

BEFORE THE CONSUMER GRIEVANCE REDRESSAL FORUM
B.E.S. & T. UNDERTAKING

(Constituted under section 42(5) of Electricity Act 2003)

Ground Floor, Multistoried Annex Building,
BEST's Colaba Depot
Colaba, Mumbai - 400 001
Telephone No. 22853561

Representation No. S-HVC-A Ward-282-2016 dtd. 08/01/2016.

M/s Laxmi Offset & Printing WorksComplainant

V/S

B.E.S.&T. UndertakingRespondent

Present

Chairman

Quorum : Shri V. G. Indrale, Chairman

Member

1. Shri S.Y. Gaikwad, Member
2. Shri S.M. Mohite, Member CPO

On behalf of the Complainant : 1. Smt. Nisha G. Bhambra
2. Shri P.N. Palekar

On behalf of the Respondent : 1. Shri N.V. Bhandari DECC(A)
2. Shri R.U. Kasar, Supdt. CC(A)
3. Shri D.B. Kadam, Sup (P)

Date of Hearing : 04/03/2016

Date of Order : 08/03/2016

Judgment by Shri. Vinayak G. Indrale, Chairman

The Proprietor, Laxmi Offset & Printing Works, 23, Goa Street, Ballard Estate, Fort, Mumbai - 400 038 has come before the Forum for high Bill complaint due to penalty for exceeding contract demand pertaining to A/c no. 102-006-307*9.

Complainant has submitted in brief as under :

The complainant has approached to IGR Cell on 14/07/2015 for complaint regarding high Bill due to penalty for exceeding contract demand pertaining to A/c no. 102-006-307*9. The complainant has approached to CGRF in schedule 'A' dtd. NIL (received by CGRF on 07/01/2016) as the complainant was not satisfied by the remedy provided by the IGR Cell of Distribution Licensee regarding its grievance.

**Respondent, BEST Undertaking in its written statement
in brief submitted as under :**

- 2.0 The complainant M/s Laxmi Offset & Printers Works came before the Forum for its dispute regarding refund of wrongly levied penalty for exceeding contract demand in their electricity bills from February 2009 to August 2014.
- 3.0 Electric supply is given to M/s Laxmi Offset & Printers Works through meter number **P003337** on tariff LT II (a) for commercial purpose and through meter number **P011579** on tariff LT IV (b) for industrial purpose under A/C 102-006-307. From February 2009 the consumer was charged for penalty for exceeding contract demand as per tariff schedule in force.
- 4.0 Vide letter dated 01/09/2012 the complainant has complained for charging penalty for exceeding contract demand. He further stated that his sanctioned load is 48 Kw and not 1.05 Kw as mentioned in electricity bill. Investigation was carried out and it was observed that sanctioned load for meter number **P003337** is **16.12** Kw and for meter number **P011579** is **22.43** Kw. The sanctioned load was updated for billing purpose from August 2014 after necessary action. Charging for penalty for exceeding contract demand was stopped from billing month September 2014.
- 5.0 Site investigation was carried out on 16/07/2014. During site investigation it was observed that, the consumer has shifted the printing machinery from the premises and the premises is being used for commercial purpose. It was further observed that there is apparent drop in electrical consumption from April 2013. It seems that, the printing activity was stopped somewhere in March 2013.
- 6.0 Necessary debit / credit was carried out for the period July 2009 to August 2014 resulting in net credit of Rs 4,77,606.26/-. Same is reflected in electricity bill for the month February 2015. Credit of Rs 2,37,819.26 was given towards penalty for exceeding contract demand by considering commercial tariff from March 2013 for meter number P011579 and credit of Rs 2,39,787/- was towards refund of Delay Payment Charges and Interest on arrears. Delay payment charges and interest on arrears are calculated at the rate of 9% half yearly compounding.
- 7.0 The consumer has brought to notice that penalty for exceeding contract demand was charged from February 2009 not from July 2009. Hence additional credit of Rs 32,292.36 was given to the consumer towards refund of penalty for exceeding contract demand for the period February 2009 to June 2009 and same reflected in electricity bill for the month August 2015.
- 8.0 The complainant consumer was not paying his electricity bills regularly. He was in arrears of Rs. 1,22,610.84 in the month of February 2009, from this month penalty for exceeding contract demand was wrongly levied. Total credit towards refund of

wrongly levied penalty for exceeding contract demand and delay payment charges and penalty interest levied on it amounting to Rs. 5,09,898.62 is already given to the consumer. The consumer is liable to pay balance outstanding amount.

