

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

REPRESENTATION NO. 113 OF 2024

In the matter of change of tariff category from commercial to industrial

M/s. United CJ LLP..... Appellant
(Consumer No. 049972204608)
V/s.

Maharashtra State Electricity Distribution Co. Ltd. Nashik Urban II..... Respondent

Appearances:

Appellant : 1. Ujwal Chandak, Partner
2. T. N. Agrawal, Representative

Respondent : 1. Narayan M. Sonawane, Addl. Ex. Engineer, Dwarka S/Dn.
2. Ms. V.R. Pawar, Dy. Manager


Coram: Vandana Krishna [IAS (Retd.)]

Date of hearing: 25th July 2024

Date of Order: 2nd August 2024

ORDER

This Representation was filed on 26th June 2024 under Regulation 19.1 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020). The Consumer Grievance Redressal Forum, MSEDCL, Nashik (the Forum) did not pass the order in Case No. 36 of 2023 till date.


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PREAMBLE

The Appellant approached the Forum through online ID No. 4175 on 02.08.2023. The case was registered vide Case No. 36 of 2023. A hearing was held on 20.09.2023 where both the parties attended it. As per Regulation 5.2 of the CGRF & EO Regulations 2020, the Forum was supposed to dispose of the case within two months from the date of registration; however, it did not do so. After a lapse of about six months, i.e. on 01.04.2024, the Appellant wrote to the Forum with a copy to the office of the Electricity Ombudsman to issue the final order. Subsequently, this office by letter dated 18.04.2024 wrote a letter to the Member Secretary of the Forum with directions to issue the final order by 16th May 2024 and to submit the compliance to this office. However, the Forum did not issue any final order till date. Finally, the Appellant has submitted the present representation before the Electricity Ombudsman.


2. An e-hearing was held on 25th July 2024 through video conference where both the parties attended the hearing. The parties were heard at length. The Appellant's written submissions and arguments are stated as follows: - *[The Electricity Ombudsman's observations and comments are recorded under 'Notes' in brackets where needed.]*

- (i) The Appellant is an Industrial consumer from 24/11/2022. The details of the connection are tabulated below:

Table 1:

Name of Consumer	Consumer No.	Address	Sanc.Load & Cont.Demand	Date of Supply / Type of tariff category	Purpose	Online Application for change of tariff to industrial	Tariff (Ind.) change allowed
United CJ LLP	049972204608	Building No. 04, Garja Udyog, Warehouse, Rajur Bahula, Nashik	100 KW / 125 KVA	24-11-2022 / Commercial	Plastic Injection Moulding Machine	28-02-2023	May-23


- (ii) At the time of releasing the connection, the tariff category was applied at LT-II Commercial instead of Industrial. *[Note: The Appellant stated during the hearing that by mistake it applied for commercial category.]* The activity of the Appellant was/is manufacturing of luggage components. On noticing the incorrect tariff category, the Appellant applied for change of tariff category from Commercial to


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LT V-B (ii) Industrial. **The application for change of tariff, as per the requirement of the Licensee, was submitted online on WSS (Web Self Service) portal of the Respondent vide application ID- 47602148 dt.28.02.2023.**

