

**Before Maharashtra State Electricity Distribution Co. Limited Consumer
Grievances Redressal Forum, Pune Zone, 925, Kasabapeth Building, 11nd flr.
Pune-11**

Case No. 8 of 2007

Date: 28/05/2007

In the matter of Dhruva Auto Part (I) Pvt.Ltd.

- Complainant

V/S

M.S.E.D.C.L. Bhosari Division

- Opponent

Corum	Chair Person	Mr. A.V.Bhalerao
	Member/Secretary,	Mrs. N.D.Joshi,
	Member,	Mr. T.D. Pore

Dhruva Auto Part (I) Pvt. Ltd. (herein referred to as Complainant) made a grievance against Maharashtra State Electricity Distribution Co. Ltd. (Opponent for short) seeking explanation of the charges Rs.45,000/- levied by MSEDCL when all the work was to be carried out by it.

The grievance put forth by the complainant in its complaint is too cryptic however the gist of it is that when complainant was directed to carry out all the work necessary for obtaining supply of electricity at its cost it was unreasonable on the part of Opponent to recover normative charges Rs.45,000/- besides supervision charges Rs.6,300/-.

A notice was issued to the Opponent , the Executive Engineer, MSEDCL, Dn. Bhosari filed a say on behalf the Opponent contending that at the instance of the complainant a new electric connection of L.T.(Spl.) Industry having 200 H.P. load was sanctioned vide load sanction order dd. 3.2.2007. The said connection

was for industrial (engineering job work) purpose. By the said order along with other charges the Complainant was directed to pay Rs.45,000/- as service connection charges, Rs.6,300/- as 1.30% supervision charges the said charges levied were legal as per the Order dtd. 8/9/2006 passed by the Maharashtra Electricity Regulatory Commission (MERC).

The complainant has produced Xerox copy of the Order passed by the Opponent by which sanction of supply of electricity was granted to its premises. The supply of electricity sanctioned was of 200 H.P., 150 KVA, By the said Order the complainant was directed to pay following charges.

A)	Fixed service connection charges -	Rs.45000
B)	Security Deposit	- Rs.15000
C)	Estimate cost	- Rs.0
D)	1.3% Supervision charges	- Rs. 6300
E)	Cost of Metering	- Rs 0
F)	Testing Fee of metering	- Rs. 500
G)	Cost of Agreement form, Tariff	- Rs. 230
	Total .	- Rs.202030

In the said Order it is also mentioned “ you shall have to carry out the work involved under 15% supervision charges. Also you shall have to lay down an underground cable of the adequate size and maintenance of it shall be your responsibility”.

From the above said Order it is clear that complainant was directed to pay fixed service connection charges Rs.45,000/-, 1.30% supervision charges Rs.6,300/- besides asking him to carry out all work necessary for obtaining supply of electricity. The complainant’s contention is that when he was directed to carry out all work necessary for obtaining supply of electricity levy of fixed charges Rs.45,000/- is illegal.

The Opponent contended that the levy of fixed charges Rs.45,000/- is legal as per the Order dtd. 8/9/2006.

On rival contention the following point arises for consideration.

1) Is Opponent entitled to levy normative charges / fixed charges for service connection Rs.45,000/- when complainant is directed to carry out all work necessary for obtaining supply of electricity ? If not, what charges the Opponent can levy under such conditions from the complainant ?

The above point is answered as per final Order for the reasons given below :

REASONS

The Maharashtra Electricity Regulatory Commission in case no. 70 of 2005 in the matter of approval of MSEDCL's schedule of charges, fixed charges for various categories by its Order dtd. 8 Sept. 2006. In the instant case supply of electricity to the complainant is underground L.T. having load 200 H.P., 150 KVA. While fixing charges for this category the MERC in its above referred Order in Para 3.4 has mentioned :-

“MSEDCL has proposed some normative rates for underground LT connections without furnishing any working sheets for the same, if applicant brings all service connection materials. In absence of the working sheets, the Commission has worked out the rates for new underground LT supply based on the market rates of the materials and work estimation. The normative rates approved by the Commission are indicated in Annexure-2. in case MSEDCL permits an applicant to carry out the works, the MSEDCL may recover supervision charges at the rate of 1.3% of the normative rates indicated in Annexure-2”.

