

# BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

(Appointed by the Maharashtra Electricity Regulatory Commission  
under Section 42(6) of the Electricity Act, 2003)

## REPRESENTATION NO. 14 OF 2022

In the matter of defective meter and refund thereof

Samsun Engineers ..... Appellant

V/s.

Maharashtra State Electricity Distribution Co. Ltd., Nashik Rural ..... Respondent  
(MSEDCL)

Appearances:

Appellant : 1. T.N. Agrawal, Representative  
2. Satish Shah, Representative

Respondent : 1. R.D. Dongare, Executive Engineer  
2. S.W.Pawar, Dy. Ex. Engineer, Sinnar I Subdivision


**Coram: Vandana Krishna (Retd. IAS)**

Date of hearing: 9<sup>th</sup> May 2022

Date of Order : 10<sup>th</sup> June 2022

## ORDER

This Representation was filed on 18<sup>th</sup> February 2022 under Regulation 19.22 (d) of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020).

  
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## Preamble

The Appellant had initially filed his grievance with the Internal Complaint Redressal Cell (ICRC) on 20.08.2021, however, there was no response, and therefore the Appellant approached Consumer Grievance Redressal Forum, Nashik (the Forum) on 17.11.2021. However, the Forum not being operational due to vacancy of Chairperson and Independent Member, the grievance could not be heard for more than 60 days. Hence, the Appellant, filed this Representation under Regulation 19.22 (d) of CGRF & EO Regulations 2020.

2. The Appellant stated in its Representation in brief as under: -

### A. Prelude:

- i. The Appellant is a LT consumer (No. 076048011329) from 05.10.2009 with Contract Demand (CD) of 15.66 KVA and Sanctioned Load (SL) of 21 KW at Plot No. B78, MIDC Malegaon, Sinnar, Nashik. The Appellant conducts business of manufacturing of engineering components of CNC machines, having steady consumption of power in terms of KWH and KVA demand.
- ii. When the Appellant compared its power consumption with similar factories, it was observed that its power consumption was on the higher side. Hence, the Appellant decided to get the energy meter tested in MSEDCL laboratory. Accordingly, the Appellant requested the Respondent on 29.01.2021 for testing of the meter. On payment of testing charges of Rs.1038/- on 11.02.2021, the LT meter bearing Sr. No. MSE38070 (Secure make, 50/5A Capacity) was tested by MSEDCL at Panchak, Nashik Road Laboratory on 26.02.2021 and it was found that the meter was fast by 68.35%.
- iii. Accordingly, the Appellant submitted their claim letter to MSEDCL, Sinnar-I subdivision on 01.03.2021 for refund of the excess amount collected of Rs.7,74,583/- (now reworked to Rs.7,77,048/-) but so far, the Respondent has neither replied to their claim nor refunded the excess amount collected due to faulty meter which was fast by 68.35%.



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- iv. The Appellant filed grievance application online on the Respondent's Web portal with the Internal Complaint Redressal System (ICRS) on 16.08.2021 and by letter on 20.08.2021, but the ICRS failed to give any decision for more than 2 months' period.
- v. Thereafter, the Appellant approached the Forum on 17.11.2021, however, the Forum also failed to give a decision within 60 days' period. Hence this grievance application is filed before the Electricity Ombudsman (Mumbai) for redressal of its grievance.


**B. Cause of Grievance:**

- i. As per the narration of the issue at Prelude, the Energy Meter (Sr. No. MSE38070) provided by the MSEDCL was defective and the meter was showing excess consumption by 68.35%.
- ii. Claim for refund of Excess Energy charges billed due to meter being fast by 68.35%, and Claim for Excess Fixed/Demand Charges:

The Meter (Sr. No. MSE38070) was in service from 05.10.2009 to 21.03.2021. The Meter recorded higher consumption by 68.35% than the actual consumption for the period from 05.10.2009 to 21.03.2021. However, considering the time limitation under the civil law, the Appellant has limited the claim to less than 3 years' period.

The CD was limited to 15.66 KVA but due to faulty meter, the demand was recorded as 68.35% higher than the actual demand. The meter recorded enhanced demand =  $15.66 \text{ KVA} \times 1.6835 = 26.36 \text{ KVA}$ . Under such situation when the Appellant used demand up to sanctioned value of 15.66 KVA, the actual recorded demand was higher by 68.35%, hence the Respondent applied higher tariff rate for slab more than 20 KW load, and also imposed penalty for exceeding contract demand, extra fixed charges paid.