- (iii) As per the Citizen Charter & standards of performance regulations, the change of tariff category should have been done from the next or 2nd billing cycle, i.e. April-2023 onwards. However, the Respondent changed the tariff category from the 3rd billing cycle i.e. from May-2023 onwards. Due to this delay, the Appellant had to pay Commercial tariff instead of Industrial tariff during the billing month of April-2023. Therefore, the excess tariff differential amount to the tune of Rs.1,52,620/- is due for refund from MSEDCL.
- (iv) Since the MSEDCL did not act in time on the online application, a reminder letter was submitted on 25/04/2023 to change the tariff category. When the Appellant's representative visited the MSEDCL office at Dwarka, Nasik, he was told to submit a hard copy of the application along with necessary documents. The Appellant again submitted the documents offline. Then the Asst. Engineer of MSEDCL Pathardi Section visited their unit and prepared a Spot Verification Report (SV Report) on 12/05/2023 for change of tariff category. On the basis of this SV Report dated 12/05/2023, the MSEDCL changed its tariff category with effect from 01/05/2023 i.e. from the 3rd billing cycle.
- (v) The Appellant vide his letter dated 01.07.2023 requested MSEDCL to allow change of tariff category from the 2nd billing cycle from the date of filing application (28/02/2023), and submitted a claim for refund of the differential tariff amount **Rs.1,52,620/-** for the billing month of **April-2023**.
- (vi) The MSEDCL vide letter dated 11.07.2023 denied changing the tariff category from the 2nd billing cycle i.e. from April 2023. It is contended by MSEDCL that after filing online application on 28/02/2023, the Appellant submitted documents like Udyog Aadhar on 25/04/2023, and then the MSEDCL representative visited the site on 12/05/2023 for SV report. The documents were then forwarded for


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approval on 19/05/2023 to the office of Supt. Engineer, who granted sanction on 31/05/2023. On the basis of this approval, the change of tariff category was granted from 01/05/2023.

- (vii) The Appellant replied on 17/07/2023 to the letter of MSEDCL, stating the regulatory provisions of SOP Regulations 2021 and Citizen Charter of CMD MSEDCL for change of tariff category from the 2nd billing cycle from the date of filing application.
- (viii) Even after repeated correspondence & follow up, the MSEDCL failed to pay the differential amount, hence this grievance application was initiated with the Forum as per CGRF & EO Regulations 2020. The Forum conducted a hearing on 20/09/2023 but no decision was issued by the Forum. The Electricity Ombudsman (Mumbai) directed the Forum to decide the grievance before 16/05/2024. Regretfully the Forum failed to comply with these directions.
- (ix) The Appellant referred to the **Citizen Charter of MSEDCL** in support of its arguments. The Citizen Charter was issued by CMD of MSEDCL which is available on Mahadiscom Portal. Section 2.6 for change of Tariff category is reproduced below.

2.6 Change in Tariff:

The following steps are to be applied for change of tariff category:

- i. Visit our website www.mahadiscom.in, look for Consumer Portal > Quick access> Consumer Web Self Service > Change of Tariff Category or Consumers Mobile Application (APP).
- ii. Login on the Web-Self-Service Portal with your registered login id and password.
- iii. Check on the tab 'Tariff Change'. Update the activity details from the dropdown list and type of supply (Single phase or three phase, as applicable).



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- iv. *Concern MSEDCL official will visit your premises, if required for confirming the business activity as requested by you through selection from the drop-down list.*
- v. *Prior intimation of the visit of MSEDCL officials will be given to you through 'SMS' on your registered mobile number.*
- vi. *In case of approval, change will be effective from the next billing cycle else reasons for rejection will be communicated to the consumer within 3 days from the date of inspection of our official.*

It is clear from the above that only online applications would be processed for change of tariff category. Once an application is uploaded, the change of tariff category should be effected from the next billing cycle; else the reason for rejection (or keeping it pending) should be communicated within 3 days after the visit of MSEDCL official. The Appellant did not receive any communication for rejection within 3 days. Hence as per the Citizen Charter, change of tariff category should have been implemented from the next billing cycle i.e. from **March-2023**.

- (x) The Appellant referred to the Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 (MERC Supply Code & SOP Regulations 2021) in support of its arguments. As per Supply Code and SOP Regulations 2021, change of Tariff category should be made effective from 2nd billing cycle from the date of application of the consumer.
- (xi) The Appellant registered its industrial activity in Ministry of Micro, Small & Medium Enterprises from 01/01/2021 (Udyam Registration Certificate: UDYM-MH- 23-0018528).
- (xii) In view of the above, the Appellant prays that the Respondent be directed to


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- a) implement change of tariff category from LT-II Commercial to LT-V (ii) Industries from the 2nd billing cycle i.e. from April-2023 instead of May-2023, and to refund the excessive recovery made of **Rs.1,52,620/-** for April-2023.
- b) compensate as per Standards of Performance Regulations for the delay in implementing the change in tariff category @ Rs.100/- per week for 4 weeks (Rs.400/-).
- c) compensate Rs. 5,000/-towards mental agony, expenditure for follow up with MSEDCL.