In Annexure-2 service connection charges for new underground connection at Sr. No.(d) for Motive Power above 130 H.P. but upto 200 H.P. or for other loads above 100KW to upto 150KW is Rs.45,000/- prescribed by the MERC. The charges Rs.45,000/- is inclusive of material. Note (1) to the Annexure-2 says in case the MSEDCL permits the applicant to carry out the works through LEC rate of 1.30% of the normative charges will be applicable towards supervision charges.

If the above Order passed by MERC is read in context with the provisions containing in the Electricity Act 2003 and Maharashtra Electricity Regulatory Commission (Electricity Supply Code and other conditions of supply) Regulation 2005 (ESC & OCS for short) its meaning will be clear. The relevant provisions of the Electricity Act is :-

Section 46 : The State Commission may, by regulations, authorise a distribution licensee to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply.

This clause empowers the distribution licensee to charge from a person requiring supply of electricity any expenses reasonably incurred in providing any electric line or electric plant used for the purpose of giving that supply.

The relevant provisions contained in Standard of Performance (ESC & OCS) are :-

3.2 The charges that a Distribution Licensee is authorized to recover under these Regulations include –

(a) recovery of such expenses as may be reasonably incurred by the Distribution Licensee in providing electric line or electrical plant used for the purpose of giving supply, in accordance with Regulation 3.3. below.

3.3.1 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 rates contained in the schedule of charges approved by the Commission under Regulation 18.

3.3.8 Where the Distribution Licensee permits an applicant to carry out works under this Regulation 3.3 through a Licensed Electrical Contractor, the Distribution Licensee shall not be entitled to recover expenses relating to such portion of works so carried out by the applicant.

Provided however the Distribution Licensee shall be entitled to recover, from the applicant, charges for supervision undertaken by the Distribution Licensee, at such rate, as may be approved in the schedule of charges under Regulation 18, not exceeding 15 per cent of the cost of labour that would have been employed by the Distribution Licensee in carrying out such works.

Reading the Order passed by MERC for fixing charges read with the above mentioned relevant provisions of Electricity Act and ESC & OCS, it is clear that when consumer is directed to carry out all work necessary for obtaining supply of electricity the MSEDCL is entitled to recover as service connection charges only supervision charges which is 1.30% of the normative charges as mentioned in Note (1) in Annexure-2 or in Para 3.4 of the said Order. The Regulation 3.3.8 of ESC & OCS clearly lays down that, if the consumer is directed to carry out all work necessary for obtaining supply of electricity the MSEDCL shall not be entitled to recover expenses relating to such portion of work carried out by the consumer. However, it can only recover the charges under Regulation 18 not exceeding 15% of the cost of labour that would have been employed by the MSEDCL (Distribution Licensee) in carrying out such work now equal to 1.30% of the normative charges fixed by MERC in its Order dtd. 8/9/2006. In the instant case the complainant is to carry out all work necessary for obtaining supply of electricity under such circumstances the Opponent cannot recover normative charges Rs.45,000/- which is to be recovered only if the Opponent is expected to carry out all the work. The Opponent in this case is entitled only to recover supervision charges equal to 1.30% of the normative charges. The other charges levied by the Opponent in its Order dtd. 3.2.07 are not to be disputed by the complainant, hence the Order.

ORDER

- 1) The recovery of Rs.45,000/- for service connection charges from the complainant in sanction order dtd. 3.2.07 issued by the Opponent is hereby quashed.
- 2) The Complainant shall at its cost carry out all the work necessary for obtaining supply of electricity to its premises viz. of providing electric line or electrical plant etc. as mentioned in Regulation 3.2(a) of (ESC & OCS).

- 3) As the Opponent has permitted the complainant to carry out all the work necessary for obtaining supply of electricity to its premises at its cost, through Licensed Electrical Contractor the Opponent has no right to recover normative charges Rs.45,000/- mentioned in Annexue-2 of the Order dtd. 8/9/2006 passed by MERC in case no. 70 of 2005 in the matter of MSEDCL's schedule of charges which is to be recovered only if the work is to be carried out by the Opponent, however the Opponent has right to recover 1.30% of the normative charges Rs.45,000/- as supervision charges instead of Rs.6,300/- as mentioned in the above said Order.
- 4) The other charges levied by the Opponent in its Sanction Order dtd. 3.2.07 which are not disputed by the Complainant are confirmed.

Sign:

Mrs. N.D.Joshi,
Member/Secretary

Mr. T.D.Pore,
Member

Mr. A.V. Bhalerao
Chair Person