

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

REPRESENTATIONS NO. 19 & 20 OF 2025

In the matter of Tariff Differences in Higher Slab for Power Loom & retrospective recovery
there of

Rep. No.	Name of Consumer	Consumer No.
19/ 2024	Pravin Prasad Khobare	250487100168
20/ 2024	Dhanshri Yantramag pro. Prasad Balku Khobare	250481036212

.....Appellants

V/s.

Maharashtra State Electricity Distribution Co. Ltd. Ichalkaranji.....Respondent
(MSEDCL)

Appearances:


Appellant : 1. Pravin Prasad Khobare
2. Rajendra Ghankute, Representative

Respondent: 1. Sunil Baburao Chougule, Dy. Ex. Engineer
2. Ashish Uttam Gaikwad, Asst. Engineer
3. Aniket Avinash Dhone, Asst. Accountant

Coram: Vandana Krishna [IAS (Retd.)]

Date of hearing: 27th May 2025

Date of Order : 4th June 2025


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Secretary
Electricity Ombudsman Mumbai




ORDER

These Representations were filed on 27th March 2025 under Regulation 19.1 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020) against the Orders dated 13th March 2025 in Case No. 10 & 11 of 2025 passed by the Consumer Grievance Redressal Forum, MSEDCL, Kolhapur (the Forum). The Appellants deposited Rs.25,000/- each towards their representations on 19th April 2025, in accordance with Regulation 19.22(h). These representations then were officially registered on the same day, i.e. 19th April 2025.

2. The Forum has partially allowed the grievance applications in Case Nos. 10 and 11 of 2025 pertaining to Consumer Nos. 250487100168 and 250481036212, respectively. The key operative directives (originally issued in Marathi) are summarized below:

- 1. The Respondent is directed to revise the supplementary bill related to the tariff slab difference for the period from **December 2021 to November 2023** (24 months), instead of the earlier period from **February 2021 to November 2023**.*
- 2. The Respondent shall waive all interest and delayed payment charges accruing from **December 2023 onwards**.*
- 3. Upon payment of the revised supplementary bill, the Appellant is required to apply under the **Multi-Party Scheme**. The Respondent must then sanction the estimate in accordance with the prevailing Multi-Party Scheme circulars issued by MSEDCL.*

3. The Appellants have filed these two representations challenging the above-mentioned orders of the Forum. As both representations arise from identical facts and circumstances, they have been consolidated for the purpose of a common order. An e-hearing was held on **27th May 2025** through video conference, during which both parties were heard in detail. The


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Respondent's submissions dated 7th May 2025 and arguments are as below:-[*The Electricity Ombudsman's observations and comments are recorded under 'Notes' where needed.*]


- (i) The Appellants are three-phase power loom consumers. The relevant details, such as consumer numbers, sanctioned loads, addresses, connection dates, nature of activity, supplementary bills arising from tariff slab differences, etc., are summarized in the table below:

Table 1:

Rep. No.	Name of Consumer	Consumer No.	Address	S.L. (HP)	Date of Supply	Date of Inspection	Supplementary Bill	Date of P.D.	Bill Revision as per Forum's order dt. 13.03.2025
19/2024	Pravin Prasad Khobare	250487100168	Milkat No 540, Near Dhanashri, TC Hatkanangle Kolhapur-Khotwadi	25.01	01.01.2021	25.05.2023	Rs. 1,40,447.94 on 27.12.2023, towards the tariff slab difference from Feb. 2021 to Nov.2023.	19.10.2024	Rs.98,936.01 towards the tariff slab difference from Dec. 2021 to Nov.2023.
20/2024	Dhanashri Yantramag Prop. Prasad Balku Khobare	250481036212	Milkat No.540, Near Lokmitra, Hatkanangle, Kolhapur-Khotwadi	23.01	05.08.2020		Rs. 3,73,193.67 on 27.12.2023, towards the tariff slab difference from Feb. 2021 to Nov.2023.	19.10.2024	Rs.2,63,327.19 towards the tariff slab difference from Dec. 2021 to Nov.2023.