3. The Respondent filed its reply by email dated 15th July 2024. Its submissions and arguments are stated as follows: -

- (i) The Appellant is an Industrial consumer from 24/11/2022 as tabulated in Table 1.
- (ii) The Appellant applied online on 28/02/2023 for change of tariff category. However, the Appellant submitted hard copies of the application and the required documents on 25.04.2023 to the Respondent.
- (iii) Asst. Engineer of MSEDCL Pathardi section visited their unit and prepared an SVR report on 12/05/2023 for change of tariff category and submitted to Subdivision office at Dwarka. The Superintending Engineer is the Competent Authority for approval of change of tariff category. Hence, all the documents were sent to the Circle office and the approval was received on 31/05/2023. As soon as the approval was received, the tariff category of the Appellant was changed to industrial category immediately in May 2023.

4. During the hearing, the Respondent was asked (i) whether their web portal has a facility for online submission of documents, especially the registration certificate of an industrial unit / Udyog Aadhar, and (ii) if not, whether the portal informs the Applicant that the above documents should be submitted as hard copies. The reply to both the queries was negative.


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Analysis and Ruling


5. Heard the parties and perused the documents on record. The Appellant is an Industrial consumer from 24/11/2022 as tabulated in Table 1 of Para 2(i).

6. The Appellant was billed under Commercial tariff category from 24/11/2022. It is an admitted position that the Appellant applied online for change of tariff category from Commercial to Industrial tariff on the web portal service of the Respondent on 28/02/2023. The dispute arose because the Respondent takes a stand that a mere online application is not enough; the relevant date is when the required documents (specially udyog adhar) is submitted as a hard copy. However, this requirement has been raised as an afterthought; it is nowhere mentioned on their website / portal in a transparent manner. Thus an applicant can neither submit soft copies of the required documents, nor is he even aware at the time of applying online that this application will not even be considered without hard copies of the documents. This amounts to an unfair practice and a consumer – unfriendly portal. The Respondent is advised to immediately revise its portal to remove these lacunae.

7. As per Supply Code & SOP Regulations 2021, the change of tariff category is to be done within the second billing cycle. The provision is reproduced as below:

Annexure - II: Level of Compensation Payable to Consumer for failure to meet			
Supply Activity/Event	Standard	Compensation Payable	Automatic/ Manual
7. Other Services			
Time period for other services from the date of application:		<i>Rs 100 per week or part thereof of delay subject to maximum of Rs 500</i>	
<i>(ii) Change of Tariff Category</i>	<i>Second billing cycle</i>		<i>Automatic</i>

The Appellant applied for change of tariff category on 28/02/2023, so the Respondent was duty bound to change the tariff category within two billing cycles from this date, which was April 2023. However, the Respondent did this in May 2023. The Respondent's



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site inspection itself was unnecessarily delayed, for the purported reason that the required documents had not been submitted. The Respondent belatedly inspected the premises of the Appellant on 12/05/2023, when it was observed that the premises was being used for injection of plastic moulding machine which is an industrial activity. The Appellant had registered its industrial activity in the Ministry of Micro, Small & Medium Enterprises from 01/01/2021 having Udyam Registration Certificate. It is not clear why this fact was not taken into account by the Respondent while granting approval for tariff change. It seems that the Respondent did not take one month's delay seriously, with its consequent financial burden on the consumer.

8. In view of the above the Respondent is directed
 - (a) to revise the tariff category from Commercial to Industrial for April 2023 and the tariff difference be refunded with interest equivalent to RBI Bank rate from May 2023 till the date of this order.
 - (b) Other prayers of the Appellant are rejected.
 - (c) Compliance to be submitted by the Respondent within two months from the date of this order.
9. The Representation is disposed of accordingly.

Sd/
(Vandana Krishna)
Electricity Ombudsman (Mumbai)


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai

