

**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.R.Dn./599/75/2016-17/

Date: 11/04/2017

(BY R.P.A.D.)

**In the matter of**  
**Overcharging of demand/ fixed charges every month from the Date of Connection**

**Date of Submission of the case :22/02/2017**  
**Date of Decision : 11/04/2017**

To.

1. M/s. KTST Engineers Pvt. Ltd.,  
Plot No. B-4, MIDC Ind. Area,  
Sinnar Dist. Nashik 422113  
(Consumer No. 076040004927)

Complainant

2. Nodal Officer ,  
Maharashtra State Electricity Distribution Com. Ltd.,  
Urban Circle office, Shingada Talav,  
Nashik

Distribution Company

3. Executive Engineer (Rural)  
Maharashtra State Electricity Distribution Com. Ltd.  
Vidyut Bhawan Nashik Road.

**DECISION**

M/s. KTST Engineers Pvt. Ltd., (hereafter referred as the Complainant) Sinnar Nashik is the LT Industrial consumer of the Maharashtra State Electricity Distribution Company Ltd. (hereafter referred as the Distribution Company ). The Complainant has submitted grievance regarding overcharging of demand/ fixed charges every month from the date of connection . The Complainant filed a complaint regarding this with the Internal Grievance Redressal Cell of the Maharashtra State Electricity Distribution Company Ltd. 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. 37 of 2017 on 22 /02/2017.

The Forum in its meeting on 22/02/2017, decided to admit this case for hearing on 10/03/2017 at 12.30 Pm in the office of the forum . A notice dated 22/02/2017 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 Circle Office Nashik for submitting para-wise comments to the Forum on the grievance within 15 days under intimation to the consumer.

Shri S.D. Unhale, Dy. Ex,Engr., Shri. N.R. Arote Asstt. Actt. represented the Distribution Company during the hearing. Shri . T.N. Agrawal appeared on behalf of the consumer.

### Consumers Representation in brief :

1. The MSEDCL vide letter No. EE/R/Dn/NSK/Tech/056 dt.04.01.2012 released fresh LT load 65 HP to our plant, as per the bill the load was connected on 01.01.2012. During energy audit of our plant, it was detected that the bills were issue with load of 94 HP from the date of connection instead of sanctioned approved load of 65 HP. This had resulted overcharging of demand/ fixed charges every month from the date of connection.
2. We further checked the records and noted that the estimate by sub-div. was prepared for 65 HP, accordingly MSEDCL had sanctioned the same load, copies of the estimate & sanction letter are attached for ready reference.
3. It appears that the MSEDCL made a mistake in feeding of data to IT, the CD was entered as 94 HP instead of 65 HP and therefore all bills were issued at increased CD of 94 HP resulting over billing of fixed charges.
4. We had requested Sub-Dn. Sinnar-I vide our letter dt.13.10.2016 delivered on 17.10.2016, but no action was taken to correct the load and refund the excess fixed charges collected so far. Hence we had lodged our grievance with IGRC.The IGRC issued decision dt.09.02.2017 allowed grievance partly by changing billing demand from prospective effect. Accordingly the MSEDCL corrected Connected load/Contract demand from 94HP/70KVA to 65HP/48.49KVA in the bill of Jan-2017. The IGRC didn't allow relief for past period claimed i.e. from April-13 to Dec-16, hence this grievance application is being filed with CGRF, Nasik.
5. As per copy of Firm quotation No. 79966 dt.28.11.2011 with payment receipt dt.14.12.2011, we had paid the amount for 65 HP load. The estimate was sanctioned vide letter No. EE/NSKR/Tech/Estm./dt.18.11.2011 for 65 HP load and finally connection was released vide letter dt.04.01.2012 for 65 HP. Our test report dt.31.12.2011 was also for 65 HP, copies of all these documents are attached.
6. The bills were issued for sanctioned contract demand of 94 HP and accordingly fixed charges were billed in every month by MSEDCL till date. Due to this over demand considered by MSEDCL, we have been excess billed every month towards fixed charges.
7. The fixed charges or billing demand for LT consumer is calculated based upon the formula of tariff order. Our max. demand recorded in the past period never exceeded 20 KVA, hence correct billing demand for C.D. of 65 HP worked out as per section (b) of the formula will be as follows:

Contract demand in HP	Contract demand in KVA	Billing demand = 40% of Contract demand
94 HP	$94 \times 0.746 = 70 \text{ KVA}$	$70 \times 40\% = 28 \text{ KVA}$
65 HP	$65 \times 0.746 = 48.49 \text{ KVA}$	$48.49 \times 40\% = 19 \text{ KVA}$

From the above it is seen that billing demand considered by MSEDCL was 28 KVA instead of correct billing demand 19 KVA. Therefore all our previous monthly bills have been overcharged by 9 KVA.

8. **CALCULATION OF CLAIM AMOUNT:** The billing demand considered by MSEDCL is higher by 9 KVA, hence recovered excess fixed charges. We have worked out correct amount of fixed charges applicable as per the tariff from April-2013 till this date is per the statement attached.

Billing Period	Tariff for Fixed charge. Rs./KVA/Month	Correct amount of Fixed charge Rs./month.
Apr-2013 to May-2015 (26 month)	Rs.130/-	$19 \times 130 = \text{Rs.}2,470/-$
Jun-2015 to Oct.2016 (17 month)	Rs.150/-	$19 \times 150 = \text{Rs.}2,850/-$
Nov-2016 & Dec-2016 (2 month)	Rs.160/-	$19 \times 160 = \text{Rs.}3,040/-$

Based upon the above fixed charges as per the tariff, the excess amount recovered by MSEDCL is summarised as below.

Excess amount of fixed charges paid from April-13 to Dec16: Rs.56,250/-  
Interest applicable at 8% PA till March-2017 : Rs. 9,053/-  
Total claim amount calculated till Dec-2016: : **Rs.65,303/-**

**RELIEF SOUGHT :**

1. The MSEDCL already corrected contract demand from Jan-2017 onwards, we appeal to allow refund excess fixed charges collected from retrospective effect i.e. from April-2013 to Dec-2016.
2. To pay interest as per section 62(6) of Elect. Act-2003 at bank rate to be calculated till date of release of actual payment. The claim amount with int. is worked out as Rs.65,303/- which may be provided by way of credit adjustment in elect. bill.
3. Compensation for mental agony, man hrs for follow up, travelling exp. etc. Rs.10,000/- under section 8.2(c) of CGRF/Ombudsman regulations in force.

**Arguments from the Distribution Company.**

The Distribution Company submitted a letter dated 10/03/2017 from the Nodal Officer, MSEDCL, Urban Circle Office Nashik and other relevant correspondence in this case. The Distribution Company stated that:

- 1- es dsVh-, l -Vh- bft fuvl l ik-fy- , e-vk; -Mh-l h- fl Uuj] ukf'kd ; k xtgdkp; k rdkjhckcr [kkyhy iek.ks ifronu l knj dj.; kr ; rs dh] l nj xtgdkph rdkj ; k dk; ky; kl iklr >kyh
- 2- vrxr rdkj fuokj.k l ferh ukf'kd 'kgj eMy ; Fks >kyY; k l ukko.kh ud kj l nj xtgdkps ekgs tkuokjh 2017 ikl uP; k fotns dkr eatj Hkkj 65 , p-i h- o dgh, ykM 48-49 v'kh n#Lrh dj.; kr vkyh vl u l nj xtgdkph rdkj fudkyh dk.; kr vkyh vkgs

**Action by IGRC :**

1. Internal Grievance Redressal Cell Nashik Urban Circle conducted hearing on 10/01/2017 for the complaint submitted on 13/12/2016 .
2. After hearing both the parties IGRC gave decision as per letter dated 09/02/2017 as under:

^di uhP; k fu; ekuq kj rdkjnkj xtgdkps fot ns d Contract Demand & Recorded MD for the month ud kj n#Lr d#u ns ; kr ; kos \*\*

**Observations by the Forum:**

1. The sanction letter dated 18/11/2011 from the Executive Engineer, Nashik Rural Division , The Firm Quotation Dated 28/11/2011, Test Report dated 31/12/2011 in the Form D-1 and the Release permission dated 04/01/2012 from the Executive Engineer, Nashik Rural Division reveal that the complainant was sanctioned load of 65 HP . The supply is released on 01/01/2012 .
2. But the sanctioned load of 94 HP was recorded on the bill erroneously (instead of 65 HP) and the billing was done on the basis of 70 KVA (94X0.746) since date of supply. The Distribution Company has agreed with this mistake and corrected the sanctioned load to 65 HP with effect from January 2017 after the decision in the IGRC .
3. However , the Distribution Company has denied to make correction from the retrospective effect for the past period prior to January 2017 without assigning any reason. The complainant has demanded the refund of excess amount collected during April 2013 to December 2016. The demand is justified , as it is the mistake on the part of the Distribution Company.
4. The complainant first time notified the error by a letter dated 13/10/2016 (received on 17/10/2016) to the Dy. Executive Engineer, Sinnar for correction and refund . As there was no action , the complainant submitted the grievance to the IGRC, Nashik Urban Circle by an application dated 13/12/2016.
5. The cause of grievance has arisen in January 2012 and continued till January 2017. However the complainant submitted the grievance in this regard first time in October 2016 after about 4 years from the cause of grievance. It is also relevant to refer to the judgment dated 19th January, 2012 of the Bombay High Court in W.P. No. 9455 of 2011 in the matter of M/s. Hindustan Petroleum Corporation Limited V/s. MSEDCL .Hon'ble High Court after considering the relevant provisions of CGRF Regulations has held that cause of action of submitting grievance to the Forum arises when the IGRC does not redress the grievance. Hence, the cause of action starts after the decision of IGRC.

The Forum has therefore admitted the grievance , though the cause of action is more than 2 years old.

6. In view of this , the Forum directs the Distribution Company to correct the sanctioned load from April 2013 to December 2016 and refund excess amount recovered on account of wrong entry of sanctioned load.
7. The complainant is not justified in asking the interest right from April 2013 as the grievance was lodged only in October 2016 and the 2 years restriction should be made applicable. Hence, the Forum agrees that the interest should be paid only from the month of November 2014 (2 years preceding October 2016, i.e. the month in which the grievance was actually raised.)
8. The Compensation for mental agony, man hrs for follow up, travelling exp. etc can not be sanctioned as the same is not provided in the SOP regulations.

After considering the representation submitted by the consumer, comments and arguments by the Distribution Company, 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 excess amount collected from the complainant after correction of the sanctioned load to 65 HP (instead of 94 HP) and KVA to 48.49 (instead of 70 KVA) for the period April 2013 to December 2016.
2. The interest at the bank rate under Section 62 (6) of the Electricity Act, 2003 should be paid on the amounts of refund after November 2014 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 one month and the concerned Nodal Officer shall furnish intimation of such compliance to the Forum .
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 .

