

**CONSUMER GRIEVANCE REDRESSAL FORUM  
AMRAVATI ZONE, AMRAVATI**

‘Vidyut Bhavan’, Shivaji Nagar, Amravati: 444603, Tel. No. 0721 2551158

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**Dt. 29.06.18**

**ORDER**

**Case No. 20/2018**

In the matter of grievance pertaining to refund of service connection charges, infrastructure cost etc.

**Quorum**

Dr. Vishram Nilkanth Bapat  
Miss.M.H.Ade, Member Secretary  
Sau. Sushama Joshi, Member (CPO)

**Complainant**

M/s Vaishnau Feeds Amravati  
Consumer No.**364339004790**

**Versus**

**Respondent**

The Superintending Engineer,  
MSEDCL, O&M Circle, Amravati.

**Appearances:-**

**Complainant Representative:-** Shri. Ashish Subhash Chandarana

**Respondent Representative:-** Shri Saurabh A.Mali, EE (Adm), MSEDCL,  
Amravati.

Being aggrieved by IGRC, Amravati's Order Dt. 25.04.18, applicant approached to CGRF, Amravati for redressal of his complaint on Dt 02.05.18 and filed his complaint as Case No 20/2018.

**The complainant submits his grievance as under:**

1)HT connection to the complainant was released on date 04.04.2008 and the cost of infrastructure to avail this connection was borne by himself. The estimate for the said infrastructure was prepared under 15% ORC Scheme.

2)Complainant has contended that he is burdened with unlawful recovery which is in violation of MERC approved Schedule of charges vide case no 70 of 2005 and Commercial Circular 43 dated 27.09.2006. While providing HT connection as per the sanctioned estimate of Rs 2,13,380/- the N.A has escaped the overheads which include transportation- 5%, VAT- 5%, Contingencies- 3% and Plant and tools- 1.5% and thus the final amount sums up to Rs 2,44,320/-.

On date 10.11.2016, the Hon'ble Supreme Court has dismissed the appeal of MSEDCL seeking permission for recovery of cost of infrastructure and thus MERC order dated 08.09.2006 continues to remain in force. Post the Supreme Court's decision read with MERC order dated 01.09.2010 in case 93 of 2008, it was duty of MSEDCL to refund the cost of infrastructure.

3)The Non applicant i.e MSEDCL has recovered the following charges in violation of approved schedule of charges from the applicant while sanctioning and releasing of HT connection to M/s Vaishnav Feeds, Amravati.

The details of the charges recovered are as below:

<b>Sr no</b>	<b>Detail Description</b>	<b>Amount</b>	<b>Date of payment/Interest applicability</b>
<b>1</b>	<b>Excess service connection charges</b>	<b>1,72,725/-</b>	<b>04.08.2017</b>
<b>2</b>	<b>ORC amount as supervision charges @15% on labour component of estimate</b>	<b>750/-</b>	<b>07.08.2017</b>
<b>3</b>	<b>Infrastructure cost</b>	<b>2,44,320/-</b>	
<b>4</b>	<b>CT replacement expenses for load enhancement</b>	<b>85,116/-</b>	

4. The consumer is entitled for refund of amount Rs 5,02,911/- along with interest.

MERC in case no 82 of 2006 order dated 17.05.2007 ordered the refund of amount collected in violation of schedule of charges upto 30.04.2007 and also for not collecting any amount in violation of schedule of charges which are not defined under supply code 2005 or approved by MERC. MSEDCL still continued to do so even after the order of MERC till 20.05.2008 i.e till the release of circular for Non DDF & CCRF circular dated 20.05.2008.

5. Subsequently while hearing MSEDCL's petition challenging MERC order in case 70 of 2005 dated 08.09.2006 and APTEL's order thereof rejecting MSEDCL's appeal, Hon'ble Supreme court granted stay on refund till 30.08.2007. The said appeal is decided by Hon'ble Supreme Court on date 10.11.2016 rejecting MSEDCL appeal and so also stay order dated 31.08.2007 is squashed and the applicant is hence entitled for refund of Rs 5,02,911/- along with interest till date.

6. Further MERC in case 93 of 2008 order dated 01.09.2010 also ordered to refund all charges recovered in violation of schedule of charges from consumer except the charges for which Hon'ble Supreme Court has granted stay as such MSEDCL has submitted before MERC that Supreme court has granted stay to refund of charges collected in violation of schedule of charges.

Now the Supreme Court has dismissed the appeal filed by MSEDCL on date 10.11.2016 and therefore it was duty of MSEDCL to comply with MERC order in case no 82 of 2006 order dated 17.05.2006 and MERC order in case 93 of 2008 dated 01.10.2010.

MSEDCL have released circulars to this effect giving directions to refund these charges but since no effective steps were taken in this regard or representing in IGRC resulting in present representation to CGRF.

#### **Prayer of the complainant :**

- 1) Direct MSEDCL to refund Rs 5,02,911/- along with interest as per APTEL's order @ PLR of SBI from the date of connection till the date of refund.
- 2) Direct MSEDCL to collect the interest for delayed period from responsible officer of MSEDCL as per Hon'ble Supreme Court's order in matter of Lucknow Development Vs M.K.Gupta.
- 3) Any other relief which Hon'ble CGRF may deem fit considering facts and circumstances of the case.

#### **Reply of the NA MSEDCL filed before the Forum:**

- 1) HT consumer M/s Vaishnav Feeds (Formerly known as Poshak Agri vets) consumer no 364339004790 has paid the Rs 1,75,000/- as Service connection charges vide M.R no 3687953 dt 04.08.2007 and the non applicant MSEDCL has agreed to refund excess charges Rs 1,72,725/- recovered towards service connection charges along with applicable interest rate mentioned in Circular no

C.E/Dist/D-IV/MERC/05039 dt 07.03.2018 and the same is already informed to the consumer vide letter no SE/O&M/Amt/HT/7250 dt 24.04.2018.

The Non Applicant MSEDCL has also claimed to refund cost Rs 85,116/- (including 10% labour , 5% Transportation , 3% contingencies, 1.5 % Plant and Tools etc) spent towards CT replacement while carrying out enhancement of load.

Complainant has claimed Rs 2,44,320/- (including 5% transportation , 5% Contingencies, 1.5% plant and tools etc) spent as per sanctioned estimate SE / O&M / Amt / Tech / Estt / HT / 5575 dt 27.07.2017. As per circular C.E / Dist / D-IV / MERC / 25079 dt 12.10.2017 instructions are issued for refund of SLC , ORC charges recovered from consumer and above charges are not recovered by MSEDCL.

Complainant has carried out infrastructure work under 15% ORC scheme. In this scheme the consumer has to carry out the work at his own cost through Licensed Electrical Contractor and pay 15% Supervision charges to MSEDCL i.e N.A. and hence cannot be refunded.

The Forum heard both the parties and considering the records placed before it, the Forum is of the view that:

1. It is admitted position by both the parties that the NA MSEDCL released the supply to the complainant on 04-04-2008 and expenses for infrastructure were borne by the complainant under ORC 15% Supervision scheme.
2. N.A. MSEDCL agrees on refund of Service Connection Charges of Rs. 175000 after deducting 1.3% supervision charges of Rs.2275/-. However the rate of interest of 6 % is agreed by the N.A.. Forum feels that the rate of interest on the refund of SCC has to be in the light of the case laws in this regard namely APTEL order in Appeal No.47 of 2011 i.e. PLR of SBI.
3. N.A. MSEDCL agrees for the refund of CT replacement expenses of Rs.85116/- done by the applicant during the enhancement of the load of the said connection.
4. With regard to the prayer of the complainant for refund of infrastructure cost Rs. 244320/- along with interest at PLR of SBI appears justified with reference to the case laws in case MERC Order in case No.70 of 2005 and APTEL order in appeal no.47 of 2011. In the light of these case laws, the claim of N.A. MSEDCL is not justified that as the charges are not recovered by MSEDCL from the complainant consumer, same are not refundable to him.
5. The supervision charges of 15% on labor component i.e. Rs.750/- paid by the applicant to N.A. are not liable to be refunded.

6. The Forum is of the view that the loss whatsoever incurred by N.A. MSEDCL on account of interest for delayed period is strictly the internal matter of MSEDCL. Hence this forum can not direct as to what is to be done in this behalf.

With above observations, the Forum passes the unanimous order as follows.

### **ORDER**

1. The complaint is partly allowed.
2. N.A. MSEDCL is directed to refund the cost of infrastructure Rs.5,02,161/- which is composed of excess service connection charges Rs.1,72,725/-, Infrastructure cost Rs. 2,44,320/- and CT Replacement expenses of Rs.85,116/- along with interest at PLR of SBI from the date of connection i.e. 04-04-2008 till the date of actual refund.
3. N.A. MSEDCL is directed to file the compliance report of this order to this Forum within 60 days of issue of this order.

Sd/-  
M.H.Ade)  
Member Secretary

Sd/-  
(Smt. S.P.Joshi)  
Member (CPO)

Sd/-  
(Dr.V.N.Bapat)  
Chairman

Contact details of Electricity Ombudsman appointed under regulation 10 of MERC(CGRF & EO) REGULATIONS 2006:

THE ELECTRICITY OMBUDSMAN,  
Office of Electricity Ombudsman (Nagpur)  
Plot No.12, Shrikripa, Vijay Nagar, Chhaoni,  
Nagpur-440013.  
Phone:-0712-25966

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AMRAVATI ZONE, AMRAVATI**

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NO. EE / CGRF/AMZ/ Amravati/ No./ 78

Dt. 29.06.2018

To,  
The Nodal Officer,  
The Superintending Engineer  
MSEDCL, O&M Circle, Amravati.

The order passed on in the Complaint No. 20/2018 is enclosed herewith for further compliance and necessary action.

Secretary  
Consumer Grievance Redressal Forum,  
MSEDCL, Amravati Zone, Amravati.

Copy to:-  
M/s Vaishnav Feeds  
C-22, Additional MIDC,  
Nandgaon Peth, Amravati

Copy f.w.c.to:-  
The Chief Engineer, MSEDCL, Amravati Zone, Amravati.