Preamble:

- (a) Initially, M/s. Dhanashri Yantramag, represented by Prasad Balku Khobare, obtained an electricity connection for a power loom on 05.08.2020 (Consumer No. 250481036212), with a sanctioned load of **23.01 HP under the concessional power loom tariff slab of 0 to 27 HP**. Subsequently, Pravin Prasad Khobare, son of Prasad Balku Khobare, applied for a new power loom connection within the same premises, after partitioning and converting the premises into two separate units.
- (b) The Respondent released the second power loom connection on 01.01.2021 in the name of Pravin Prasad Khobare (Consumer No. 250487100168), with a sanctioned load of **25.01 HP, also under the concessional power loom tariff**


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slab of 0 to 27 HP. *[Note: Had the 2 connections been combined into one, the sanctioned load (23.01 HP + 25.01 HP = 48.02 HP) would have exceeded 27 HP, leading to a higher tariff slab.]* This connection was granted upon completion of all statutory requirements, including payment of the demand note and submission of the test report. The details of this connection are presented in Table 1.


- (c) **Subsequently, Dhanashri Yantramag submitted an application referencing an alleged resolution of the powerloom society dated 15.11.2021, and an alleged rental agreement pertaining to the second unit for the period from 01.12.2021 to 31.12.2026 (five years).** *[Note: Surprisingly, this rental agreement between the 2 parties is dated much later than the 2nd connection which was already obtained on 01.01.2021. Thus, this rental agreement seems to be an afterthought. It is also notable that the 2 parties are related: the father seems to have rented out the premises to his son, probably in an effort to justify 2 separate connections.]*

(ii) **Inspection:**

The Respondent, Assistant Engineer, conducted an inspection of the Appellants' premises on 25.05.2023, when it was observed that both power loom connections were situated within the same premises, with no physical separation between the two units. Furthermore, it was noted that no HT (High Tension) cubicle had been installed to accommodate multiple connections prior to the distribution transformer. The consumer declined to sign the inspection report, which was duly recorded by the inspection authority.

- (iii) The Respondent issued **Commercial Circular No. 06 of 2005** dated **01.09.2005**, addressing the matter of power loom connections. The relevant extract, as reiterated under **Circular No. 151 dated 25.11.2011** is as follows:

"Power supply to individual entrepreneurs coming under the preamble of Circular No. 151 dated 25.11.2011 is reproduced below: "In view of upward trend for cloth in market, various power loom consumers under one



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premises/shed are coming up in our State at different locations. The individual entrepreneurs coming under one premises/shed to establish power loom generally needs power supply at Low Tension. As such, all the individual entrepreneurs have to take High tension power supply, which most of the times becomes difficult due to space constraint. It would also not be possible to insist on all individual entrepreneurs to install their own transformers, metering KIOSKS etc., which would occupy considerable space in such common premises/sheds."

- (iv) The Respondent has issued many circulars outlining the billing procedures for multi-party power loom connections, the latest being Circular No. 320 dated 19.07.2019. Despite these provisions, the Appellants did not apply for a Multi-Party Group Connection. **Instead, they created a temporary partition within the premises to present the appearance of two separate units.** The purpose was to avoid exceeding the lower tariff slab of 0 to 27 HP. This partition was subsequently removed, and the Appellants continued to operate two power loom connections within a single premises while availing concessional tariff benefits under the 0–27 HP Tariff Slab.
- (v) Accordingly, on 19.10.2023, the Respondent issued a provisional supplementary bill of Rs. 1,33,326.62 for Consumer No. 250487100168 and Rs. 4,06,519.08 for Consumer No. 250481036212. **These charges pertain to the tariff slab difference between the 0–27 HP and above 27 HP categories for the period from February 2021 to November 2023.**
- (vi) The Respondent is authorized to levy the tariff slab difference in accordance with Regulation 14 of the Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 (the Supply Code & SOP Regulations 2021). The relevant provision is reproduced below:

"14. Classification and Reclassification of Consumers into Tariff Categories



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The Distribution Licensee may classify or reclassify a Consumer into various Commission's approved tariff categories based on the purpose of usage of supply by such Consumer:

Provided that the Distribution Licensee shall not create any tariff category other than those approved by the Commission."


