

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

REPRESENTATION NO. 68 OF 2024

In the matter of Reduction of Contract Demand

Niwas Spinning Mills Ltd... Appellant
(Cons. No. 330249002607)

V/s.

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

Appearances:

Appellant : 1. Vijay Jaju, Director
2. Prashant Mhatre,

Respondent : 1. D. P. Pethkar, Superintending Engineer, Solapur Circle
2. S.R. Shinde, Executive Engineer,
3. Vivek Oza, Manager (F &A)


Coram: Vandana Krishna [IAS (Retd.)]

Date of hearing: 2nd May 2024 &

Date of Order : 29th May 2024

ORDER

This Representation was filed on 27th March 2024 under Regulation 19.1 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020) against the order


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dated 15th March 2023 passed by the Consumer Grievance Redressal Forum, Baramati Zone (the Forum). The Forum dismissed the grievance application in Case No. 02/2023.

2. Aggrieved with the order of the Forum, the Appellant filed a petition in Case No. 118 of 2023 with Maharashtra Electricity Regulatory Commission (the Commission) on 20th April 2023 for revision of Contract Demand (CD) and seeking withdrawal of disconnection notice. The Commission by its order dated 21st February 2024 dismissed the petition on the grounds of maintainability and advised the Appellant to approach the Electricity Ombudsman. Accordingly, the Appellant has filed this representation with a request to condone the delay. *[Note: Delay is condoned]*


3. The Appellant has filed this Representation against the order dated 15th March 2023 passed by the Forum. An e-hearing was held through video conference on 2nd May 2024 & 16th May 2024. Parties were heard at length. The Appellant's 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 was an Industrial Consumer (No. 330249002607) from 25.07.1985 having connection details as below:

Table 1:


Name of Consumer	Consumer No.	Address	Sanctioned load (KW)	Contract Demand (KVA)	Date of Supply	Date of Temp. Disconnection	Date of Permanent Disconnection
Director, Niwas Spinning Mills Ltd.	330249002607	B-2/2, M.I.D.C., Akkalkot Road, Solapur	818	500	25.07.1985	22.06.2022	28.12.2022

- (ii) The Appellant was in the business of textiles, and was regular in payments without any arrears previously.


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- (iii) The Commission issued a practice direction on 26th May 2021 for allowing revision of CD in a billing cycle as per MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021. The Respondent by its email dated 17th July 2021 intimated the main points of this practice direction. [Note: The main points are taken in the Respondent's reply.] The purpose was to facilitate reduction in CD for HT consumers online, without site visits. However, the policy guidelines issued by the Commission regarding revision in CD were not followed by the Respondent. This was the basic dispute with MSEDCL.
- (iv) **The Appellant was facing business problems, and so wanted to reduce the CD. As per the guidelines of the Commission, the Appellant tried many times for change in CD through the official web portal of MSEDCL during the Covid pandemic, but it was found that the portal was not functioning properly and there were errors observed in it.**
- (v) The Appellant by its email dated 05.08.2021 (13:46:51 hrs.) informed the Respondent as follows:
- We tried so many times to submit the same because of the website is not accepting the request by showing "Error while fetching Data". So please be noted and guide us accordingly or accept our request in connection with change in load/contract demand.*
- Further, the Appellant by its email dated 12.08.2021 (15:27:38 hrs.) informed the Respondent to consider its CD as 200 KVA in the month of July 2021, and accordingly the bill may be prepared. However, there was no proper response from the Respondent. The CD was not reduced, leading to high billing and further losses to the Appellant, hence he could not clear his accumulating dues.
- (vi) The supply of the Appellant was temporarily disconnected on 22.06.2022 and permanently disconnected for inflated arrears of Rs.19,56,764/- on 28.12.2022.


