

**BEFORE THE CONSUMER GRIEVANCES REDRESSAL FORUM
MADHYA GUJARAT VIJ COLIMITED
CORPORATE OFFICE, 5TH FLOOR SP VIDYUT BHAVAN,
RACECOURSE, VADODARA 390 007**

Subject	Consumer Grievances Complaint No.MG-III-72-2014.15
Complainant	I.C. Textiles Limited, N.H.No.8, Village: Lakroda, Tal: Karjan, Dist: Vadodara.
Respondent	1) Smt. S.K.Bedekar, Deputy Engineer, Karjan-II Sub- division, MGVCL. 2) Shri. S.H. Upadhyay, S.E. GETCO, Shri K.I.Shah, E.E.,GETCO, Shri.B.N.Hathila,EE(R&C),GETCO.
Date of hearing	10.10.2014 and 07.11.2014 at conference room, MGVCL, Vadodara.

QUORUM	NAME
Chairperson	Shri P J Patel, Gandhinagar
Independent Member	Harsha S Chauhan, Vadodara
Technical Member	Shri A G Shah, MGVCL

The complaint dated 29.09.2014 regarding (1) Delay in payment of security deposit & service connection charges (2) Deduction of Rs.50,000/- from Security Deposit & Service Line Charges (3) No interest paid along with Security Deposit & Service connection charges refund.

On 29.10.2014, 07.11.2014 and 28.11.2014, the case of the Complainant's Grievance was heard before Consumer Grievance Redressal Forum. On 29.10.2014, a representative Shri Devinder Gerg on behalf of the complainant and the respondent Smt. S.K. Bedekar, Dy.Engr. on behalf of MGVCL appeared before the Forum. On 07.11.2014, as part of respondent Shri S.H. Upadhyay, Sup.Engr.(R&C), Shri K.I. Shah, EE(Const), Shri B.N. Hathila, EE(R&C) on behalf of GETCO appeared before the Forum. Both the parties were heard.

The brief details of the complaint are:

1. Demanded for 8000 KVA new EHT power connection at L.S.No.324, Village-Lakroda, Tal: Karjan, Dist: Vadodara.
2. An estimate issued on 21.06.2011 under Option-III was paid by the complainant on 18.07.2011.
3. Under Option-III, the applicant has to erect the transmission line. Due to delay in erection work, MGVCL had issued notice and subsequently cancelled allotment vide letter MGVCL/RA&C/EHT/1011 dated 13.08.2013.

4. The applicant had demanded refund of Security Deposit amount paid. It was paid by MGVCL on 03.07.2014 after deduction of Rs.50,000/- as per GERC notification.
5. The complainant has sought relief from the Forum as under:
 - a. Demand of Interest @ 9% on Security Deposit & Service Connection charges for the period 18.07.2011 to 13.08.2013 amounting total Rs. 63,53,374.00
 - b. Demand of refund for Rs.50,000 deducted from Security Deposit & Service Connection charges.
 - c. Demand of interest @ 15% on delayed payment of Security Deposit & Service connection charge from 13.08.2013 to 30.07.2014 amounting total Rs.49,09,808.00.
 - d. Total Interest & refund of deducted fund demand is Rs.1,13,13,182.00(i.e. a+b+c)
 - e. List of documents submitted in support of their demand (page no 3 to 32).

The complainant contended that they have no objection for cancellation of allotment / termination of agreement on dated 13.08.2013 for demand of 8MVA power. They could not complete the erection works of transmission line due to some reasons. They had requested for refunds of Security Deposit and Service Line charges with accrued interest vide their letter No.31 dated 28.02.2014. Security Deposit credited to their A/c on 30.07.2014 deducting Rs.50000 and without Service connection charges and interest so they had raised their grievances quoting GERC Notification No.8 clause 4.14 and Notification No.9 clause 7(viii) vide their letter No.56 dated 30.08.2014 to Chief Engineer(Project), MGVCL. MGVCL has not replied till date.

The content of above clause of Notifications are as under.

(i) Clause No.4.14, Notification No.8

“The Licensee, on termination of the agreement by either party shall refund Security Deposit after adjustment of dues, if any within 30 days.

