

**CONSUMER GRIEVANCE REDRESSAL FORUM**  
(Established under the section 42 (5) of the Electricity Act, 2003)  
**MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LTD.**  
**NASHIK ZONE**

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

No. / CGRF /Nashik/NUC/N.U.Dn.1/586/62/2016-17/

Date: **14/03/2017**

**(BY R.P.A.D.)**

**In the matter of**

Excess Collected FAC from the Billing Month Of Dec. 2013 To Dec. 2014

**Date of Submission of the case :30/01/2017**

**Date of Decision :14/03/2017**

To.

M/s. CEAT Limited  
82, M.I.D.C. Industrial Area,  
Satpur Nashik 422007.  
(Consumer No. 049069002284)

Complainant

1. Nodal Officer ,  
Maharashtra State Electricity Distribution Com. Ltd.,  
Urban Circle office, Shingada Talav,  
Nashik
2. Executive Engineer (U-1)  
Maharashtra State Electricity Distribution Com. Ltd.  
Kharbanda Park Nashik .

Distribution Company

**DECISION**

M/s. CEAT Limited , (hereafter referred as the Complainant ). Satpur Nashik is the HT consumer of the Maharashtra State Electricity Distribution Company Ltd. (hereafter referred as the Distribution Company ). The Complainant has submitted grievance against MSEDCL for Refund of excess collected FAC from the billing month of Dec. 2013 to Dec.2014. The Complainant filed a complaint regarding this with the Internal Grievance Redressal Committee of the Maharashtra State Electricity Distribution Company Ltd. Ltd. But not satisfied with the decision of the Respondent , the consumer has submitted a representation to the Consumer Grievance Redressal Forum in Schedule "A". The representation is registered at Serial No.20 of 2017 on 30 /01/2017.

The Forum in its meeting on 31/01/2017, decided to admit this case for hearing on 21/02/2017 (later changed to 22/02/2017 because of holiday for Municipal elections) at 11.30 am in the office of the forum . A notice dated 31/01/2017 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, Urban I Circle Office Nashik for submitting para-wise comments to the Forum on the grievance within 15 days under intimation to the consumer.

Shir. R.S. Bhagat , Nodal Officer/Ex. Engr. represented the Distribution Company during the hearing. Shri . B.R. Mantri appeared on behalf of the consumer.

## Consumers Representation in brief :

1. MSEDCL has charged the FAC as per their circular and submitted the detailed calculation to Commission for approval. We have noticed that the FAC charged by MSEDCL from billing month of Dec.2013 to Dec.2014, is not according to post facto approval issued by Hon'ble Commission for charging of FAC for the respective billing month.
2. FAC is the part of Tariff and Tariff is being determined by the MERC. The methodology of FAC calculation and recovery thereof has to be approved by the Commission in the tariff order. Without a change in Tariff Order or without approval /sanction of MERC, the FAC methodology could not be changed or altered. MSEDCL has changed levy of FAC methodology with a gap of three months to two months from the billing month of Dec. 2013. FAC has wrongly charged due to interpretation of word "In the billing month and to be billed month".
3. Commission has given post facto approval for charging of FAC for the respective billing month wide order dated 18/12/2014; 11/02/2016; 16/02/2016.
4. As per Commission post facto approval, MSEDCL should rework the calculation of FAC from the billing month of Dec.13 to Dec.14, and refund the excess collected FAC amount over and above with interest as E A 2003 Section 62 (6) from the date of deposit till the date of refund.
5. FAC to revised as per MERC following MERC orders.
  - a. MERC/FAC/FY 13-14/1350 dt. 18/12/2014
  - b. MERC/FAC/FY 2015-2016/01469 dt. 11/02/2016
  - c. MERC/FAC/FY 2015-2016/01481 dt. 16/02/2016

Billing Month	FAC levied MSEDCL	FAC MERC	Diff.	Units	Amount
Dec.13	-7.97	-28.06	20.09	1617380	324931.642
Feb.14	4.74	0	0.4.74	826156	39159.7944
Mar.14	17.11	4.74	12.37	965943	119487.149
May 14	14.77	3.64	11.13	426300	47447.19
Jun.14	38.98	14.77	24.21	529963	128304.042
Jul.14	38.98	38.98	0	748393	0
Aug,14	36.64	13.01	23.63	574204	135684.405
Sept.14	60.43	36.64	23.79	457941	108944.164
Nov. 14	51.92	21.22	30.7	620842	190598.494
Dec.14	90.52	51.92	38.6	600030	231611.58
			<b>189.26</b>		<b>1326168.46</b>
			ED	9%	119355.161
			Total FAC	Refund	1445523.62

## Relief Sought :

As per Commission's post facto approval MSEDCL should rework the calculation of FAC from the billing month of Dec. 2013 to Dec.14 and refund the excess collected amount with interest at 9% p.a. from the date of deposit till the date of refund.

## Arguments from the Distribution Company:

The Distribution Company submitted a common reply for all the issues raised by M/s CEAT Ltd. by letter dated 20/02/2017 of the Nodal Officer, MSEDCL, Urban Circle Office Nashik and other correspondence in this case as under:

1. Regarding AEC-1, AEC-2 ,AEC-3 & AEC-4 (Ref No. 1 ) : As per Commission's prder om case No. 95/13, it is stated that charges of AEC-1 & AEC-2 are to be levied by MSEDCL for a period of six months from the month of Sept.2013 onwards. MSEDCL has rightly charges the charges in the bill generated in the month of Sept. For which amount was due to be paid. Accordingly MSEDCL stated recovering charges from the month of Sept. 2013.
2. Charges of AEC-1, AEC-2 ,AEC-3 & AEC-4 (Ref No. 1 ) have been applied and as per instructions given by head office in respective IT centers for generation of bills. In Hon, Commission order, it is stated that amount to be recovered from the month of Sept. 2013 onwards so that bill generated & issued in the month of Sept. 2013 for which due date was in the month of Sept. 2013& the amount is

being recovered in the month of Sept. 2013 is correct. As per Hon. Commission's order, the Commission has allowed to recover the charges in six monthly instalments whereas MSEDCL recovered the charges only for 5 months. One month is still balanced.

3. Accordingly, this office has referred this matter for applicability & clarification of AEC charges , MSEDCL has acted as per Hon. Commission order & as per HT billing programme forwarded by H.O. & therefore application deserves to be dismissed.
4. Regarding Addl. FAC charges (Ref. No. 2): As per FAC circular No. 18 to 203, the Addl. FAC matter has to be billed from sept. 2013 upto Nov. 2013. However, its appears that the recovery is carried out as per programming through IT.
5. Regarding change of tariff code from HT IC to HT IN : List of 12 Nos. Of applications received from HT consumers for change of tariff code from HT IC to HT In & refund of excess collected amount due to tariff difference are forwarded to H.O. Mumbai for guidance but till awaited.
6. Regarding wheeling & transmission charges: Wheeling & transmission charges should be implemented through bill to the consumer & consumer bill should be generated as per directives of Head Office, Mumbai through billing by IT department. No any interaction should be made by any one. So bill issued to the consumer is correct.

**Action by IGRC :**

1. Internal Grievance Redressal Cell Nashik Urban Circle conducted hearing on 09/01/2017 for the complaint submitted on 21/11/2016 .
2. After hearing both the parties IGRC gave decision regarding FAC and AEC as per letter dated 18/01/17 as under:

*^xktgdkl fotns dkr yko.; kr vkysys FAC r l p AEC-1. , AEC-2, pkt# (MERC order dtd. 05/09/2013 for case no. 95 of 2013 i ek.ks) AEC-3 pkt# (MERC order dtd. 03/09/3013 for case no. 28 of 2013 i ek.ks), AEC-4 pkt# (MERC order dtd. 04/09/2013 case No. 44 of 2013 i ek.k) r l p okf.kT; hd ifji=d d# 209 fn- 07@09@2013 ud kj ; kx; vkgr-\*\**

**Observations by the Forum:**

1. The Hon'ble Commission has issued post facto approvals for FAC to be charged by the MSEDCL as per letters below:

Letter No.	Dated	Billing Months of :
01540	18 <sup>th</sup> Dec 2014	Oct 2013 to December 2013
01469	11 <sup>th</sup> Feb 2016	March 2014 to June 2014
01481	16 <sup>th</sup> Feb 2016	July 2014 to December 2014

2. According to these letters the FAC approved by the Hon'ble Commission for HT I C is as under :

Billing Month	FAC approved by the MERC
December 2013	-28.06
January 2014	0
February 2014	0
March 2014	4.74
April 2014	17.11
May 2014	3.64
June 2014	14.77
July 2014	38.98
August 2014	13.01
September 2014	36.64
October 2014	60.43
November 2014	21.22
December 2014	51.92

3. Hence, wherever, the Distribution Company has charged the FAC in the bills of the months from December 2013 to December 2014 , over and above the rates as above , the same needs to be refunded to the complainant with interest at bank rate of the Reserve Bank of India 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 should refund whatever, excess FAC charged over and above the MERC approved rates in the bills of the months from December 2013 to December 2014
2. All these refunds should be adjusted in the ensuing bill after the date of this order , and the amounts should be refunded along with the interest till the date of refund as per the provisions of Section 62 (6) of the Electricity Act, 2003
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 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.

**(Rajan S. Kulkarni )**  
Member

**( Sandeep D. Darwade )**  
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. , Vidyut Bhavan, Nashik Road 422101 (For Ex. Engr.(Admn)
- 2 Chief Engineer , Nashik Zone, Maharashtra State Electricity Distribution Company Ltd. , Vidyut Bhavan, Nashik Road 422101 ( For P.R.O )
- 3 Superintending Engineer, Maharashtra State Electricity Distribution Company Ltd. , Urban Circle office, Nashik .

