing proper energy bill, therefore concerned CGRF has jurisdiction to entertain this Petition and directed the complainant to approach first at concerned Consumer Grievance Redressal Forum. Hence the consumer has submitted a representation to the Consumer Grievance Redressal Forum in Schedule "A". The representation is registered at Serial No.206 of 2014 on 15 /11/2014.

The Forum in its meeting on 18/11/2014, decided to admit this case for hearing on 05/12/2014 at 12.00 Pm in the office of the forum . A notice dated 18/11/2014 to that effect was sent to the appelland and the concerned officers of the Distribution Company. A copy of the grievance was also forwarded with this notice to the Nodal Officer, MSEDCL, Ahmednagar Circle Office for submitting para-wise comments to the Forum on the grievance within 15 days under intimation to the consumer.

Shri. B.S. Gore Nodal Officer , Shri. D. K. Sonar Dy. Executive Engineer represented the Distribution Company during the hearing. Shri M.V. Vaidande appeared on behalf of the consumer.

Consumers Representation in brief :

1. The complainant has sought electricity connection on 01.03.1996 from the Distribution Company. As the complainant is high tension consumer having greater contract demand and supply being at low voltage level the complainant was asked to install two meters on at consumer’s premises and another at Substation of the Distribution Company. The sub-station of Distribution Company is situated at distance of almost 6 Kilometers from the factory.
2. The complainant states that, the electricity supply provided/connected on express feeder the voltage surcharge will not be equivalent of 2% of unit consumption but equivalent to the difference between the consumption recorded at consumers premises. Accordingly the Distribution Company is issuing the electricity bills as per highest consumption recorded by either of meter.
3. The meter reading for month of November 2013 was taken on 30th November 2013 and the relevant readings were as follows.

| | Consumer Meter | | Sub Station Meter | |
|-------|----------------|-----|-------------------|-----|
| MD | 10528 | KVA | 10941 | KVA |
| Units | | | 6486600 | KWH |

Therefore the complainant was required to be issued the energy bill for the month of Nov. 2013 considering the M.D. as 10528 KVA(as recorded by consumer meter) and unit as 6486600 KWH (as recorded by the substation meter). However the Distribution Company has wrongly issued the bill as per the M.D. recorded by substation meter and thus has charged excess amount on account demand charges. So also the M.D. recorded by substation meter is higher than the Contract Demand, the Distribution Company has refused the incentives such as L.F. incentives .The complainant approached the concerned office of the Distribution Company and requested to rectify the bill.

4. However the Distribution Company has refused to do so. The MERC has observed in Case No. 111/2009 as “Further, the Commission has accepted MSEDCL's request in the above-said Petition, and it is hereby clarified that the above Interim Relief is applicable for the consumers connected on Non Express Feeders (more than one connection on the said feeder), and in case only one connection exists on the said dedicated feeder, the tariffs should be charged on the basis of consumption recorded by the meters installed at the source of supply (EHV Level) and at the consumer’s end (Premises), whichever is higher, without any levy of voltage surcharge.
5. The monthly energy billing is done based on the consumption, whichever is higher, between the meter installed at source of supply (at EHV Level) and at the consumer end (premises). after ensuring that the metering at both S/S end and the consumer end are of the same rating and class of accuracy, and the cost involved is borne by the applicant)”
6. Thus the Distribution Company is misinterpreting the orders passed by the Hon’ble Commission in case No. 71 to 2009 and 111 of 2009.
7. The idea and logic behind introduction of voltage surcharge is to compensate the licensee against the line losses due to low voltage level. The directions were given in the petition filed by the Distribution Company. The losses were determined by this Hon’ble Commission at 2% of the limit consumption in case of consumer connected on non-express feeder, as the losses of particular consumer cannot be assessed. However in case of consumer connected on Express Feeder it is possible by calculating the difference between the unit consumption recorded by consumer meter and by Sub-Station meter.
8. Thus the billing of all the consumers, irrespective whether he is connected on Express feeder or non-express feeder is to be done on the basis of the meter reading recorded by the meter installed at consumer premises.. The difference of unit consumption recorded either by consumers meter or substation meter is to be added as voltage surcharge. However, the meter installed at substation is not to be considered as billing meter.
9. The Idea and logic behind the following observation “ the tariffs should be charged on the basis of consumption recorded by the meters installed at the source of supply (EHV Level) and if

the consumer's end (Premises), wherever is higher without any levy of voltage surcharge" is to compensate the line losses as per actual and not as per assessment/hypothesis in respect of consumer's connected on express feeder.

