

**BEFORE THE
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**
World Trade Centre, Centre No.1, 13th floor, Cuffe Parade, Colaba, Mumbai 400 005.

Case No.12 of 2003

**IN THE MATTER OF
Improper billing and rectification procedures, metering issues and other matters
relating to the functioning of Mumbra Sub-Division of Maharashtra State Electricity
Board.**

**Shri P. Subrahmanyam, Chairman
Dr. Pramod Deo, Member**

ORDER

Dated – September 8, 2003

Under his Petition filed on 2.6.2003, Shri Yusuf Mohseen Thanawala, Member, All India Welfare Association, Dist. Thane has raised a number of issues relating to Maharashtra State Electricity Board (MSEB)'s functioning in their Mumbra sub-division. In his Petition, Shri Thanawala contends that the staff in the Mumbra sub-division is inexperienced and arbitrary decisions are taken. Applications for verification of faulty / reject bills take 4 to 6 months to dispose. The provisions of Section 26(6) of the Indian Electricity (IE) Act are not followed in the process of such rectification of bills. Where the meter is shut, billing is done on an average basis, resulting in higher bills. Local MSEB officers take the stand that bills can be rectified only for a period of upto 6 months, as per the orders of the Chief Engineer. Even where houses or shops are closed, bills are raised on an average basis for as long as four years. In spite of complaints from consumers, no decision is taken except with regard to the six months period. On the other hand, according to a judgement of the Delhi High Court, under Section 26(6) of the Indian Electricity Act, the State Electricity Boards can levy charges only for six months in such cases because the repair or replacement of meters is their responsibility. However, it takes six months just to obtain approval for this from the Kalwa Division. In case of those consumers who do not receive bills and approach the sub-division office, there is no system for immediately giving duplicate bills, and there is also no provision at that level for approving part payments. Getting new meters installed involves a great deal of paper work and running around by the consumer between the division and the sub-division offices. This acts as a disincentive to metering and encourages theft of electricity.

2. According to the Petition, CPL are not made available to the consumers at the Mumbra sub-division office. The reasons for this are not clear. This is a personal bill ledger which is necessary to enable consumers to check their accounts. Further, the meter inspection reports prepared in connection with bill rectification are not made available to the complainants. Shri Thanawala contends that the proportion of wrong billing is around 80% and there are long delays in rectification. He queried as to how consumers can pay in these circumstances. For a change of name, a deposit is taken again from the consumer, but the change is effected only after one or two years.

3. Shri Thanawala's Petition contends further that there is rampant theft in Diva and 22 other villages in the Mumbra sub-division, and no recovery. Recovery is effected only from the Mumbra-Kausa area. In the latter area, Service Line Charges (SLC) are recovered at the time of fixing meters for laying of underground lines but, in fact, supply is provided through over-ground poles.

4. Shri Thanawala submitted that electrical contractors are allowed access everywhere else, but not in the Mumbra sub-division office. Consumers are generally ignorant of the procedures and whom to approach and contractors, who are technical persons familiar with MSEB's working, are in a position to assist them.

5. Shri Thanawala submitted that it is indicative of the state of affairs in the Mumbra sub-division that the largest number of officials have been suspended and charged with corruption there, and he has listed several cases. His general prayer, in the light of the foregoing, is that the Commission intervene to rectify the working of officials of Mumbra sub-division as per the provisions of the Indian Electricity Act and other relevant statutes. The Petition is accompanied by various documents and copies of bills in support of his contention.

6. MSEB have submitted their reply dated 5.7.2003. With particular reference to one of the documents submitted as an Exhibit by the Petitioner, MSEB have denied that their Chief Engineer had admitted that transformers are overloaded in the Mumbra-Kausa area. It is the practice that, where transformers are overloaded, the process of giving new connections is stopped. SLC charges are levied for provision of infrastructure such as transformers, feeder poles, etc., and these are applicable all over the State. MSEB have clarified that it takes four months for the issue of the first bill to new consumers. They have admitted that there is delay when supply reports are inadvertently not received by the billing section in time in a very few cases. In such cases, payment is allowed in instalments.