- (vii) Subsequently, the Appellant, Dhanashri Yantramag, through its proprietor Prasad Balku Khobare, approached this office and submitted a letter dated 24.11.2023, **requesting that the tariff difference be levied only from the date of the second connection, i.e., 01.01.2021.** [Note: The Forum has already granted an even greater concession, allowing recovery only from Dec. 2021.] **The Appellant also requested that the penalty amount be minimized to the extent possible.**
- (viii) Audited supplementary bills amounting to Rs. 1,40,447.94 and Rs.3,73,193.67 were issued on 27.12.2023. **Notably, these bills reflected only the difference in tariff slabs and did not include any penalty.** These said amounts were incorporated into the monthly bill for December 2023 of Consumer No. 250487100168 and 250481036212 respectively.
- (ix) The Appellants failed to make payments of the supplementary bills. Consequently, the electricity supply to the Appellants were temporarily disconnected in March 2024, and subsequently, permanently disconnected on 19.10.2024, after sending notices as per Section 56(1) of the Electricity Act, 2003 (the Act).
- (x) The Respondent subsequently referred the matter of recovery to the Lok Adalat. Accordingly, on 06.12.2024, the Lok Adalat Authority issued notices to both MSSEDCL and the consumer, directing their presence for settlement proceedings scheduled on 14.12.2024. However, the Appellants did not appear for the said proceedings.
- (xi) The Appellants alleged that they had installed a partition of plywood by dividing this premises into two parts. Initially this partition existed at the time when the second connection was processed and released on 01.01.2021. Later this partition was removed due to being damaged. [Note: The Appellant did not explain why such


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a poor-quality temporary partition was put up, if the 2 premises were supposed to be different and separate, justifying 2 separate electricity connections.]


- (xii) The Appellants filed their grievance applications before the Forum on 22.01.2025. After due consideration, the Forum partially allowed the applications. The Forum restricted the recovery of the tariff slab difference to a 24-months period from December 2021 to November 2023.
- (xiii) According to the Appellant, Prasad Balku Khobare, the plywood partition was removed due to termite infestation, which he claims to have communicated to the Respondent via a letter dated 12.04.2023, allegedly acknowledged with a stamped receipt by the Deputy Executive Engineer, MSEDCL. However, the Respondent (MSEDCL) denied receiving any such letter, and produced the inward register for the relevant period, which contains no record of the said correspondence. The Appellant also later submitted a letter dated 24.11.2023, requesting that a limited recovery be made from the release of a second connection. Notably, the letter dated 12.04.2023 was never cited in further submissions, and appears to be an afterthought. The Respondent has firmly denied receiving the letter and contended that it is fabricated. *[Note: The Appellant did not make any reference of the previous letter dated 12.04.2023 in his next letter dated 24.11.2023. During the hearing, the Respondent clarified that even if such a letter had been received, it would not have made any difference to its policy and actions. The very fact that the partition was removed, for whatever reasons, was enough to indicate one common premises.]*
- (xiv) The Forum's order has been duly implemented. Consequently, the supplementary bill was revised to Rs.98,936.01 for Consumer No. 250487100168 and Rs.2,63,327.19 for Consumer No. 250481036212 for the period from December 2021 to November 2023, after the withdrawal of previously levied interest and delayed payment charges.
- (xv) In light of the foregoing, the Respondent prays that the Representation filed by the Appellants be rejected.


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4. The Appellants' submissions and arguments are as below:-

- (i) The Appellants are three-phase power loom consumers.
- (ii) The Respondent, sanctioned and released a power loom connection to Dhanashri Yantramag (Proprietor: Prasad Balku Khobare) on 05.08.2020 as per his application. However, this unit had been utilizing only half of the allotted total shed space (area about 25000 sq. feet), leaving the remaining portion unoccupied. In order to optimize space utilization and generate additional income, the Society decided to install a wooden partition and rent out the unused portion. A resolution to this effect was duly passed.
- (iii) Pravin Prasad Khobare (the Appellant) subsequently expressed interest in obtaining a power loom connection and renting the unoccupied portion of the premises, measuring approximately 12,500 square feet. In response, the Society passed a resolution to lease the remaining half of the shed to Khobare at a monthly rent of Rs.5,000/-, along with a refundable security deposit of Rs.20,000/-. Khobare thereafter applied for a new power loom connection with a load of 25.01 HP. The Respondent, upon completion of the requisite formalities, sanctioned and released the said connection on 1st January 2021 in the allotted half portion of the shed. Within two years, the wooden partition of the shed became severely infested with termites, necessitating its urgent replacement or reconstruction on a priority basis.
- (iv) The Appellant, Prasad Balku Khobare, via his letter dated 12.04.2023 (duly [acknowledged by the Deputy Executive Engineer, Ichalkaranji Sub Division (R)] informed that the existing partition required urgent replacement. He further indicated that the modification work would require an estimated period of three to four months for completion.
- (v) The Appellants were unaware of the alleged supplementary bills dated 27.12.2023 amounting to Rs. 1,40,447.94 and Rs. 3,73,193.67. *[Note: This argument seems to be used to justify non-payment of these bills.]* The Appellant


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became aware of the matter for the first time upon noticing a door notice dated 06.12.2024 issued in connection with the Lok Adalat proceedings. Subsequently, through a letter dated 24.12.2024, the Appellant requested all relevant documents pertaining to the case. The Respondent provided the requested information, including the supplementary bill and the inspection report on 30.12.2024.

- (vi) The Appellant, Pravin Prasad Khobare had obtained a second connection based on technical feasibility and the physical survey conducted by MSEDCL, with due approval from the competent MSEDCL authority.
- (vii) The Appellants submitted their grievance applications to the Forum on 22.01.2025. After due consideration, the Forum partially allowed the claims in Case Nos. 10 and 11 of 2024, relating to Consumer Nos. 250487100168 and 250481036212, respectively. While the Forum restricted the recovery of the tariff slab difference to a 24-month period i.e. from December 2021 to November 2023, it did not waive the supplementary bill in its entirety. The Appellants contend that the supplementary bill is unjustified, lacks legal merit, and should have been set aside in full.
- (viii) In view of the above, the Appellants pray that the Respondent be directed to cancel the entire recovery amount of Rs. 3,73,193.67, dated 27.12.2023, which pertains to the tariff slab difference between the 0–27 HP slab and the above 27 HP slab for the period from February 2021 to November 2023.

Analysis and Ruling

5. Heard the parties and perused the documents on record. The Appellants are three-phase power loom consumers. A summary of relevant details, including consumer numbers, sanctioned loads, addresses, connection dates, nature of activity, and supplementary bills arising from tariff slab differences is charted in Table 1. The Respondent sanctioned and


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released a power loom connection to Dhanashri Yantramag (Proprietor: Prasad Balku Khobare) on 05.08.2020 as per his application.

6. The Appellant, Dhanashri Yantramag, (Prop. Prasad Balku Khobare) contended that this unit had been using only half of the 25,000 sq. ft. shed, leaving the other half vacant. To utilize the space and generate revenue, the Society provided a wooden partition and decided to rent out the space. Pravin Prasad Khobare (Appellant) (who happens to be the son of the proprietor) expressed interest in renting the 12,500 sq. ft. vacant portion and applied for a separate 25.01 HP power loom connection. The Respondent sanctioned and released the connection on 01.01.2021 after completing formalities. The Society leased the space to him at Rs. 5,000/- per month with a Rs. 20,000/- refundable deposit. Within two years, the wooden partition became termite-infested and required urgent replacement. On 12.04.2023, the Appellant, Prasad Balku Khobare apparently informed the Deputy Executive Engineer (R), Ichalkaranji Sub Division, that the partition required urgent replacement, estimating the repair work would take three to four months. The Respondent denies receiving this letter. It is notable that this letter was issued, and the partition was apparently damaged, just a month before the inspection. This coincidence raises doubts. Meanwhile the Respondent inspected the premises on 25.05.2023 and issued supplementary bills as tabulated on Table 1 on 27.12.2023 towards the tariff slab difference between the 0–27 HP slab and the above 27 HP slab for the period from February 2021 to November 2023.

7. In this context the following documents were perused:

(A) **Resolution of the Managing Committee Meeting dated 15.11.2021 of Dhanashri Yantramag (Resolution No. 3) (in Marathi):**

This resolution lacks an outward number and date on its main page. Moreover, there is a discrepancy in the resolution number—it is referred to as Resolution No. 3 but is recorded as Resolution No. 5. The resolution authorizes the Chairman and Secretary to lease half of the shed to Pravin Prasad Khobare for rental income. However, **the**


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2nd power loom connection was already operational from 01.01.2021 highlighting a significant inconsistency between the resolution date and the actual implementation.

(B) Shed Rental Agreement Document (in Marathi):

The agreement, on the letterhead of Dhanashri Yantramag, does not mention a specific date of execution. It specifies the rental period as from 01.12.2021 to 31.12.2026 (five years), with a monthly rent of Rs.5,000/- and a refundable deposit of Rs. 20,000/-. However, the agreement has not been registered as mandated under the prevailing rental laws enforced by the Department of Registration and Stamps, Government of Maharashtra. This constitutes a serious procedural irregularity.


(C) Alleged Letter of Dhanashri Yantramag dated 12.04.2023:


The Appellant, Prasad Balku Khobare, claims to have addressed a letter dated 12.04.2023 to the Deputy Executive Engineer, Ichalkaranji (R), stating that the wooden partition had become termite-infested within two years and required urgent replacement, with an estimated repair duration of three to four months. Although the letter was allegedly acknowledged with a stamped receipt by the Deputy Executive Engineer, the signature on the acknowledgment does not match, and no corresponding entry is found in the inward register. Notably, this letter was referenced only during the Forum hearing and was not cited in any prior official correspondence between the Appellant and MSEDCL, including letters dated 19.10.2023, 24.11.2023 (in which the Appellant admitted to certain irregularities), and 24.12.2024. Moreover, the Appellant had previously communicated with the Sub-Division Office through letters that were duly recorded with inward numbers. In contrast, the letter dated 12.04.2023 appears to be fabricated and an afterthought.

(D) Appellant Dhanashri Yantramag (Proprietor: Prasad Balku Khobare) – Letter dated 24.11.2023:

The Appellant submitted a letter dated 24.11.2023, requesting that a limited recovery be done from the release of the second electricity connection.

Upon consideration of the documents on record, it is evident that both Appellants are related by blood—Prasad Balku Khobare, Proprietor of Dhanashri Yantramag, being


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the father, and Pravin Prasad Khobare, his son. The power loom operations are being conducted as a family business within the same premises.

Given these circumstances, the Respondent was justified in clubbing the two electricity connections as a single business entity and issuing a supplementary bill for the tariff slab difference, in accordance with Section 56(2) of the Electricity Act, 2003, which reads as follows:


*“(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 arrears of charges for electricity supplied, and the licensee shall not cut off the supply of the electricity.**”*

The Hon’ble Bombay High Court, in its Larger Bench judgment dated 12.03.2019 in W.P. No. 10764 of 2011 and other Writ Petitions, interpreted Section 56(2) and upheld the licensee's right to recover arrears for a period limited to 24 months.

In the present case, the Respondent initially sought to recover the tariff slab difference for the period from February 2021 to November 2023. However, in compliance with Section 56(2), the recovery period was rightfully restricted to 24 months, i.e., from December 2021 to November 2023.

The Maharashtra Electricity Regulatory Commission (MERC) issued a Tariff Order dated 31.03.2023 in Case No. 226 of 2022, concerning the tariff proposal submitted by the Maharashtra State Electricity Distribution Company Limited (MSEDCL). The revised tariff structure outlined in this order came into effect from 01.04.2023.

The **relevant power loom tariff applicable from 01.04.2023** is as follows:


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Tariff w.e.f. 1 April, 2023 to 31 March, 2024			
Consumer Category	Fixed/Demand Charge	Energy Charges (Rs. /kWh)	Wheeling Charges (Rs. /kWh)
0-20 kW	Rs. 530.0/Month	5.98	1.17
Above 20 kW	Rs. 353.0/ kVA/Month	7.08	1.17

8. The Forum has duly and correctly analyzed the facts and issues involved in the case. Therefore, no interference with the Forum's orders is warranted. The orders passed by the Forum are hereby **upheld** principally. However, the Forum's orders are modified to the extent below:

9. The Respondent is directed to:

- a. Permit the Appellants to pay the revised supplementary bills in ten (10) equal monthly installments, if the Appellant so desires, without charging any interest or delayed payment charges (DPC). In the event of a default in payment of any installment, proportionate interest may be levied, and the Respondent shall be at liberty to initiate appropriate action in accordance with the prevailing rules and regulations.
- b. Upon payment of the first installment, any one of the Appellants shall be at liberty to apply for a single / multiparty power loom connection, that the Appellant desires. The Respondent shall process such an application in accordance with applicable procedures and regulations.
- c. Submit a compliance report within two months from the date of this order.


10. The present representations are disposed of accordingly.


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11. The Secretariat of this office is directed to refund the amount of Rs.25,000/- (Rupees Twenty-Five Thousand only) each, deposited by the Appellants, to the Respondent, for adjustment against the Appellants' respective electricity bills.

Sd/
(Vandana Krishna)
Electricity Ombudsman (Mumbai)


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