10. Though the meter installed at consumers premises and the meter installed at substation are of same class and accuracy they do not operate at same time because of the distance between the substation and the consumer's premises. This do not affect the recording of KWH, however it affects on recording of KVA.
11. The complainant takes every care to not to exceed his contract demand for that purpose has installed certain instrument in his installation which cut off excess load and thus prevent from exceeding his contract demand. Because of which the complainant has never exceeded his contract demand.
12. The meter at substation is under be control of Distribution Company and there is not opportunity is to check it's correctness to the complainant.
13. The recording of higher M.D. by the substation meter may be as a result of faulty working of substation meter or other temporary irregularity caused in the substation meter.
14. The MSEDCL has communicated several consumers that the MD must be recorded at consumer end. The MSEDCL is not treating all consumers on equal footing and result of present applicant has suffered huge financial loss.
15. Hence the complainant cannot be penalized for the faults and shortcoming of the Distribution Company.

Demands of the Consumer :

1. The Distribution Company be directed to rectify the energy bill for the month of November 2013 as per the M.D. recorded by the meter installed in consumer premises.
2. The Distribution Company may be directed to refund the complainant incentives along with penal interest.
3. Any other relief may please be granted in favour of the complainant in the interest of justice.

Arguments from the Distribution Company.

The Distribution Company submitted a letter dated 04/12/2014 from the Nodal Officer, MSEDCL, Ahmednagar Circle 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:

1. An agreement executed with the consumer M/s. Ambika Waste Management Pvt. Ltd. Ahmednagar on 26th Sept. 2013 for release of additional load (totaling 10718 KVA) on express feeder of 33 KV level is under DDF & accordingly meters are installed at EHV S/Stn. & consumer end at their costs.
2. As per additional power supply sanctioned vide Lr No. CE(Comm.)Co-ord. Cell M/s. Ambika Waste Management Pvt. Ltd. /33138 dated 04/11/2011, the consumer has also agreed to the condition of the load sanction.
3. Considering conditional approval by CE (Comm.) & undertaking submitted by the consumer bills are issued as per above said methodology for the period w.e.f. Oct. 2013 to June 2014.
4. However, the consumer has filed case for revision of bill for the month of Nov. 2013 only. In Nov. 2013 owing to load extension the consumption and M.D. trend is also high. The billing is done as per this consumption and he has been penalized for exceeding contract demand and not allowed L.F. incentive which is as per tariff in force. There is no any excessive billing considering approval and undertaking submitted by the consumer.

Observations by the Forum:

1. This grievance is about denial of Load Factor Incentive in the month of November 2013. The MD at substation is recorded as 10941 kVA which exceeds Contract Demand of 10718 kVA, thereby the Load Factor Incentive is denied for the month of November 2013. But the MD recorded at the consumer end meter is 10528 which is below the Contract Demand of 10718 kVA. If this MD is considered, the complainant is entitled for the Load Factor Incentive.
2. The MERC (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2005 mandated that supply between 1500-5000 kVA can be released from 33 kV line. Supply above 5000 kVA is to be provided from

EHV level (above 33 kV line). However, the MERC's under order dt.05.03.2010 for case no. 71 of 2009 allowed the supply to be released at voltage level lower than specified level under certain circumstances. As per the Commission's clarificatory order dt.09.11.2010 for Case No. 52 of 2010, if the consumer is connected on dedicated feeder (only one connection on the said feeder) the monthly energy billing is to be done based on the consumption, whichever is higher, between the meter installed at source of supply (at EHV level) and at the consumer end (premises). The complainant has got connected load of 13500 kW and contract demand of 10718 kVA sanctioned by the Distribution Company and supply given from 33 kV line as per sanction. Hence the condition of installation of additional meter at the substation end for billing (at source of supply) was prescribed and billing done on the "consumption, whichever is higher of the two meters" basis.

3. The MERC clarificatory order dated 09.11.2010 for Case No. 52 of 2010, is only about considering the consumption (kWH) based on the higher of two meters. The reason being, it is necessary to compensate energy loss from substation to the consumer end as the power is being supplied at low voltage over a long distance. There is no directive in this order to consider higher of the MD (kVA readings) recorded on two meters.
4. The point raised by the complainant that the meters installed at substation and the consumer end do not operate at same time because of the substantial distance between the substation and the consumer's premises, is also valid.
5. The complainant has pointed out that MSEDCL has communicated several consumers that the MD must be recorded at consumer end. On verifying this fact, it is revealed that in case of MITC Rolling Mills Pvt. Ltd., Dindori, Nashik, CE (Commercial), MSEDCL Mumbai under letter no. No.PR-3/Tariff/16529 dated 11/06/2013 addressed to the Superintending Engineer, Nashik Rural Circle has clarified as under:

“.....

 - 1) As per MERC order dated
 - 2) The kVA MD recorded at consumer end meter should be considered for billing from the date of installation of check meter at Sub-Station end.
 - 3) Accordingly bills are to be revised as per approval and refund if any, will be adjusted against future current bill.
 - 4) Such type of cases will be decided at head office only on case to case basis.”
6. It is seen in this case that Superintending Engineer, Ahmednagar has made a reference to the CE (Commercial), MSEDCL, Mumbai under letter no. 21876 dated 12/12/2013 requesting for guidelines regarding billing of Maximum Demand kVA in respect of M/s Ambika Waste management Pvt. Ltd. But it has been informed by the Superintending Engineer, Ahmednagar that there is no reply received to this letter yet.
7. In the light of arguments in the preceding paras, the Forum is agreeable with the stand taken by the complainant that MD kVA recorded at the consumer end meter should be considered for billing. However as indicated in the CE (Commercial) letter dated 11/06/2013 as above, the power of approval in this regard is with the head office of the Distribution Company and “case is to be decided at head office level only on case to case basis”. This case has been already submitted by the Superintending Engineer, Ahmednagar Circle to the CE (Commercial) under letter dated 12/12/2013 i.e. about one year back. The CE (Commercial) has neither rejected the case nor sent its approval as yet. The Forum therefore suggests that the Superintending Engineer, Ahmednagar Circle should make proper follow-up for approval and ensure that the decision is obtained within one month from this order.
8. Now according to the revised MERC (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2014 applicable from 20/05/2014, supply upto 10,000 kVA can be released from 33 kV line. As such the condition of dual metering and applying “higher of two” criteria for consumption does not apply for connections below 10,000 kVA. The said consumer requested the Distribution Company to reduce the MD from 10718 kVA to 8200 kVA and the same has been approved by the CE (Commercial), MSEDCL, Mumbai under letter dated 23/05/2014. Later the complainant requested the Distribution Company to withdraw “whichever is higher criteria as per letter dated 10/07/2014 which was approved by the CE (Commercial), MSEDCL, Mumbai under letter dated 10/07/2014 subject to confirming the current status of the consumer with reference to provisions as per MERC (SOP) regulations, 2014.

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 Superintending Engineer , Ahmednagar Circle should ensure that the decision on his letter dated 12/12/2013 to the CE (Commercial) ,MSEDCL, Mumbai is obtained within one month from the date of this order. In case the approval is accorded by the CE (Commercial) for considering the MD recorded at consumer end meter, the bill for the month of November 2013 should be appropriately revised. The refund if any, should be adjusted along in the ensuing bill with interest at bank rate of Reserve Bank of India, in terms of Section 62(6) of the Electricity Act, 2003 .
2. 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.
3. 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.
4. If aggrieved by the non-redressal of his Grievance by the Forum, the complainant 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
Consumer Grievance Redressal Forum,Nashik

(Suresh P.Wagh)
Chairman

Copy for information and necessary action to:

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