7. According to MSEB, complaints regarding 'reject' bills, average billing, etc. are rectified quickly. In cases where such rectification is not within the powers of the sub-divisional officials, proposals are sent to the Executive Engineer and the facility of payment to that extent is given to the concerned consumers for the intervening period. MSEB have claimed that most consumers are billed according to actual meter reading, and that instructions have been given to all staff for speedy disposal of consumers' complaints. MSEB have also submitted that, in cases where consumers would not be using electricity for a prolonged period and have informed them accordingly, they are billed only to the extent of minimum demand charges.

8. With regard to bill rectification, MSEB's reply states that their Circular No. 202 dated 5.4.2002 sets out the powers delegated to various levels. Accordingly, the sub-divisional officer has powers upto six months and bills of upto Rs 10,000/-. Executive Engineers have powers upto 12 months and Rs 50,000/-. Beyond these limits, bill rectification powers are with the Chief Engineer. This is applicable to the whole State and not to the Mumbra area alone. Bills are rectified only after verification of technical reports submitted by the field staff on the use of meters and electricity consumption.

9. MSEB have submitted that they have received no complaints from consumers or noticed unauthorized absence or habitual late coming by officers and staff. If any such allegations are found to have a basis, appropriate action would be taken. There is sufficient clerical staff in the Mumbra sub-division.

10. With regard to the availability of material, MSEB have stated that all the material required for maintenance is purchased by the Head Office or Circle Office, and is provided according to their requirements to the sub-divisional offices. MSEB have submitted that a large number of theft cases have been filed in the Mumbra sub-division, and they would take action against any staff colluding in such theft if such instances are pointed out.

11. In their reply, MSEB have also stated that they have taken up a programme of replacing old and out of order meters, and are following the directives of the Commission in this regard. The cost of new meters after replacement is recovered from the consumers in monthly instalments alongwith bills. In the case of PD consumers, there is no question of average bills being issued. However, where a meter has been removed and that fact is not fed into the computer, then rectification is carried out in respect of that consumer's bill. Wrong billing arising out of such technical errors has been rectified and action has been taken against the staff responsible.

12. In his rejoinder-dated 16.7.2003, Shri Thanawala has sought to rebut MSEB's contentions regarding overloading of transformers by enclosing a letter-dated 22.08.2003 from the Chief Engineer, Bhandup Circle. He has also stated, inter alia, that contrary to MSEB's averments, an investigation of the Mumbra office would show that a large number of applications by new consumers for first bills are lying undisposed, and that the statements regarding the manner in which they deal with 'reject' and average billing, etc. are not correct. He has reiterated that incorrect bills have been issued for upto four years without rectification except for a period of six months, and set out in detail the practice and movement of papers actually followed in the Mumbra sub-division, which are contrary to the provisions of law as well as the statements made in MSEB's reply. He has also cited the instances or demonstrations against the Mumbra sub-division office, which indicate the public anger at the state of affairs there. He has also reiterated other contentions made in his Petition, and enclosed a further set of Exhibits consisting of complaint letters, copies of bills, etc.

13. At the hearing for admission held on 7.8.2003, Shri Thanawala (assisted by Shri Shaikh Mohammed Ayub) reiterated that there were acute billing and maintenance problems in the Mumbra sub-division, and referred to the material accompanying his Petition and his rejoinder-dated 16.7.2003. He stated that there were a large number of faulty, 'reject' and average billing cases. There were also repeated cable faults and fusing in this area. He submitted that the billing must be done as per the meter reading and drew attention to several bills that he had submitted to illustrate his contention that this was not the case. He pointed out that this was not so in the surrounding sub-divisions.

14. Shri Thanawala stated that he was at a loss to understand the concept of 'reject' bills when billing has to be done as per meter reading. Adjustments are made to the meter-read bills through the computer system, and it takes six months to one year to rectify these. In one case of a residential consumer, for example, a computer bill of Rs 99,000/- had been received.

15. Ms. Deepa Chawan, Counsel for MSEB drew attention to the references in the Petition to the role of contractors, and contended that it seems that it is really a plea on their behalf. She raised the question of the provisions of law under which the Petitioner has approached the Commission. She also pointed out that action had been taken against several local MSEB officials, some of which have been cited in the Petition.

16. Counsel for MSEB submitted that, in the Mumbra sub-division, the practice of entertaining agents has been completely stopped, although consumers can approach the office in certain circumstances through representatives with an authority letter. She submitted that the Petition deals very much with that issue inasmuch as it seeks to give a role to such agents or contractors. Counsel for MSEB also submitted that, after examining some of the specific cases that were cited, in one instance it was found that there had been a mistake in entering figures which was corrected subsequently.

17. Shri Thanawala submitted that he had cited several instances of corruption cases filed against Mumbra officials to show the prevailing state of affairs. As far as the role of agents is concerned, he stated that, for billing and other complaints, consumers have to run from pillar to post and do not know what to do. In these circumstances, they have no option but to seek help from agents, and these agents are able to get a response from the officers. Shri Thanawala agreed in principle that the system of agents should be stopped but, when the consumer has no other recourse, it is difficult to expect them not to approach brokers. If MSEB do not solve billing problems and keep them pending for a year, the consumer is forced to take such assistance. Drawing attention to the references in his Petition to the role of electrical contractors, Shri Thanawala stated that they are registered with PWD and/ or MSEB and have a certain status as license holders, apart from being knowledgeable. Therefore, while removing the intermediary of dalals, MSEB should allow licensed electrical contractors some role in this process. He gave several examples of cases from 1997 in which, for many years, complaints were not rectified inspite of the intervention of fora such as on the 'Lokshahi Diwas' under the District Collector. Shri Thanawala also pointed out that the Mumbra sub-division comprises 65,000 consumers, but the MSEB office is grossly under-staffed and is ill-equipped to handle them. As far as maintenance is concerned, the sub-division has no material even for fuses.

18. In the Commission's view, even apart from those allegations and complaints cited by Shri Thanawala in which the aggrieved consumers could have taken recourse to the Electrical Inspector or to the Consumer Courts empowered to deal with them, the nature of the other complaints were essentially within the administrative domain of the day-to-day functioning of MSEB. As such, it would be inappropriate and untenable to stretch the import of Section 22(2)(e) of the Electricity Regulatory Commissions Act to deal with these matters in respect of a particular MSEB sub-division. On the other hand, the persistence of a large number of complaints of this nature indicates serious deficiencies in the grievance redressal mechanism in MSEB. Any effective mechanism for redressal of consumer complaints should have been able to deal with the situation said to obtain in Mumbra sub-division to a considerable extent. In a separate submission dated 19.08.2003, MSEB have summarized their system for redressal of consumer grievances, and forwarded their Circulars in this regard. The mechanism basically envisages periodic meetings, interactions with consumers and tours to be conducted by officers at various levels. The extent to which the instructions are implemented in the field, and the manner in which the disposal of complaints is monitored, both qualitatively and quantitatively, has not been mentioned. The manner in which MSEB has sought to address the various complaints compiled by the Petitioner through this system has also not been elaborated upon by MSEB in the course of these proceedings. Therefore, while declining to admit the Petition, the Commission is of the view that MSEB need to establish and monitor a far more effective decentralized system, with appropriate representation of independent outsiders, for redressal of consumer complaints in a time-bound manner, pending the formulation of guidelines which are to be issued by the Commission for the purpose under the provisions of Section 42(5) of the new Electricity Act, 2003. Subsequent to the filing of his Petition, along with his rejoinder and during the hearing itself, Shri Thanawala has submitted papers relating to various specific and general consumer complaints in the Mumbra sub-division. Copies of these would be sent separately to MSEB, and all these and other complaints pending in the Mumbra sub-division should be redressed or otherwise decided at a sufficiently senior level within a period of three months, and a report submitted to the Commission.

The Commission disposes of the Petition with these observations.

Sd/-
(Dr Pramod Deo)
Member

Sd/-
(P. Subrahmanyam)
Chairman, MERC

Sd/-
(A.M. Khan)
Secretary, MERC