

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub : In the matter of permitting West Discom to recover service tax on meter rent from consumer after levy of demand in energy bills.

Petition No. 39 of 2010

ORDER

(Date of Hearing 13th July, 2010)

(Date of Order 19th July, 2010)

MP Paschim Kshetra Vidyut Vitaran Co. Ltd.
Polo-ground, Indore

- Petitioner

Shri Gajra Mehta, ACE (Comm.) and Shri S.S. Tripathi, ASE (Comm.) appeared on behalf of Petitioner.

2. The Petitioner has filed this petition in the matter of permitting them to recover service tax on meter rent from consumer after levy of demand in energy bills. The Commission has directed to list the case for motion hearing on 13.7.2010.

3. During the motion hearing on 13.7.2010, the Petitioner submitted that Central Excise Department has issued a notice directing the West Discom to pay service tax @ 10.3% on the meter rent charges. The Petitioner has further submitted that as per practice the service tax is payable by the person who availed the services and as the consumers are availing the services of the company, they should to be liable to pay service tax on meter rent through energy bills. The petitioner has, therefore, made the following prayer:

(a) To permit the petitioner to recover service tax on meter rent from consumers by way of levy service tax @ 10.3% in the energy bills.

OR

(b) May consider to include component of meter rent in the form of fix charges.

4. The Commission observed that MPERC (Recovery of expenses and other charges for providing Electric Line or Plant used for the purpose of giving Supply) Regulations (Revision - I), 2009, specify the principles in terms of Section 45(3) (b) of the Act for metering charges and other charges to be recovered from the consumer.

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5. The Commission has advised the petitioner to get the validity of claim made by Central excise department legally examined and take further action accordingly. This be done keeping in view that prescribed charges are metering charges and not meter rent. The regulation allows recovery of service tax over & above the prescribed tariff if such tax is actually attracted.

6. With the above directions, the petition No. 39 of 2010 stands disposed off.

Ordered accordingly,

(C.S.Sharma)
Member (Eco.)

(K.K.Garg)
Member (Engg.)