REASONS

- 9.0 We have heard Smt. Nisha Bhabra representative of the complainant and for the Respondent BEST Undertaking Shri N.V. Bhandari DECC(A), Shri R.U. Kasar, Supdt. CC(A) and Shri D.B. Kadam, Sup (P). Perused plethora of documents placed before this Forum by either party at the time of proceeding.
- 10.0 We have cautiously gone through the documents placed on record by the Respondent BEST Undertaking in respect of giving credit of penalty for exceeding contract demand as well as charging interest on interest of arrears (IOA) and delay payment charges (DPC) i.e. Exhibit 'E', 'F' 'G' & 'H'. The representative of the complainant has vehemently argued that the complainant approached the Customer Care dept. of BEST in December 2009 and till today they have not resolved the dispute regarding charging of penalty for exceeding contract demand. Against this, the representative of the Respondent BEST Undertaking has admitted that they have wrongly levied the penalty for exceeding contract demand and they have prepared the credit note and given the credit of total amount of Rs. 5,09,898.62. The representative of the Respondent BEST Undertaking has submitted that they have corrected the sanction load for meter no. P011579 as 22.43 kw and for meter no. P003337 as 16.12 kw and updated the connected load on master file by opening IDs on KLG system. Considering the documents placed on record by the complainant which are in between the period of 2009-2012, the question poses before the Forum is whether this Forum can take cognizance of the complaint. On this point we have gone through the record and it appears that the complainant has more particularly challenged the credit note dtd. 18/02/2015 pg. 4 and so we have to look into the controversy whether credit note passed by the Respondent BEST Undertaking is correct or not.
- 11.0 The complainant has submitted that as per their calculation, the Respondent BEST Undertaking is liable to give the credit note of Rs. 3,16,961.87 as shown on pg.no. 38 & 39 and not as shown by the Respondent BEST Undertaking in credit note of Rs. 2,37,826.00 issued on 18/02/2015. We tallied the figure of penalty levied for exceeding contract demand carved out by the complainant with the figure carved out by the Respondent BEST Undertaking which tallies with each other. On this point we have to observe that all the record of charging the IOA, DPC and penalty is with Respondent BEST Undertaking and therefore they are in a position to carved out the correct figures of penalty and interest charged on arrears and DPC. Thus we do not find any substance in the grievance of the complainant that the Respondent BEST Undertaking has not prepared the credit note properly. It appears that since March 2013, the Respondent BEST Undertaking has charged commercial tariff for meter no. P011579 as the complainant stopped industrial activities and so the complainant felt that figure of credit carved out by Respondent BEST Undertaking does not tally with its figure.

- 12.0 The record i.e. Exhibit 'G' goes to show that the Respondent BEST Undertaking has carved out interest on penalty levied for exceeding contract demand and DPC by charging monthly, quarterly, half yearly and annual compound interest. The representative of the complainant has submitted that the Respondent BEST Undertaking was required to refund the interest on monthly compound rate as they have charged it at that rate and not half yearly rests. It is further submitted by the representative of the complainant that they have to refund the interest from February 2009 and not from July 2009. We find substance in this contention as Exhibit 'H' goes to show that they have carved out the penalty from July 2009 and therefore they are supposed to carve out interest @ 9% by monthly compounding on IOA and DPC from February 2009. We have directed the Respondent BEST Undertaking to submit the chart by calculating the interest @ 9% monthly rests on penalty levied for exceeding contract demand and DPC since February 2009 to January 2015 and accordingly they have placed it on record for identification purpose it is marked as Exhibit 'K'. It appears after going through the Exhibit 'K' that the interest @ 9% with monthly rests on penalty levied for exceeding contract demand, IOA and DPC for the period February 2009 to January 2015 comes to Rs. 2,50,394.03. It appears from perusal of Exhibit 'G' i.e. chart of interest prepared by the Respondent BEST Undertaking that they have given the interest on penalty levied for exceeding contract demand and DCP for the period July 2009 to July 2015 @ 9% ½ yearly rests and amount comes to Rs. 2,39,787.00. In fact the complainant is entitled to get the refund of interest of Rs. 2,50,394.03. The Respondent BEST Undertaking has already given credit of Rs. 2,39,787.00 to the complainant and so the complainant is entitled to get the difference of interest which is calculated @ 9% on monthly rests which comes to Rs. 10,617.00 (2,50,394 - 2,39,787). Thus the complainant is entitled to get the credit of said amount towards interest charged by the Respondent BEST Undertaking @ 9% monthly rests on penalty levied for exceeding contract demand and DPC.
- 13.0 We have cautiously gone through the documents Exhibit 'E', 'F', 'G', & 'H' placed on record by the Respondent BEST Undertaking and it appears that they have given rightly the credit of Rs. 5,09,898.62 to the complainant for wrongly levying penalty for exceeding contract demand including interest charge on IOA and DPC. It appears that the Respondent BEST Undertaking has not given interest @ 9% monthly rests since February 2009 and given the same since July 2009 and therefore the complainant is entitle to get the credit of Rs. 10,617.00
- 14.0 We have gone through the documents Exhibit 'I' i.e. payment history of the complainant and it appears that the consumer i.e. the complainant was not even regular in payment of regular monthly bill after updation of the load and therefore there appears to be huge accumulation of electricity bill which is around Rs. 4 lacs or above. This approach of the complainant does not appeal to the mind as when they have consumed the electricity for industrial purpose they are suppose to pay the monthly bill regularly.

- 15.0 The complainant has not seriously disputed about charging of commercial tariff since September 2014 as they have closed the business of manufacturing playing cards somewhere in March 2013. So it appears that the Respondent BEST Undertaking has properly charged commercial tariff since April 2013 and for that complainant has not seriously disputed as the complainant submits that due to slack in industrial zone they have closed the unit. The complainant has submitted that at present they have completely closed the business of manufacturing playing cards due to financial crises and therefore unable to pay arrears at one stroke. Considering the present financial crises in the industrial zone we think it just and proper to give four monthly equal installments for repayment of arrears of electricity dues after deducting the credit of Rs. 10,617.00 to the complainant. If the complainant fails to pay any of the installment as stipulated in final order then the complainant is liable to pay interest and DPC on whole arrears as shown in revised bill.
- 16.0 In the above said observations and discussion we find substance in the complaint in respect of grievance of refunding the interest on penalty levied for exceeding contract demand @ 9% monthly rests which comes to Rs. 10,617.00 i.e. difference of interest which has not been credited by the Respondent BEST Undertaking in the account of the complainant. Thus the complaint deserves to be partly allowed as under.

ORDER

1. The complaint no. S-HVC-A Ward-282-2016 dtd. 08/01/2016 is partly allowed.
2. The Respondent BEST Undertaking is directed to give credit of Rs. 10,617.00 to the complainant as difference of interest amount in respect of charging interest @ 9% which they have calculated at half yearly rests in fact the complainant is liable to get the interest @ 9% monthly compound interest on IOA and DPC for the period from February 2009 to January 2015.
3. The Respondent BEST Undertaking is directed to issue revised bill later giving credit of Rs. 10,617.00 to the complainant within 15 days from receipt of the order.
4. The complainant is permitted to pay arrears as shown in revised bill in four equal monthly installments commencing from 01/04/2016 and ending on 15/07/2016. If the complainant commits default in payment of any installments, then liable to pay DPC and interest due as shown in revised bill.
5. The Respondent BEST Undertaking to comply the order within 30 days from the date of receipt of the order and report the compliance within 15 days there from.
6. Copies of this order be given to both the parties.

(Shri S.Y. Gaikwad)
Member

(Shri S.M. Mohite)
Member

(Shri V.G. Indrale)
Chairman