

**CONSUMER GRIEVANCE REDRESSAL FORUM  
M.S.E.D.C.L., PUNE ZONE, PUNE**

**Case No.04/2016**

**Date of Grievance : 08.03.2016**

**Date of Order : 21.04.2016**

In the matter of reduction of load/contract demand & refund of security deposit.

Shri.Kuljeetsing S.Choudhari,  
Office No.201, Abhijit Court,  
Bhandarkar Road, 825/799B,  
Shivajinagar, Pune 411004

**Complainant**  
(Herein after referred to as Consumer)

**Versus**

The Executive Engineer,  
M.S.E.D.C.L.,  
Kothrud Division,  
Pune.

**Respondent**  
(Herein after referred to as Licensee)

**Quorum**

**Chairperson**  
**Member Secretary**

**Mr. S.N.Shelke**  
**Mr. D.H.Agrawal**

**Appearance**

**For Consumer**

**Mr.Kuljeetsing S.Choudhari,**  
**Mr.Kishor Dhotre,(Representative)**

**For Respondent**

**Mr. D.Padlakar, Ex. Engineer,**  
**Kothrud Dn.**  
**Mr. U.B.Sathe, Addl. Ex.Engr.**  
**Deccan Sub/dn.**

- 1) The Consumer has filed present Grievance application under regulation no. 6.4 of the MERC (CGRF & E.O.) Regulations 2006.
- 2) Being aggrieved and dissatisfied by the order dated 3<sup>rd</sup> Feb.2016 passed by IGRC Ganeshkhind Urban Circle, Pune, thereby rejecting the grievance, the consumer above named prefers this grievance application on the following amongst other grounds.

- 3) The papers containing the above grievance were sent by the Forum to the Executive Engineer, M.S.E.D.C.L., Kothrud Dn., Pune vide letter no. EE/CGRF/PZ/Notice/04 of 2016/49 dtd.08.03.2016. Accordingly the Distribution Licensee i.e. MSEDCL filed its reply on 29.03.2016.
- 4) We heard both sides at length and gone through the contentions of the consumer and reply of the licensee and the documents placed on record by the parties. On its basis following factual aspects were disclosed.
  - i) Consumer namely Shri.Kuljeetsing S.Choudhari vide consumer No. 160260586715 connected on 20.10.2006 under LT-II B category.
  - ii) The consumer made application on 16.2.2015 for issuance of minimum charges bills from March-2015 since the said premises was to be vacated by the tenant- HDFC Bank.
  - iii) Consumer made another application on 24.9.2015 under one window scheme of Licensee vide application no.422 regarding non consumption and getting minimum charges bill.
  - iv) Thereafter on 28.9.2015 the said consumer applied for reduction of connected load from 56KW to 20 KW and proportionately refund of Security Deposit.
  - v) Sub-division office of the Licensee submitted report to Executive Engineer, Kothrud Division vide Letter No.Addl.EE/DGSN/T/856 dated 15.10.2015 to give approval for load reduction and refund of security deposit of the consumer.
  - vi) The consumer again made application on 5.12.2015 for reduction of contract demand from 52 KVA to 10 KVA.
  - vii) The consumer made grievance before IGRC, GKUC on 14.01.2016 for getting SOP compensation for not reduction of connected load/contract demand and non-refund of security deposit by the Licensee.
  - viii) The IGRC-GKUC rejected the grievance vide impugned order dated 3<sup>rd</sup> Feb.2016.
5. The consumer representative namely Mr.Koshor Dhotre submitted that the tenant namely HDFC Bank vacated the premises of consumer therefore on 16.2.2015 the consumer made application to the Licensee to issue minimum

charges bill due to non use from March-2015. However the Licensee did not take any action on the said application. Thereafter 24.9.2015 consumer made application to the Licensee under one window scheme vide application no.422/24.9.2015 for correction of bill and cancellation of power factor penalty. Thereafter on 28.9.2015 the consumer made application to the Licensee for reduction of connected load from 56 KW to 20 KW and proportionately refund of Security deposit as per rules. But the Licensee did not take any action on the said application nor made any correspondence with the consumer about reduction of load and refund of security deposit. He further submitted that thereafter on 5.12.2015 the consumer made another application to the Licensee for reduction of contract demand from 52 KVA to 10 KVA but the Licensee did not give any reply nor taken any action with this regard. He further submitted that consumer be awarded SOP compensation for not reduction of load and non refund of security deposit and p.f. penalty imposed be cancelled and corrected bills be issued.

