

## BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

### REPRESENTATION NO. 64 OF 2023

In the matter of exorbitant billing

Mehul Amarchand Shah.....Appellant  
(Cons. No. 001943850468 Occupier: Ajit Lakhotia)

V/s.

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

#### Appearances:

Appellant : Ajit Lakhotia, Tenant/Occupier

Respondent : 1. Pravin Sute, Executive Engineer, Vasai Dn.  
2. Girish Bhagat, Addl. Ex. Engineer, Vasai (E) Sub-Dn.  
3. Sunil Mane, Dy. Manager, Vasai  
4. Ashish Varma, Asst. Accountant, Vasai (E) Sub-Dn.

**Coram: Vandana Krishna [I.A.S. (Retd.)]**

Date of hearing: 5<sup>th</sup> October 2023

Date of Order: 3<sup>rd</sup> November 2023

### ORDER

This Representation was filed on 27<sup>th</sup> June 2023 under Regulation 19.1 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020) against the Order



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dated 19<sup>th</sup> June 2023 in Case No. 098 of 2022 passed by the Consumer Grievance Redressal Forum, MSEDCL Vasai (the Forum). The Forum disposed of the grievance with the following observations: -

- “a) Applicant is consumer of Respondent with consumer number 001943850468 since 15.05.2017 with sanctioned load of 20 HP.*
- b) Applicant has raised grievance regarding exorbitant bill in the month of October 2022.*
- c) As per inspection report by flying squad dated 19.07.2022, there was a Meter with serial number 60290358 at the consumers location and meter reading was 82320. Applicant has raised issue that meter serial number at site and meter serial number in system are different. Respondent had clarified that meter serial number entered in system was wrong. Meter with serial number 60290358 was correct and same meter was tested.*
- d) Respondent had tested meter with Serial Number 60290358, Make S-Kaifa on 02.11.2022 and meter is found OK.*
- e) During the hearing forum has asked to submit meter to meter manufacturer for testing. Respondent had send meter to NABL lab IDME, Mumbai for testing as meter manufacturing company is not available now. As per IDME, Mumbai test report dated 07.06.2023 meter is found OK.*
- f) Respondent has billed consumer as per meter reading. As per regulation 4.4.1 of MERC (SOP) 2021, “The Distribution Licensee is authorized to recover charges for electricity supplied in accordance with such tariff as may be fixed from time to time by the Commission.”*


2. Aggrieved by the above-mentioned order of the Forum, the Appellant filed this Representation. A physical hearing was held on 5<sup>th</sup> October 2023. Parties were heard at length. The submissions and arguments of the Appellant are as below: -

  
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- (i) The Appellant is an industrial consumer (No. 001943850468) from 15.05.2017 at Gala No.2, S. No. 197, B/H Green Hill Resort, Vasai with Sanctioned load of 20 HP. The Appellant manufactures nails of various sizes.
- (ii) The Appellant was paying his monthly bills regularly till April 2022. After that, he started receiving 0 (Zero) consumption bills for the period from May 2022 to September 2022 for which he made a complaint verbally to the Respondent.
- (iii) The Appellant was shocked when he received an exorbitant bill of Rs.3,44,280/- for 41,872 (80,108-38,236) units in the month of Oct. 2022. The Appellant therefore approached the Additional Executive Engineer Vasai (East) Sub-Division for testing of the said meter on 17.10.2022. He was told that the meter had recorded high consumption due to high voltage fluctuation.
- (iv) The Respondent replaced the existing meter (Sr. No. 60290358) by a new meter (Sr. No. 09193345) of Aven Make in the month of November 2022. There is hardly any difference in consumption after the change of meter. From the consumption pattern, it can be inferred that the meter reading jumped due to high surge of voltage fluctuation or some other unknown reason.
- (v) The Meter onsite has Sr. No.60290358. However, the meter number printed on the monthly bill was No. 60290360. This created a serious confusion while testing the meter.
- (vi) Nature of Relief Sought: The Respondent be directed.
  - a) to withdraw the exorbitant bill of Oct. 2022, of Rs. 3,44,280/- for 41,872 units and to issue a revised assessed bill to the Appellant for the period of May 2022 to Oct. 2022 as per average consumption recorded /highest bill recorded during the month for the last one year.
  - b) not to disconnect the power supply of the Appellant till the issue is resolved.