Claim for Excess Energy charged by 68.35% and Claim for Excess Fixed/Demand Charges due to Fast meter is tabulated as below:

  
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Sr. No.	Description	Cons.(Units) /Rs.
1	Total consumption from Sep-18 to Jan-21	1,21,194
2	excess consumption ( 121194 x 68.35%)	82,836
3	Total Energy charges in Rs. due to meter fast by 68.35%	Rs. 683225/-
4	Excess demand charges recovered	Rs. 29479/-
5	Demand penalty charges billed	Rs. 30199/-
6	Total Demand Charges levied due to meter fast by 68.35%	Rs. 59678/-

iii. The Appellant had planned expansion of the factory and accordingly applied in the month of Sept-2020 to revise SL to 80 HP and CD to 55 KVA vide online application ID 27795327 dated 28.09.2020. Thereafter the load was increased gradually to 53.27 KW till Jan-2021. The load growth pattern is also kept on record. As per the load release letter dated 23.12.2020, the additional load should have been made effective from 1<sup>st</sup> Jan-2021, however the Respondent billed increased CD effective from Feb-2021 onwards and therefore demand penalty was also charged in the month of Jan-2021.

**C. Claim for excess 4013 units billed:**

i. The Appellant has cross checked total number of units billed from March-19 to Jan-21 from meter readings available in the energy bill, and noticed that the Respondent billed excess units by 4013 kWh during this period due to fast metering; details for excess charging are as under.

a. Opening meter reading of March-2019 (28.02.2019) = 80764 kWh

b. Closing meter reading of Jan-2021 (01.02.2021) = 180534 kWh

Difference of the above: = 99,770 kWh

Actual units billed: (-) = 1,03,783 kWh

Excess billed: = 4,013 kWh

Excess amount billed calculated at average unit rate Rs.8.25= Rs.33,107/-

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### Claim for Meter Testing fee:


- i. The Appellant paid testing charges of Rs.1038/- for testing of MSEDCL's meter. As the meter was found faulty, the Respondent should refund the testing charges of Rs.1,038/- to the Appellant.

By considering the above issues, the total Claim on MSEDCL is as below:

Sr. No.	Total Claim	Amount (Rs.)
1	Total Energy charges due to meter being fast by 68.35%	683225
2	Total Demand Charges levied due to meter being fast by 68.35%	59678
3	Excess 4013 Units billed at average unit rate Rs.8.25	33107
4	Claim for Meter Testing Fee	1038
5	Total	777048

### D. Legal provisions:

- i. The power supply was connected on 05.10.2009, and the meter appeared to be defective from the date of installation. However, the Appellant has restricted its claim of refund for the period of limitation of 3 years applicable under the law of limitation.
- ii. The Respondent recovered excess charges due to fast metering by 68.35%, hence extra amount paid on account of Fixed charges, Energy charges, demand penalty and overbilling on account of difference in meter reading; totaling Rs.7,77,048/- is due for refund. The Appellant appealed to arrange payment of the full amount by RTGS or by cheque instead of credit adjustment in energy bill, as the billing amount is less than Rs.1.0 lakh/month.

  
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- iii. The Appellant also requested to pay back the excess amount collected along with accrued interest as per Section 62 (6) of Electricity Act, 2003 (the Act).
- iv. As per MSEDCL's Commercial Circular No. 39 dated 21.07.2006, it is directed to the Field Officers that if a meter is found defective/abnormal/slow, it should be replaced immediately. After notice of meter being fast by 68.35% as per the test report of MSEDCL laboratory dated 26.02.2021, the meter was replaced with a new meter on 20.03.2021 i.e. after 22 days of notice of fault. Further, the new meter details/Sr. No. has not been reflected in the billing system till May-2021 and in bills from March-2021 to May-2021 issued with zero reading. When meter readings were available after replacing the meter on 20.03.2021, why could the Respondent not issue the bill for 3 months with proper reading, instead of mentioning zero consumption. This is only because of lethargy of the concerned staff/officer of the Respondent.
- v. The energy meter belongs to the electricity distribution company and the responsibility of maintaining it lies solely with the electricity distribution company. In fact, as per Section 18(2) of the Central Electricity Authority (CEA) Regulations 2006, electricity distribution companies should test the meter once every five years and the cost of the same is to be borne by the company. The Respondent never tested the meter at site since the date of installation i.e. year 2009.

**E. Prayer:**

The Appellant prays that the Respondent be directed

1. to refund Rs.7,77,048/- for the period from Sept-2018 to Jan-2021 towards excess amount collected by the Respondent due to fast recording of energy by 68.35%.
2. to refund the meter testing charges of Rs.1038/- as the meter was found faulty during testing.

  
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3. to pay interest as per Section 62(6) of the Act at bank rate on the excess amount collected.
4. to compensate by Rs.10,000/- for mental agony, man hours lost for follow up, travelling expenditure etc.

3. The Respondent filed its reply by letter dated 25.04.2022 stating in brief as under:

- (i) The Appellant is an Industrial Consumer (No. 076048011329) from 05.10.2009 with Sanctioned Load of 21 HP at Plot No. B 78, MIDC Malegaon, Sinnar, Nashik. The activity of the Appellant is manufacturing of engineering components.
- (ii) The Appellant was billed as per actual meter reading till September 2020 and there was no dispute till that point.
- (iii) The Appellant applied for additional load from 21 HP to 81 HP on 28.09.2020 vide online application No.27795327. The Appellant paid Rs. 53947/- on 03.11.2020 towards extension of load almost after 2 months as per demand notice generated in the system.
- (iv) The Extension of load was sanctioned from 21 HP to 81 HP as per letter No. 5476 dated 23.12.2020. The Appellant had to complete its wiring and submit the required Statutory Test Report for healthiness of the wiring for releasing the additional load.
- (v) However, the Appellant itself extended its load in the month of Nov.2020 instead of waiting for the load release, which resulted in overloading of the meter. The meter lost its accuracy due to failure of inner part of the meter, which resulted in the meter running fast due to overloading and / or a possible short circuit in the meter. This was due to unauthorized extension of load by the Appellant even before the load extension Process completion. As per observations from Recorded MR-9 Sheet from Management Data Analysis System for Nov. 2020, the CD was registered to 86.980 KVA. The meter was not of a capacity to cater to such a high bill.


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- (vi) The meter had no issue or problem for the period from October 2009 to September 2020. The meter problem developed only due to unauthorized extension of load. Hence, the claim for refund towards excess billing from September 2018 onwards is not maintainable. At the most, it is applicable from November 2020 when the meter got overloaded.
- (vii) Regarding the claim for Excess billing of 4013 units: -  
The Respondent was not able to take the reading during lockdown period due to Covid-19 pandemic from March 2020 to May 2020. Therefore, average billing was done for this period. A credit of Rs. 30,112.76 for 4013 units was given to the Appellant in the bill of June 2020.
- (viii) The Respondent is in the process of refund of testing charges of Rs.1038/- which will be done in the next billing cycle.
- (ix) Limitations:  
a) After the Appellant`s request application dated 01.03.2021 for correction of energy bill, this office approved the bill revision from November 2020 to January 2021 for Rs. 1,01,976.97 from the date of sanctioned load. The meter was replaced by a new Meter No.09818659 in the month of March 2021.  
b) The meter was running accurately from the date of installation on 05.10.2009 upto November 2020. It is only because of the Sudden Load Extension from Nov. 2020 onwards, that the meter became faulty being subjected to a load more than its Capacity. Hence it is requested that the Representation of the Appellant be rejected.

4. E-hearing was held on 09.05.2022 through video conference. The Appellant argued in line with its written submissions. The Appellant argued that the Appellant applied for extension of load from 21 HP to 80 HP and CD of 55 KVA on 28.09.2020. The demand notice towards sanctioned load was received, and the Appellant paid the statutory charges on 03.11.2020. Respondent sanctioned extension of load. Thereafter the load was increased gradually to 53.27 KW till Jan-2021. As per the load release letter dated 23.12.2020, the


  
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additional load should have been made effective from 1<sup>st</sup> Jan-2021, however the Respondent billed increased CD from Feb-2021, onwards and therefore demand penalty was also charged in the month of Jan-2021. It was observed that power consumption was on the higher side. Hence, the Appellant requested the Respondent for testing of the meter on 29.01.2021, and the meter was tested on 26.02.2021. It was found that the meter was fast by 68.35%. The Respondent has recovered excess amount by billing with fast meter. Hence extra amount paid on account of Fixed charges, Energy charges, demand penalty and overbilling totaling Rs.7,77,048/- is due for refund. The meter belongs to the electricity distribution company and the responsibility of maintaining it lies with the electricity distribution company. In fact, as per Section 18(2) of the Central Electricity Authority (CEA) Regulations 2006, electricity distribution companies should test the meter once every five years and the cost of the same is to be borne by the company. The Respondent never tested the meter at site since the date of installation i.e. year 2009. In view of the above, the Appellant prays that the Respondent be directed to refund Rs.7,77,048/- for the period from Sept-2018 to Jan-2021 towards excess amount collected by the Respondent due to fast recording of energy by 68.35% and to refund the meter testing charges of Rs.1038/- as meter was found faulty during testing.

5. The Respondent argued in line with its written reply. The Respondent stated that the Appellant applied for additional load from 21 HP to 81 HP on 28.09.2020. The Respondent argued that the Appellant suo-moto extended its load in the month of Nov.2020, which resulted in overloading of existing meter. The meter lost its accuracy, which resulted meter to start running fast due to overloading and / or short circuit in the meter. As per observation from Recorded MR-9 Sheet from Management Data Analysis System for Nov. 2020, the CD was registered to 86.980 KVA. The meter had no issue for the period from October 2009 to September 2020. The meter problem developed only thereafter due to unauthorized extension of load. Hence, the claim for refund towards excess billing from September 2018 onwards is not maintainable.

  
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6. The Respondent has already revised the bill for three months from December 2020 to February 2021 considering the meter as defective. Thereafter, a new meter was installed. So, nothing remains for revision of bill. Hence, the Respondent prays that the Representation of the Appellant be rejected.

7. The Appellant submitted some additional information on 09.05.2022 as follows. The Test Report of New Machine installation was submitted to the Respondent on 18.12.2020. The load release letter was issued by the Respondent on 23.12.2020. Credit of Rs.1,01,977/- by way of B80 was not received/reflected in any of our electricity bills from Jan-2021 onwards after release of increased load. This needs to be verified by Hon'ble Electricity Ombudsman as claimed by the Respondent. Their contract demand never exceeded 86.980 KVA as claimed by the Respondent. All the bills have been kept on record. Maximum demand reached before release of additional load was 31 & 33 KVA in the month of Dec-2020 & Jan-2021 respectively. The meter with Current Transformer Ratio 50/5 A was good enough to take load upto 36 KVA, and also 20% overloading is permitted without failure of CTs'.

8. Post hearing, it was directed to the Respondent to test the meter in NABL laboratory Nashik along with current transformers in the presence of the Appellant. The Respondent verbally informed that the meter was tested and found in order, however, there is no facility for testing the current transformers at the NABL laboratory.

9. The Appellant vide its letter dated 07.06.2022 informed that the Appellant intends to withdraw the instant Representation No.14 of 2022 by stating as under:

*“During the video conference hearing held, the representative of MSEDCL Nashik agreed to compensate for excessive billing due to fast meter for the period of 3 months, we therefore agree to settle the grievance amicably with MSEDCL by accepting their proposal.*

*In view of the above, we withdraw our grievance application dt.04.02.2022 (E0 Rep. No. 14 of 2022) filed with Electricity Ombudsman, Mumbai and request to close the issue from our end.”*

(Dilip Dumbre)  
Secretary


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### **Analysis and Ruling**

10. Heard the parties and perused the documents on record. However, after hearing, the Appellant vide its letter dated 07.06.2022 stated that the Appellant wishes to withdraw the instant Representation and requested to close the issue. Since the Appellant is withdrawing the instant Representation, no grievance survives further.
11. In view of the above, the Representation is taken to be withdrawn without any directions and disposed of accordingly.

Sd/-  
(Vandana Krishna)  
Electricity Ombudsman (Mumbai)

  
(Dilip Dumbre)  
Secretary  
Electricity Ombudsman Mumbai