6. On the other hand Mr. Padalkar Ex. Engineer, Kothrud Dn. submitted for Licensee that the said consumer has applied for load reduction from 56 KW to 20 KW and accordingly site verification was done by the sub-division and the case was forwarded to division for sanction. Then during the visit of Executive Engineer, Kothrud Division, it was found that connected load of the premises was not reduced therefore the consumer was instructed to do the separate wiring of his premises and reduce the connected load and then apply for load reduction. But till today the consumer has not yet changed the wiring and load at site. He further submitted that the bill for the period March-2015 to Dec.2015 is as per consumption only. The consumer has not maintained P.F.as per regulations, P.F. Penalty was charged as per IT procedure. He further submitted that MRI meter reading is taken of all PC-0 consumers. The meter reading systems is as per MSEDCL rules and regulations. He further submitted that the connected load of the said consumer is not reduced till date therefore security deposit cannot be refunded. He further submitted that the actions are taken as per rules and regulations and there is no any delay in this case.

7. Following points arise for our determination. We give our findings thereon for the reasons stated below:-

Points	Findings
i) Whether there is deficiency in service on the part of Licensee for not reduction of connected load as per the application of the consumer?	Yes.
ii) Whether power factory penalty as charged by the Licensee to the consumer is justifiable?	Yes.
iii) Whether consumer is entitled to get compensation for not reduction of load within prescribed time period as provided under SOP Regulations?	Yes.
iv) What order?	As per final order.

8. **REASONS**

As to Point No. i : Admittedly on 16.2.2015 the consumer applied for issuance of minimum charges bill from March-2015 since the premises was going to be vacated by the HDFC Bank and that after March-2015 the case be treated as that of non consumption. It is seen from the said application that on the date of application the premises was not vacated but the shifting work of HDFC Bank was going on but consumption was still continued. Therefore the said application was premature and at the most it can be treated as only the intimation. Moreover it is not the practice of the Licensee to issue minimum charges bills. In some cases when meter reading is not available, faulty status of meter etc., the average bills are issued to the consumer but merely on the assumption that in future there would be no consumption, minimum charges bills cannot be issued. Therefore to this extent it is not binding on the Licensee to act upon such premature and vague application.

9. It is the case of consumer that on 28.9.2015 he applied for reduction of connected load from 56KW to 20KW and for refund of security deposit proportionately as per rules.

10. In this context it is necessary to reproduce relevant provisions of SOP Regulations. Regulation No.4.14 of MERC (Standards of Performance of Distribution Licensees, period for giving supply and determination of compensation) Regulations, 2014 reads as under :

***Reduction in Load 4.14***

***Upon receipt of a request by a consumer for reduction of contract demand / sanctioned load of such consumer, the Distribution Licensee shall, unless otherwise agreed, so reduce the contract demand / sanctioned load of such consumer before the expiry of the second billing cycle after the receipt of such request;***

***Provided that Distribution Licensee and consumer should execute fresh agreement for such revised load before the second billing cycle.***

11. The Sub-division office of the Licensee taking necessary action on the above mentioned application of the consumer made spot verification and informed the division office vide letter dated 15.10.2015 that at the said premises there are two owners namely Mr.Kuljeetsing Choudhari (Consumer) and Mr.Tuteja. The another owner Mr.Tuteja has given no objection for reduction of load. The Sub-division office on its verification found the case that of," Non use" consumption and forwarded the proposal to division office for giving approval about load reduction and for refund of security deposit as per rules. However according to division office they made spot verification of the said premises and during their visit it was found that the connected load of the premises was not reduced therefore the concerned Ex. Engineer, instructed the consumer to do the separate wiring of the premises and reduce the connected load and then apply for load reduction. However the said consumer has not yet changed the wiring and load at site therefore connected load is not reduced and consequently security deposit cannot be refunded. It is pertinent to mention that the division office when made spot verification of the said premises has not mentioned in the say. No any spot verification report of the said premises by the division office is on the record. The division office did not send any reply to the consumer in respect of application dated 28.9.2014 nor informed in writing that there was any problem for reduction of load or the consumer to make separate wiring about load reduction. It is mentioned in the say that the Ex. Engineer, instructed the consumer for

making separate wiring. On the contrary, the sub-division office of the Licensee has sent favourable report to the division office for reduction of load and refund of S.D. It is clearly mentioned in the same report that another owner Mr.Tuteja has given no objection for reduction of load. But the point of separate wiring has first time raised in the say dated 29.3.2016 i.e. after filing of present grievance application before the Forum. However when consumer made application in writing for reduction of connected load and when the sub-division office acting upon the said application made necessary report dated 15.10.2015 for favouring of reduction of load and refund of security deposit, it was obligatory on the part of division office to make necessary correspondence to the consumer about reduction of load and refund of S.D. but the division office of the Licensee did not give any reply to the consumer nor taken any action on the application dated 28.9.2015 submitted by the consumer. The said facts constitute inaction and non compliance of SOP Regulation 4.14. Therefore we found there is deficiency in service on the part of division office of the Licensee. Hence we answer point No.1 in the affirmative.

12. As to Point No.2 : According to the consumer, power factor penalty as charged by the Licensee in the bills be cancelled since his consumption has reduced and revised bill be issued.