(ii) Clause No.7 (viii), Notification No.9

“After the payment of deposit as aforesaid and before the completion of work, if the Applicant declines to take the supply, the deposit shall be refunded after deducting there from, actual cost incurred plus 10% of amount of estimate or Rs.20,000/- in case of LT/HT and Rs.50,000/- in case of EHT applicants whichever is less.

However, if the applicant withdraws before starting the work of laying of electric line, erection of electrical plant and creating any other facilities for extending supply to the applicant seeking new connection, total amount after deducting 5% of amount of estimate or Rs.5,000/- whichever is less, shall be refunded by the Licensee to the Applicant.”

The respondent contended that the refund of estimate paid by the applicant is as per rules in accordance with the details submitted by GETCO. *In details it is explained as under:*

1. *An application for 8000 KVA demand was registered on 27.04.2011. An estimate under Option-III was issued on 21.06.2011. It was paid on 18.07.2011 and agreement done on 19.07.2011.*

Security Deposit : Rs. 3,39,01,600.00 and Service connection charges: Rs. 1,36,000.00. Total: Rs. 3,40,37,600.00

2. *Under Option-III the applicant has to lay transmission line within 180 days along with way leave clearances if any. The applicant could not complete the erection works so MGVCL had issued notices and due to no positive response from the applicant, the application was cancelled vide letter dated 13.08.2013.*
3. *The applicant had asked refund of their payment vide letter dated 28.02.2014.*
4. *After completion of administrative procedures among GETCO and MGVCL, refunded the Security Deposit after deducting Rs 50,000/- as per Clause 7(viii), GERC Notification 9 of 2005.*
5. *Being non-consumer, interest on Security Deposit is not applicable. The applicant has to complete the erection work under Option-III within 180 days. In instant case the applicant (complainant) has not completed the said works even after approximately 2 years. MGVCL had issued several notices but no response given by the applicant so MGVCL has cancelled the application. MGVCL & GETCO have kept 8MVA power availability at sub-station end and incurred losses due to unused spare capacity beyond its time limit.*

As MGVCL could not submit details regarding refund of Security Deposit & other matters, so the Forum had called GETCO for hearing on 07.11.2014.

Representatives of GETCO have explained their procedure and subsequently submitted documents vide their letter No.GETCO/SE(R&C)/EE-C/1522 dated 25-11-2014 which was taken on record while hearing on 28.11.2014. They have contended that there is no delay on their part for refund of the Security Deposit. A meeting was held with M/s. I.C. Textiles Ltd at Construction Division Office, Jambuva on dated 29.04.2014 for enlisting the quantum of work carried out for preparing the final bill. M/s I.C. Textiles Ltd vide their letter dated

29.04.2014 stated that they are unable to submit the records and documents for the work carried out as same had got damaged so it was evaluated physically by GETCO and finalized. They also contended that the work involved erection of...

- (i) Single circuit 66KV line of length 7.75 kms on double circuit tower with a dog conductor.
- (ii) Underground 66KV single circuit cable of length 500 mtrs.
- (iii) Complete erection of feeder bay including substation structure for gantry, LA, CTs, PI, PTs etc. and termination of Lighting Arrestors, Isolators with & without Earthing switches, insulators, CTs, PTs, 66KV SF6 breakers, a control room with control panels and relay panels, substation lighting and other civil work including cable trench etc. at both ends i.e. GETCO end and Consumer end.
- (iv) Majority of works has been carried out.
- (v) Works carried out by GETCO such as...
 - a. The approval of all the drawings submitted by the applicant.
 - b. Approval of N.G. Railway crossing
 - c. Approval of Road crossing from R&B Department
 - d. Approval from National Highway Authority for crossing of lines.
 - e. Inspection of almost all the materials carried out.
 - f. Meetings with farmers for ROW
 - g. Publication of Govt. Gazette for the line work.
 - h. Approval of line route, vendors, check survey, feeder bay etc. from Corporate Offices.

The estimate amounting to Rs.1,04,31,895.17 issued to M/s I.C. Textiles Ltd consisted of Rs.66,80,000/- towards pro-rata charges @835/- per KVA and supervision charges for Rs.37,51,895.17.

As per GERC Notification, the actual cost incurred plus 50,000/- (as 10% of 104.31 Lacs = 10.4 Lacs is greater than Rs.50000/-) is to be deducted from the estimated amount paid by M/s I.C. Textiles Ltd.

The 100% supervision charges and the Service Tax actually paid by the GETCO on behalf of M/s. I.C. Textiles Ltd., are withheld against the work carried out.

Against estimate issued of Rs. 1,04,31,895.17, M/s. I.C. Textiles Ltd., have paid Rs.1,04,31,000.00 only. Hence after deduction of Rs.37,51,895.17 from the amount paid, Rs.66,79,104.00 is to be refunded.

They stated that GETCO has calculated refund as per norms and it is in order. The delay in making refund can be attributed to applicant as there were no documentation/records provided by them.

The amount of deposit paid by the applicant is against security, which is to be refunded on completion of the work without any interest. Similarly, the applicant cannot claim interest on the payment of estimate paid for carrying out the work, which is now supposed to be refunded back as they have not carried out the same.

In absence of records from the applicant and the quantum of work could not be accessed in terms of expense, it took time for finalization of bill which was submitted to their Corporate Office for approval on 25.07.2014 after receipt of their consent within 3 months period.

Hence the time taken for preparation of the final bill by GETCO field office is only 3 months and thereafter procedure for approval at Corporate Office level. Refund order released on 01.10.2014.

Hence the demand for interest payment is untenable.

The Forum Members present at the hearing considered contention of both the parties and perused the record and observed that the delay caused in processing the bills and making refund is nothing but the time required for processing their bills and official correspondence (including time taken for submission of records from the applicant). It is also noted that the claim raised by the applicant is applicable in case of “consumer” as per GERC Notification whereas in this case, the connection is not released and M/s I.C. Textiles Ltd remains as an applicant who is subsequently cancelled by MGVL due to non-execution of works by the applicant as per agreement signed for OPTION-III.

The erection of transmission line was to be completed within 180 days and considering that period GETCO/MGVL has kept 8000 KVA power availability at their sub-station end which is not utilized for about 2 years due to non-completion of works. Under such situation, interest on estimates paid by the applicant cannot be considered on the contrary MGVL could not utilized spare capacity reserved for M/s. I.C. Textiles Ltd., The Forum is of the opinion that, there is no abnormal delay in refund of Security Deposit & other charges. Also work delayed by the complainant and also not falling under the definition of consumer, interest payment is not eligible as per GERC Notification.

ORDER

The Forum directs M/s. I.C. Textiles Ltd., N.H.No.8, Village-Lakroda, Tal-Karjan, Dist. Vadodara that (1) there is no delay in refund of Security Deposit by MGVL. (2) The recovery of Rs.50,000/- is as per rules. (3) Interest on estimate paid either in terms of Security Deposit or other charges are not eligible before release of connection.

(A G Shah)
Patel)
Technical Member
Chairperson

(Harsha S Chauhan)

(P J
Independent Member

PS :

If the complainant is not satisfied with the order of this Forum, the complainant may approach The Staff Officer, Office of the Electricity Ombudsman, Gujarat Electricity Regulatory Commission, Barrack No.3, Polytechnic Compound, Ambawadi, Ahmedabad 380 015 in accordance with Chapter-5, Clause No.13 of GERC Notification No.4 of 2005.

Procedure to make representations before Ombudsman***

1. Representation should be in writing duly signed by the complainant with his name and address.
2. Representation should be supported with affidavit.
3. True copy of order of Forum and original complaint made before Forum should be attached. Enclosed documents should be certified copies of the original documents.
4. The representation before Ombudsman should be submitted within 30 days from the date of order of Forum.
5. Copy of representation should be submitted at the office of Ombudsman. Copy of representation should be submitted to all respondents.
6. If the complainant is required to pay any amount according to the order of Forum, one-third of such amount should be deposited by complainant and proofs should be attached along with the representation.
7. The matter should not be pending before the competent Forum or any other court, tribunal, arbitrator or any other authority.
8. All representations should be with a sufficient cause, reasonable diligence causing the consumer prima facie loss and damages / inconvenience.
9. Representation may be submitted in English or Gujarati language

*** <http://www.gercin.org/docs/Cosumer%20Grievances/Procedure/Procedure.pdf>