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- (vii) After the temporary disconnection, the Appellant tried on the web portal for reduction in CD on 09.07.2022 (13:21:45 hrs.). However, he was not able to proceed further due to some errors in the system. The Appellant by his letter dated 09.08.2022 informed the Respondent that huge demand charges were levied in the energy bill of July 2022, and requested to waive them off. The Respondent answered but without any concrete solution. The Appellant by his email dated 19.08.2022 again requested to give a proper solution.
- (viii) Thereafter, the Appellant approached the Solapur Circle Office personally to explain the difficulties faced while submitting the online application. However, there was no solution given by the Respondent. Therefore, the Appellant was still unable to change the CD online. The Appellant informed the Respondent many times through his email/letters about this issue, but they did not take any steps for changing the CD in 2021 or 2022. The copies of letters are kept on record, which are self-explanatory.
- (ix) The Appellant filed a grievance application in the Forum on 17.01.2023. During the course of the hearing, the Appellant pointed out all the relevant facts before the Forum, but **the MSEDCL representative argued that the application for change in CD was not accepted in the Web Portal on 09.07.2022 as the supply was temporarily disconnected on 22.06.2022.** In short MSEDCL diverted the subject mischievously. This is nothing but their cunningness. *[Note: During the hearing, it emerged that, as a policy, MSEDCL does not reduce CD if the connection is TD/PD. This is supposedly based on the Commission's directives.]* The Respondent took a wrong and unfair stand in the hearing of the Forum. There was contradiction in the statements of MSEDCL. The Forum by its order dated 15.03.2023 dismissed the grievance application. It failed to understand the basic issue of non-functioning of the web portal of MSEDCL. The Appellant was unable to register for his load reduction on it.


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- (x) The Appellant contended in the hearing that there were no arrears pending from their side, and that the Respondent is making a propaganda of alleged arrears. *[Note: During the discussion it emerged that instalments had been granted by MSEDCL, hence arrears if any were supposed to be indirectly condoned if the instalments were being paid regularly.]* The Appellant put on record the payment receipts and instalments granted by MSEDCL during the Covid-19 Pandemic period. The details are tabulated below:


Table 2

Payment of EMI according to sanction dated 13.02.2021: -

Expected Month of Payment	EMI Amount (Rs.)	Amount Paid (Rs.)	Actual Date of Payment
30%	7,43,538.00	7,43,538.00	09.02.2021
Mar-21	2,50,486.52	2,50,490.00	20.07.2021
Apr-21	2,50,486.52	2,50,490.00	24.07.2021
May-21	2,50,486.52	2,50,490.00	21.08.2021
Jun-21	2,50,486.52	2,50,486.52	20.09.2021
Jul-21	2,50,486.52	2,50,486.52	22.10.2021
Aug-21	2,50,486.52	2,00,486.52	22.11.2021*
		50,000.00	22.11.2021*
Sep-21	2,50,486.52	2,50,486.52	06.12.2021*
Total	24,96,943.64	24,96,954.08	

*The dates of payments of Aug 2021 & Sep 2021 are revised (which were wrongly conveyed by the Appellant) as per actual receipts on record.

[Note: The Appellant did not pay the exact installments within the prescribed schedule given by the Respondent. The details of the Respondent's offer of instalments are mentioned in para 4 (vii). It is seen that all 6 instalments were expected to be paid from March to Sept.2021; the Appellant paid the last few instalments in Nov. and Dec. 2021. However, to his credit he did pay all the instalments, albeit late.]


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- (xi) **The Factory Unit of the Appellant was closed from June 2022 as supply was disconnected. He had to suffer heavy financial loss of approx. Rs. 7 to 8 lakhs per month due to the disconnection, besides unemployment of its labour, non-maintenance of machineries etc. It will take at least 2-3 months for restarting the factory.**
- (xii) In view of the above, the Appellant prays that the Respondent be directed
- to withdraw the disconnection notice (no. 6220) dated 07/10/2022 and to restore the power supply immediately.
 - to revise the CD from April 2022 from 500 KVA to 200 KVA.
 - to issue a revised bill for the final outstanding amount with suitable monthly instalments without any interest and delayed payment charges.
 - to compensate suitably for mental torture, agony and financial loss.


4. The Respondent MSEDCL filed its reply on 10th April 2024 and its additional reply on 27th April 2024. Its submissions and arguments are stated as follows: -

- (i) The Appellant was an Industrial Consumer (Cons. No. 330249002607) from 25.07.1985 in the business of textile manufacturing. Details of the consumer are already captured in Table 1.

Preliminary Submissions:

- (ii) The Forum by its order dated 15.03.2023 dismissed the grievance application of the Appellant in Case No. 02/2023, and specially advised the Appellant in its order that:-

Note: 1) The Consumer if not satisfied may file representation against this order before Hon'ble Ombudsman within 60 days from date of this order at the address of office of Electricity Ombudsman.....


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It he was aggrieved by the order of the Forum; the Appellant was supposed to file this representation within 60 days to the Electricity Ombudsman (Mumbai) i.e. on or before 15.05.2023 as per Regulation 19.1 of CGRF & EO Regulations 2020. However, the Appellant has filed this representation on 27.03.2024 after about one year. The representation is time barred and is not maintainable.

Main Submissions:

- (iii) Government of Maharashtra declared a complete lockdown on 22.03.2020 to stop the spread of Covid -19 pandemic. The lockdown was partially withdrawn from July 2020 onwards. There was a second wave of the Covid-19 pandemic in the year 2021. The Commission issued a Practice Direction on 21st May 2020, directing all licensees to set up an online WSS portal for facilitating change of CD. Manual applications submitted offline or through mail would not be accepted. As per the request from many consumers, the Commission issued a further practice direction on 26th May 2021 for revision of CD in a billing cycle, which was based on the same principle of the practice direction dated 21st May 2020 with minor modifications.
- (iv) Accordingly, the Respondent issued emails to all its HT Consumers (ID: billing@mahadiscom.in) on 17.07.2021, including Niwas Spinning Mills Ltd. (nivas_mill@rediffmail.com) at 12.20.29 Hrs.

The main particulars in this email were as below:

*“As per practice direction dated 26.05.2021, for revision of contract demand in billing cycle, following facilities are made available to all HT/ LT Industrial & Commercial Consumers. These facilities will be available till 31.03.2022. HT Consumers (Industrial & Commercial) can apply for change in contract demand up to 2 occurrences in a month with **auto approval** subject to,*



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1. The facility regarding revision in Contract Demand, made available to all HT Industrial & Commercial Consumers up to 2 times and once in a month to all LT Industrial & Commercial Consumers having demand- based tariff.

- Registered mobile number and registered email ID shall be ensured before submission of application. Application is verified through OTP sent through registered mobile number/ email ID. After acceptance and approval of CD change application, SMS is sent on registered mobile number.
- For online application of CD change, no documents are required to be uploaded.
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- (v) The Appellant vide his email dated 05.08.2021 and 12.08.2021 had informed MSEDCL that its Web Portal was not functioning, and had requested to reduce the billing CD of July 2021 from 500 KVA to 200 KVA. He was asked telephonically to submit a screenshot of the error; however, he did not submit any screenshot. (Hence his request by email was not processed.) There was no further correspondence with the Respondent.
- (vi) The reduction in CD from August 2021 was not the subject matter of the present grievance which was filed by the Appellant in the Forum. The prayer of the Appellant in the Forum was revision of CD from April 2022 onwards, hence the entire communication of August 2021 has no meaning at this juncture. It is also time barred as per provisions of Regulation 7.8 of CGRF & EO Regulations 2020.
- (vii) The Appellant was irregular in payment of his outstanding dues. By his letter dated 19.01.2021 he applied for installment facility for payment of outstanding dues of Rs. 24,96,943.64. The proposal was sent to the Competent Authority (Regional Director) for approval on 29.01.2021, who approved this proposal on 01.02.2021. The Respondent by its letter dated 13.02.2021 informed the Appellant regarding approval of instalments. As per the terms and conditions, the



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Appellant had to pay 30 % down payment of Rs. 7,43,538/-, and six installments of Rs. 2,50,486.52 per month from Mar. 2021 to Sep. 2021, along with (in addition to) current monthly bills. It was specially mentioned that

- “c) If you fail to pay EMI by scheduled date or the current bill of subsequent month by due date, installment package sanctioned will be treated , as cancelled.*
- d) Accordingly, all the benefits sanctioned on account of installments package will be withdrawn with immediate effect. Rebates & discount granted for current bill installment as well as during installment period will be cancelled.*
- e) The total arrears will be determined considering interest & DPC as per prevailing rules and debited to consumer’s account.*
- f) Your supply is liable for disconnection immediately after termination of installment package, without serving any notice towards disconnection. ‘*

- (viii) The Appellant failed to pay the installments within the prescribed time frame along with his current bills. *[Note: The Respondent has not explained how the instalments paid by the appellant, as mentioned in Table 2, were incomplete or inadequate. It seems that the instalments may have been paid, however the current bills may not have been paid. If this was the case, the Respondent is expected to inform the Appellant accordingly, and to give him a fair opportunity to clear his current dues, especially considering that he was paying his instalments of a large amount (Rs.24.96 lakhs). The least that the Respondent could have done was to inform him that he was in danger of disconnection if he did not pay his current bills, in addition to the instalments. This is an expected part of responsive and transparent administration.]* The supply of the Appellant was temporarily disconnected on 22.06.2022 for the arrears of Rs. 9,65,297/- and permanently disconnected for arrears of Rs.19,56,764/- on 28.12.2022. *[Note: During the hearing the Respondent was asked to submit calculations of how much these*



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arrears or current bills would have reduced, had the CD been reduced in Aug. 2021 from 500 to 200 KVA, as requested by the Appellant vide his email dated 12.08.2021, as the web portal was not functioning for reduction of CD. However the Respondent failed to submit these calculations. It is possible that the current bills would have reduced substantially, had the Respondent reduced the CD in time during the first wave of the Covid-19 pandemic.]

- (ix) The Appellant claimed that he had tried to reduce the CD on 09.07.2022 through an online application on the Web Portal. During his subsequent personal visit to the MSEDCL office, it was brought to his notice that his online application was not getting accepted in the system due to his outstanding dues. It was also shown to him the list of other consumers who had applied online for reduction/increase in CD, and they were successful in the operation. The Web Portal is common to all consumers of MSEDCL in the State of Maharashtra and was functioning properly. Many consumers have appreciated this facility. *[Note: It was clarified during the hearing that the 'system' did not allow reduction of CD if there were any outstanding dues, even if this was during the 'instalments' period, or during the Covid-19 period.]*
- (x) The Appellant is hiding the fact that he was in arrears. The technical reason being 'defaulter', his application for reduction of CD on the web portal was not accepted. It is not correct that the web portal was not working.
- (xi) The Respondent referred to Regulation 5.4 of the Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 (Supply Code and SOP Regulations 2021) which is reproduced as below:

"5.4 The Applicant shall provide the following information / particulars / documents to the Distribution Licensee while making an application through hard copy (only for Rural Area) or on Web Portal or Mobile App for supply or


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for revision in load, shifting of service, extension of service or restoration of supply:

i. to iv.


v. whether the application is for a new connection, shifting of service, additional load, extension of service, change of name or restoration (where the disconnection was for a period of less than Six (6) months);


Provided further that for revision in load / shifting of services/ extension of services/name change/ restoration of supply: a. Consumer shall clear all its pending dues as on the date of Application unless payment of the same is not stayed by any Forum/Court:”

(xii) In view of the above-mentioned facts, it is requested that the representation of the Appellant be rejected.


5. During the first hearing, the Appellant was not present, and the Respondent was directed to approach the Consumer as per their corporate office policy for settlement of arrears of permanently disconnected (PD) Consumers. The Respondent clarified that they approached the Appellant; however, he did not give any response to their proposal for a settlement. The Respondent submitted the abstract of CPL which is produced as below:

Table 3:


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Sr. No.	Billing Month	Current Bill (Rs.)	Principal Amt. of Arrears (Rs.)	Interest (Rs.)	Total Arrears	Total Bill (Rs.)	Amount Paid (Rs.)	Date of Payment
1	2	3	4	5	6=4+5	7=3+6	8	9
1	Jan-21	3,13,283	23,69,109	1,01,493	24,70,601	27,83,885	49,600	19.01.2021
2	Feb-21	2,89,574	16,29,362	1,20,998	17,50,359	20,39,933	10,47,650	18.02.2021
3	Mar-21	4,04,873	19,15,259	1,27,305	20,42,564	24,47,437	-	Nil
4	Apr-21	3,94,694	23,06,634	1,56,142	24,62,776	28,57,470	-	Nil
5	May-21	2,76,801	26,88,721	1,77,121	28,65,842	31,42,643	-	Nil
6	Jun-21	1,56,879	14,03,950	2,00,453	16,04,403	17,61,282	15,60,060	25.06.2021
7	Jul-21	3,29,042	11,55,410	2,02,879	13,58,289	16,87,331	4,07,380	24.07.2021
8	Aug-21	2,91,000	9,08,067	2,09,261	11,17,327	14,08,327	5,70,342	21.08.2021
9	Sep-21	3,28,865	6,61,040	2,08,906	8,69,946	11,98,811	5,35,731	20.09.2021
10	Oct-21	4,88,123	4,13,398	2,08,740	6,22,138	11,10,261	5,70,364	22.10.2021
11	Nov-21	3,95,217	6,31,613	2,07,677	8,39,290	12,34,508	2,50,487	22.11.2021
12	Dec-21	3,50,333	1,76,815	2,07,127	3,83,942	7,34,274	8,39,297	31.12.2021
13	Jan-22	2,12,018	3,43,878	2,07,127	5,51,005	7,63,022	1,76,815	24.01.2022
14	Feb-22	1,76,257	2,14,668	2,07,306	4,21,974	5,98,231	3,43,878	25.02.2022
15	Mar-22	1,82,696	1,77,338	2,07,239	3,84,577	5,67,273	2,14,668	09.03.2022
16	Apr-22	2,25,311	3,62,318	2,07,413	5,69,731	7,95,042	-	Nil
17	May-22	2,22,453	3,41,068	2,07,962	5,49,030	7,71,483	2,47,000	31.05.2022
18	Jun-22	1,89,156	5,66,302	2,09,839	7,76,141	9,65,297	-	Nil
19	Jul-22	1,47,550	7,56,279	2,15,947	9,72,226	11,19,776	-	Nil
20	Aug-22	1,59,595	9,05,673	2,23,881	11,29,554	12,89,149	-	Nil
21	Sep-22	1,58,706	10,67,263	2,43,691	13,10,954	14,69,661	-	Nil
22	Oct-22	1,47,550	12,27,953	2,50,848	14,78,801	16,26,351	-	Nil
23	Nov-22	1,47,550	13,77,347	2,67,556	16,44,904	17,92,454	-	Nil
24	Dec-22	1,47,550	15,26,742	2,82,472	18,09,214	19,56,764	-	Nil
25	Jan-23	-	15,69,191	2,68,344	18,37,535	18,37,535	-	Nil
	Total	61,35,077					68,13,270	
Note:	Monthly current bill is for the units consumed in that month and is issued in first week of next month.							


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This is a system generated statement of monthly billing and payments done. It shows how the arrears accumulated. It is notable that the arrears of May 2021 reached Rs.31.43 lakhs, the Appellant made a substantial payment of Rs.15.6 lakhs.

Analysis and Ruling

6. Heard the parties and perused the documents on record. The Respondent raised the issue of non-maintainability as the present representation was not filed within 60 days (i.e. on or before 15.05.2023) against the Forum's order dated 15.03.2023 as per Regulation 19.1 of CGRF & EO Regulations 2020. The Appellant filed this representation on 27.03.2024 with about 10 months' delay.

7. The Appellant reiterated that he had filed a petition in Case No. 118 of 2023 with the Commission on 20.04.2023(i.e. within the above-mentioned 60 days' period) for revision of Contract Demand and seeking withdrawal of disconnection notice. The Commission by its order dated 21.02.2024 dismissed the petition on the grounds of maintainability, and advised the Appellant to approach the Electricity Ombudsman. Accordingly, the Appellant has filed this representation on 27.03.2024 with a request to condone the delay. The delay is hereby condoned in view of the Commission's order.

8. The main point of contention between the parties is regarding reduction in contract demand. Had the CD been reduced in Aug.2021 itself, as per the email request of the Appellant dated 12.08.2021, the large amount of arrears would not have been generated in the first place, or at least the arrears would have been much lesser. The Respondent was specifically directed in the hearing to give a detailed break-up of the arrears, i.e. how much arrears were already there before the instalments started in March 2021, and how much arrears were generated thereafter due to non-payment of current dues as claimed by the Respondent. This information was submitted and tabulated in Table 3 of Para 3. The Respondent was also asked to submit



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details of how much arrears could have been (theoretically) avoided if the CD was reduced from July 2022, as per the online application on 09.07.2022. The Respondent did not reply to this query. It only repeated its stand that CD could not be reduced after disconnection, as per the Commission's guidelines. In this case, the connection was made TD on 22.06.2022 and PD on 28.12.2022. Hence the connection was only temporarily and recently disconnected at the time when the Appellant tried to reduce his CD online. Nowhere has the Respondent been able to show the Commission's guidelines that CD cannot be reduced even in the period in – between TD and PD. In fact if a connection has been temporarily disconnected due to non-payment of accumulating arrears, that is all the more reason to allow a reduction in CD, so that the current bills would get reduced, making it easier for the consumer to clear his dues, and both parties would benefit. This is even more applicable during the pandemic when businesses were suffering financial losses, and special provisions were being issued to facilitate easy payment through instalments. In such a situation, there is no justification not to reduce the CD and the load to ease financial stress as well as to reduce the rate at which arrears would accumulate. Arrears piling up unnecessarily (due to high CD) is beneficial neither to the licensee nor to the consumer.

9. The Commission issued a Practice Direction on 21st May 2020, directing licensees to set up an online WSS portal for facilitating change of CD. It issued fresh MERC (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 dated 25 February 2021. Regulatory provisions relating to revision in CD in the above Regulations are summarized below:

“7.6 The Distribution Licensee shall revise (increase or decrease) the Contract Demand / Sanctioned Load of the Consumer upon receipt of an application for the same from the Consumer: Provided that in case Consumer exceeds its Contract Demand on Three (3) occasions in any Financial Year; then Distribution Licensee shall intimate such Consumer to apply for regularising its Contract Demand. In case Consumer refuses or


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fails to do so, Distribution Licensee shall revise its Contract Demand to the highest recorded Maximum Demand in that Financial Year in the immediate next ensuing bill:”

10. The Commission issued the following related practice directions on 26th May 2021 for revision of CD in a billing cycle.

“Practice Direction: -

a. HT Industrial and HT Commercial consumers shall be allowed to revise their Contract Demand upto 2 times in a Billing Cycle.

Provided that subsequent to second change in Contract Demand in a Billing Cycle by HT Consumers, for the remaining period of that particular billing cycle, maximum possible Load Factor Incentive shall be restricted to 5% of energy charges as against 15% provided in Tariff Order. For subsequent Billing Cycle, maximum limit of Load Factor Incentive shall be restored to 15% if the consumer does not exercise its option of Changing Contract Demand for the second time in that Billing Cycle.


b. LT Industrial and LT Commercial consumers having demand-based tariff shall be allowed to revise their Contract Demand once in a Billing Cycle.

c. Consumer shall apply to the concerned Distribution Licensee at least 3 days in advance for revision in Contract Demand.

d. Distribution Licensee shall grant such revision in Contract Demand after receipt of completed application from requested date subject to technical feasibility.

e. Revision in Contract Demand can be made effective within 3 days, only if requested revision in Contract Demand is commensurate with Distribution Licensee’s technical specification of allowable maximum/minimum load current of existing CT/PT of metering infrastructure.

f. Reduction in Contract Demand shall be limited to minimum threshold contract demand level for that consumer tariff category /sub-category. Consumer always


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has option to apply separately for change in tariff category/sub-category as per provisions of applicable Regulations and timelines for the same will be governed by that Regulations.

This Practice Direction is applicable with prospective effect and shall remain valid till 31 March, 2022.”


Accordingly, the MSEDCL issued an email to all its HT Consumers, including Niwas Spinning Mills Ltd, on 17.07.2021 at 12.20.29 hrs, as per record.

11. The following issue is framed for consideration of the case:

Issue: Whether the Appellant is entitled for reduction of CD from 500 KVA to 300 KVA from April 2022 onwards, as per his prayer?

Issue is answered as NEGATIVE.