3. The Respondent filed its reply by email dated 22.08.2023. Its submissions and arguments are as below:

  
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- (i) The Appellant is an Industrial consumer from 15.05.2017. The details are captured in Para 2 (i).
- (ii) The Flying Squad of the Respondent inspected the premises of the Appellant on 19.07.2022. During the inspection, it was observed that.
- “(1) Cumulative reading on meter is 77471 kWh whereas reading on bill of July 2022 month is 38236 kWh.*
- (2) Hence accumulation of units found.*
- (3) Meter serial No. 60290360 is found on bill whereas on site, the meter serial No. is found as 60290358.”*
- (iii) As per observation of the Flying Squad, the Respondent directed the meter reading agency to take the actual readings in the month of October 2022. The agency took the reading of the said meter as 80,108 kWh on 05.10.2022, and the bill was prepared accordingly for the month of Oct. 2022 based on the actual consumption of 41872 (80,108-38,236) units amounting to Rs. 3,44,280/-. This is the accumulated consumption due to a mistake of the meter reading agency.
- (iv) The old meter (No. 60290358) of Shenzen Kaifa make having capacity of 3 phase 10-40 A was changed in the month of November 2022, with a final reading as 80334 kWh for the purpose of meter testing.
- (v) The meter was tested in the Respondent’s Testing laboratory on 02.11.2022 and the meter was found in order. As per directions of the Forum for testing the meter in a NABL laboratory (National Accreditation Board for Testing and Calibration Laboratories), the meter (Sr. No. 60290358) was sent for testing in the Institute of Design Electrical Measuring Instruments, (IDEMI) Mumbai. The meter was again found in order as per the test report dated 06.06.2023.
- (vi) Thus, it was established that the Appellant was under billed for previous months; hence the accumulated consumption of 41872 units billed in the month of Oct 2022 was correct.

  
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- (vii) MSEDCL has billed the Appellant in Oct 2022 as per actual meter reading. As per regulation 4.4.1 of MERC (SOP) 2021.


*“The Distribution Licensee is authorized to recover charges for electricity supplied in accordance with such tariff as may be fixed \_from time to time by the Commission.”*

- (viii) The Appellant raised the issue that the meter serial number at site and in the system are different. The Respondent clarified that the meter serial number entered in the system was wrong, and the actual meter, which was on site had the serial number 60290358, and the same meter was tested.
- (ix) It is, therefore requested that the Representation of the Appellant be dismissed.

### **Analysis and Ruling**

4. Heard the parties and perused the documents on record. The Appellant is an industrial consumer (No. 001943850468) from 15.05.2017, having sanctioned load of 20 HP at Gala No.2, S. No. 197, B/H Green Hill Resort, Vasai. The Appellant is engaged in manufacturing of nails.

5. As per the Inspection Report of Flying Squad dated 19.07.2022, the Meter having Sr. No. 60290358 was physically installed on the premises of the Appellant. However, the meter on record of the Billing System was wrongly Sr. No. 60290360. The Forum has already cleared this issue that the correct and actually installed meter (Sr. No. 60290358) was tested in the Testing Laboratory. Hence, this mistake on the part of the Respondent or its meter reading agency does not affect the main contents or the quality of the order.

  
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6. (a) The Appellant has raised a grievance regarding the exorbitant bill in the month of October 2022. It is necessary to study the consumption pattern of the Appellant's Industry as per CPL from the date of connection. The consumption pattern is summarized below:

**Table 1**

Year	2017-18			2018-19			2019-20		
Month	Previous Reading (KWH)	Current Reading (KWH)	Cons. (Units)	Previous Reading (KWH)	Current Reading (KWH)	Cons. (Units)	Previous Reading (KWH)	Current Reading (KWH)	Cons. (Units)
Apr				2738	4206	1468	15376	16416	1040
May				4206	4914	708	16416	17487	1071
Jun	1	1	0	4914	5897	983	17487	17487	0
Jul	1	13	12	5897	6823	926	17487	19624	2137
Aug	13	205	192	6823	7305	482	19624	19624	0
Sep	205	852	647	7305	8354	1049	19624	20662	1038
Oct	852	852	0	8354	9231	877	20662	21260	598
Nov	852	852	0	9231	10140	909	21260	22187	927
Dec	852	852	0	10140	11438	1298	22187	23512	1325
Jan	852	1715	863	11438	12801	1363	23512	24521	1009
Feb	1715	2738	1023	12801	13832	1031	24521	25428	907
Mar	2738	2738	1000	13832	15376	1544	25428	26426	998
	Total Cons.		3737	Total Cons.		12638	Total Cons.		11050
	Avg/month		311	Avg/month		1053	Avg/month		921
	2020-21			2021-22			2022-23		
Apr	26426	26426	399	32318	33003	685	37756	38236	480
May	26426	26426	97	33003	33003	0	38236	38236	0
Jun	26426	26426	0	33003	33405	402	38236	38236	0
Jul	26426	27225	799	33405	33935	530	38236	38236	0
Aug	27225	27225	901	33935	34496	561	38236	38236	0
Sep	27225	28007	782	34496	34895	399	38236	38236	0
Oct	28007	28635	628	34895	35411	516	<b>38236</b>	<b>80108</b>	<b>41872</b>
Nov	28635	29371	736	35411	35803	392	0	645	881
Dec	29371	30024	653	35803	36294	491	645	1480	835
Jan	30024	30865	841	36294	36778	484	1480	2390	910
Feb	30865	31472	607	36778	37358	580	2390	3173	783
Mar	31472	32318	846	37358	37756	398	3173	4021	848
	Total Cons.		7289	Total Cons.		5438	Total Cons.		46609
	Avg/month		607	Avg/month		453	Avg/month		3884



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(b) The monthly consumption has ranged from about 600 to 1100 units per month in this period. It is observed from CPL of 2022-23 that the meter reading 'froze' at '38236' from April to September 2022. The Appellant was billed for Rs. 3,44,280/- based on the actual consumption of 41872 (80,108-38,236) units in Oct. 2022. The Appellant has raised a grievance of this exorbitant bill and requested to withdraw the same and bill with average consumption and/ or monthly highest consumption of last year.

(c) It is not clear from the Respondent's bill of Rs.3.44 lakhs, as to which period this pertains to. The consumption of 41872 units is arrived at by the difference between the reading 80,108 (of Oct 2022) and 38,236 (of April 2022). A simple reading indicates that this is the accumulated bill of 6 months, which comes to an average of 6,978 units per month, which no doubt is excessive. Therefore, we reject this methodology and calculation. However, if we examine the long-term consumption pattern for a more accurate assessment, we need to compare the meter readings of April 2020 and October 2022 to arrive at a more realistic average consumption figure. We arrive at average monthly consumption as follows.


(d) Reading of Oct 2022 (80108) minus reading of April 2020 (26426)  $80108 - 26426 = 53682 / 31 \text{ months} = 1731 \text{ units per month}$ . This average should be considered for calculating assessment of 24 months.

7. The following issues are framed for consideration of this case.

**Issue 1:** Whether the meter (Sr. No. 60290358, Make S-Kaifa) reading jumped in October 2022 as claimed by the Appellant?

The Flying Squad of the Respondent inspected the premises of the Appellant on 19.07.2022 and the Meter Reading Agency took a correct reading on 05.10.2022, which is reflected in the bill of Oct. 2022 as below:

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<b>Meter Sr. No. 60290358 (S-Kaifa Make)</b>					
<b>Particulars</b>	<b>Date</b>	<b>KWH</b>	<b>KVAH</b>	<b>RKVAH</b>	<b>KVA MD</b>
Parameter as per Correct Reading taken by the meter reading agency	05.10.2022	80108	85466	13272	9.12
Reading observed in Flying Squad Report	19.07.2022	77471	82320	11998	10.64
Difference of Readings		2637	3146	1274	
No of Days	78				
Average Consumption/month from 19.07.2022 to 05.10.2022		1014	1210	490	

We have studied the inspection report dated 19.07.2022 in detail and we find it to be reliable. The KWH and RKVAH readings are commensurate with each other. KVAMD (maximum demand) recorded is 10.64 KVA per hour. Thus 1 hour's consumption itself is about 10 units. This indicates considerable use.

From the above, it is clear that the meter did not jump at all. There are many factors which may increase electricity consumption, including poor efficiency and poor maintenance of electric gadgets, unauthorized extension of load to others, unauthorized tapping etc. A meter is installed for recording accurate consumption. There is no scientific reason or tendency for a digital meter of a reliable make like S. Kaifa to run fast for a specific period and work normally or accurately in other periods. The meter was installed at the premises of the Appellant. There is nothing on record to indicate that the meter was tampered, nor has any evidence been produced to indicate tampering.

The Respondent tested this meter in its Meter Testing Laboratory on 02.11.2022. The Test Result found the Meter in order. The said meter (Sr. No. 60290358) was again sent for testing in the Institute of Design Electrical Measuring Instruments, (IDEMI) Mumbai. The meter was again found in order as per the test report dated 06.06.2023.

Considering all these aspects together, there is no evidence that the meter jumped. In fact, the 'frozen' readings point to the possibility of manipulation or collusion of the

  
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Appellant with the meter reading agency for an illegal or deceitful purpose, for taking undue advantage of the system.

Hence, **Issue 1** is answered in the **NEGATIVE**.

**Issue 2: What is the realistic average monthly consumption, to be considered for Assessment?**


Looking at the CPL in table 1, it is observed that till March 2020, the consumption was in the range of 1000 to 2000 units, but thereafter there was a considerable & unexplained drop recorded in consumption for 30 months from April 2020 till September 2022. The entire period needs to be re-examined. If we consider the last reliable reading to be of March 2020, the revised calculation would be as explained in Para 6 ( c ) & ( d ).

In this case, it is seen that the Appellant actually consumed the assessed 41,872 units. However, taking a sympathetic view of the situation, we hold that the Appellant can at the most be assessed for 24 months, which will further reduce the assessment. Section 56(2) of the Electricity Act, 2003 permits the Distribution Licensee to assess retrospective recovery up to 24 months in case of deficiency in service. The Section 56 (2) of the Electricity Act, 2003 is reproduced below:

*“(2) Notwithstanding anything contained in any other law for the time being in force, no sum due from any consumer, under this section shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been shown continuously as recoverable as arrear of charges for electricity supplied and the licensee shall not cut off the supply of the electricity.”*

This Section 56 (2) of the Act has been interpreted by the Larger Bench Judgment dated 12.03.2019 of the Bombay High Court in W.P. No. 10764 of 2011 with Other Writ Petitions. The Court has allowed 24 months’ recovery retrospectively from Nov. 2020 to Oct. 2023 in cases of mistake or oversight.

**Issued 2** is replied accordingly.

  
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8. In view of the above, the Respondent is directed as under: -


- a) to revise the supplementary bill for only 24 months retrospectively from Nov. 2020 to Oct. 2022 considering the average of 1731 units per month.
- b) to withdraw the interest and delayed payment charges levied from the date of issue of the Oct. 2022 bill till the date of this order.
- c) to allow the Appellant to pay the revised supplementary bill in eight equal monthly instalments. If the Appellant fails to pay any instalment, proportionate interest will accrue, and the Respondent has the liberty to take action as per law.
- d) Compliance to be submitted within two months from the date of issue of this order.
- e) Other prayers of the Appellant are rejected.

9. While parting with this order, we note that MSEDCL has not maintained proper control over the meter reading agency, which has led to suspiciously low readings from April 2020 to September 2022. They are advised to establish roving inspection teams, which should verify meter readings at least once a year. This will at least restrict assessment to one year in case of collusion or manipulation of readings. This issue needs to be taken seriously by MSEDCL to prevent fraud and under billing in future.

10. The Representation is disposed of accordingly.

11. The Secretariat of this office is directed to refund the amount of Rs.25000/- deposit to the Respondent for adjustment in the ensuing bill of the Appellant.

Sd/  
(Vandana Krishna)  
Electricity Ombudsman (Mumbai)

  
(Dilip Dumbre)  
Secretary  
Electricity Ombudsman Mumbai