Regulation No.12 of MERC (Electricity supply code and Other conditions of supply) Regulations-2005 reads as under :

*12.1 Power factor/Harmonics :- It shall be obligatory for the consumer to maintain the average power factor of his load at levels prescribed by the Indian Electricity Rules, 1956 with such variations. If any adopted by the Distribution Licensee in accordance with the relevant orders of the commissions. Provided that, it shall be obligatory for the HT consumer and the LT consumers (Industrial and Commercial only) to the control harmonics of his load at levels prescribed by the JEEE STD 519-1992 and in accordance with the relevant Orders of the Commission.*

*12.2 The Distribution License may require the consumer within a reasonable time period, which shall not be less than three months, to take such effective measures so as to raise the average power factor or control harmonics of his installation to a value not less than such norm, in accordance with Regulation 12.1 above :*

*Provided that the Distribution Licensee may charge penalty or provide incentives for low/high power factor and for harmonics, in accordance with relevant orders of the commission.*

13. Similarly MERC in the tariff order dated 16.8.2012 in the case no.19 of 2012 and tariff order dated 26.6.2015 in the case no.121 of 2014 and subsequent commercial circulars issued by the Licensee vide No.175 dated 5.9.2012 and No. 243 dated 3.7.2015 necessary provisions of power factor penalty have been made there-under. Accordingly whenever the average power factor is less than 0.9 penal charges shall be levied as per the provisions made there under. Accordingly the Licensee has installed necessary programme in its IT system and the bills showing penalty/incentives ( if any) are generated from IT system accordingly.
14. It is obligatory on the part of consumer to maintain the average power factor of his load at the levels in accordance with the relevant orders and rules of the commission. In the present case, though the consumer reduced consumption, did not remove the capacitor installed at the premises in the circuit consequently energy was consumed. Therefore the power factor penalty was charged as per IT system procedure. Therefore power factor penalty charged by the Licensee is as per rules. Hence we answer point no.2 in the affirmative.
15. As regards reduction of contract demand, the consumer made application to the Licensee dated 5.12.2015 for reduction of contract demand from 52 KVA to 10 KVA. Consumer's energy bill for the month of Jan.2016 discloses that Licensee has effected the reduction of contract demand of the consumer as per his request. Therefore the said issue does not survive.

16. As to Point No. 3 : The consumer claims SOP compensation for not reduction of load within the prescribed time limit by the Licensee. The consumer has made application for reduction of load from 56 KW to 20 KW on 28.9.2015. The sub-division office of the Licensee processed the said application by making spot verification and submitting favourable report to the division office vide letter dated 15.10.2015. However there is complete inaction and non compliance of regulation No.4.14 of SOP Regulations 2014. Therefore the application dated 28.9.2015 has become unattended at division level. Therefore we have already discussed above that there is deficiency in service on the part of Licensee for not reduction of connected load as per request of consumer. As per SOP Regulations 4.14 the Licensee should have made reduction of sanctioned load of the consumer as per his request before the expiry of second billing cycle i.e. from the billing month of Nov.2015. Compensation prescribed for such failure is Rs.100/- per week or part thereof. Therefore compensation calculate upto 25.1.2016 (where Licensee reduced the contract demand) for the period of 12 weeks is of Rs.1200/-. Consumer is entitled to get the said compensation as per SOP Regulations of MERC. Hence we answer point no. iii in the affirmative.
17. Lastly, as regards refund of security deposit of the consumer, CPL of the consumer, discloses that the consumer has paid security deposit of Rs.110590/-. This security deposit is for the connected load of 56 KW. However, the consumer has reduced contract demand from 52 KVA to 10 KVA & effected in the month of Jan.2016 energy bill. Therefore the Licensee to observe the bill amount for 12 months & refund Security Deposit as per rules
18. Hence we proceed to pass following order:

### ORDER

1. Grievance application of the consumer is partly allowed with cost.
2. The Licensee to take necessary steps for reduction of connected load of the consumer as per his request as per SOP Regulations.



3. The Licensee shall refund the security deposit of the consumer as per rules upon reduction of connected load as prayed for.
4. The Licensee to give SOP compensation to the consumer as discussed above in Para No.16.
5. Grievance of the consumer as regards cancellation of power factor penalty stands dismissed.
6. The licensee to report compliance to this forum within one month from the date of this order.

Delivered on: - 21.04.2016

Sd/-  
**D.H.Agrawal**  
Member/Secretary  
CGRF:PZ:PUNE

Sd/-  
**S.N.Shelke**  
Chairperson  
CGRF:PZ:PUNE

Note :- The consumer if not satisfied may filed representation against this order before the Hon.'ble Ombudsman within 60 days from the date of this order at the following address.

Office of the Ombudsman,  
Maharashtra Electricity Regulatory Commission,  
606/608, Keshav Bldg.,  
Bandra Kurla Complex,  
Bandra (E), Mumbai-51.