- Since the prayer before the Forum was for reduction in CD from April 2022, we cannot consider any period prior to that for granting reduction in CD. So far as the period subsequent to April 2022 is concerned, the Appellant tried on the web portal for reduction in CD on 09.07.2022 (13:21:45 hrs.); however was not able to proceed further, as the system did not process any reduction in CD because the connection was temporarily disconnected. The Appellant by its letter dated 09.08.2022 informed the Respondent that huge demand charges were levied in the energy bill of July 2022, and requested to waive them off. The Respondent clarified that the supply of the Appellant was temporarily disconnected on 22.06.2022 for arrears of Rs. 9,65,297/-, hence his CD could not be reduced. It is a fact that the Appellant was in arrears as seen from Table 2. Though he paid the required instalments, he paid them late. As per Regulation 5.4 of Supply Code and SOP Regulations 2021 [which is produced in Para 4 (xi)], this facility is not available for consumers who are in arrears.


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➤ The issue is answered as NEGATIVE.

12. At the same time, the Respondent is advised to re-examine its policy and to take up the matter with the Commission, to allow reduction in CD even if a connection is TD. In order to provide some relief to the Appellant, during the hearing, the Respondent was directed to submit a proposal for a one-time settlement, which is summarised below:

The Respondent by its letter dated 24.05.2024 has sent a copy of its Circular dated 3.11.2020 under No. CE/B&R/Installment Policy/19409 regarding new instalment policy for Live/ TD / PD, HT and LT Consumers (excluding AG) for Standard packages (One Time Settlement and Instalment). The Installment Package Details are as below:

“A. Fixing of amount due for installment:

The amount to be fixed under installment facility is as below.

.....
.....

d. For permanently disconnected consumers: The amount in the final bill shall be determined less (waived off) demand charges applied from TD date to PD date Plus 50% of the interest from TD date to the application date. (No fixed / demand charge will be applied from the date of TD to reconnection date.)

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g. Auto approval facility for above category “b to e”, package will be available once in a lifetime in auto approval mode, subsequent request will be reviewed & decided by JMD or RD office.

B. Down Payment

a. For consumers with current bill no down payment will be required.

b. For all other consumers 30% down payment will be applicable against amount fixed as per above.

c. Consumer will have to pay down payment within 7 working days of approval of installment package.


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C. Installments in form of EMI


- a) *Installment amount will be calculated in the form of EMI by considering 12% interest rate per annum on revised receivables fixed as mentioned above.('amount due for installment').Sample calculation for calculation of EMI is shown in Annexure 'A'.*
- b) *Maximum 3 No's Installments will be granted for consumers asking installment against current bill.*
- c) *For the consumer in arrears the maximum number of installments can be extended up to 12.*
- d) *During the installment period, the due date of energy bill of respective month will be the scheduled date for payment of EMI.*
- e) *In case of consumers where reconnection/release is pending due to infrastructure work EMI will start after release /reconnection of connection and will be payable with due date of current month bill.*

G. Reconnection Procedure

- a) *All TD consumers will be reconnected after approval of installment & payment of down payment and reconnection charges as applicable.*
- b) *PD consumers within the six months on date of application will be reconnected with same consumer number subject to the technical feasibility from concerned field office and payment of down payment and reconnection charges as applicable.*
- c) *PD consumers beyond six-months period, will have to avail new connection. After payment of down payment consumer will be eligible for new connection subject to technical feasibility and payment of necessary charges for new connection. The supply will be connected after completion of work involved as per procedure."*

13. Considering the various angles of the case, the Respondent is directed

- a) to issue a revised bill by withdrawing fixed/demand charges in toto from the date of temporary disconnection i.e. from 22.06.2022, along with withdrawing interest and delayed payment charges which accrued from 22.06.2022 onwards.



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- b) to reconnect the supply of the Appellant, if the Appellant pays 30 % amount of the revised bill as down payment, and statutory charges of service connection as per Regulations in force.
- c) to allow the Appellant to pay the remaining amount in five monthly instalments without any interest.
- d) This proposal has a time limit of two months. If the Appellant fails to pay these charges within a period of two months, the proposal offered to the Appellant can be cancelled by the Respondent.
- e) Compliance to be submitted within two months from the date of issue of this order.
- f) Other prayers of the Appellant are rejected.

14. The Representation is disposed of accordingly.

Sd/
(Vandana Krishna)
Electricity Ombudsman (Mumbai)


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai

