



Consumer Grievance Redressal Forum, Kalyan Zone
Behind "Tejashree", Jahangir Meherwanji Road, Kalyan (West) 421301
Ph: – 2210707 & 2328283 Ext: - 122

**IN THE MATTER OF GRIEVANCE NO. K/E/294/324 OF 09-10 OF M/S
KONKAN SYNTHETIC FIBRES POY UNIT, REGISTERED WITH
CONSUMER GRIEVANCE REDRESSAL FORUM KALYAN ZONE, KALYAN
ABOUT EXCESS BILLING.**

M/s. Konkan Synthetic Fibres –Poy Unit
Plot No. C-61, (Part-B)
MIDC Area,
Mahad, Dist : Raigad : 402 309

(Here in after
referred to
as Consumer)

Versus

Maharashtra State Electricity Distribution
Company Limited through its Superintending
Engineer, Pen Circle, Pen

(Here in after
referred to
as Licensee)

- 1) Consumer Grievance Redressal Forum has been established under regulation of "Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Ombudsman) Regulation 2006" to redress the grievances of consumers. This regulation has been made by the Maharashtra Electricity Regulatory Commission (MERC) vide powers

conformed on it by section 181 read with sub-section 5 to 7 of section 42 of the Electricity Act, 2003. (36 of 2003).

- 2) The consumer is a H.T. consumer having existing contract demand 3250 KVA and 14807 KW load of the Licensee. The Consumer is billed as per industrial tariff. The consumer registered grievance with the Forum on 21/08/2009 regarding excessive billing. The details are as follows: -
Name of the consumer : M/s. Konkan Synthetic Fibres Poy Unit
Address: - As above
Consumer No : 041019016101
Reason for Dispute : - Regarding calculation of load power incentive.
- 3) The batch of papers containing above grievance was sent by Forum vide letter No. EE/CGRF/Kalyan/739 dt. 21/08/2009 to the Nodal Officer of the Licensee, and the Licensee through Nodal Officer MSEDCL Pen Circle filed reply vide letter No. SE/PC/HTB/CGRF/6074 dated 23.09.09 .
- 4) Grievance application was fixed for hearing on 24/09/09 at 16.00 hrs. On that day, Shri Bagwe appeared for the consumer representative and Shri D. R. Bansode, Ex. Engr. Pen Circle (Nodal Officer), & Shri P. M. Peshattiwar, D. A. all representatives of the licensee, attended the said hearing. Member Secretary and Member heard Shri Ajay Bagwe, the consumer's representative (CR), and Shri D. R. Bansode, Nodal Officer (LR).
- 5). *The CR submits that the licensee has wrongly calculated the Load Factor Incentive for the Energy bill for the month of May 09. As per guide lines given in the MERC order, the load factor incentives should be given on the basis of total consumption of the factory. But the licensee has considered the net consumption which is nowhere mentioned in the MERC order. The total units consumed by the factory should be considered for LF incentives.*

Therefore consumer requested the forum to instruct the licensee to grant the consumer the credit for wrong calculation of Load Factor incentive of Rs.5,24,676.00, along with interest @ of 18% per annum. They are not agreeing with the formula being applied by the licensee. As against this the LR submits that M/s Konkan Synthetics, Mahad, Dist.Raigad is a HT consumer having existing contract demand 3250 KVA and 14807 KW. The power supply was released on 23.6.89. The consumer is using the power from third party (Wind Mill Energy) from M/s. Dhariwal Industries Ltd. Satara since long back. The creditable units adjusted as per credit notes received from Superintending Engineer, Satara from the gross consumption (i.e. consumption of MSEDCL and power purchase units of third party wind mill energy). After the adjustment of creditable units, the net consumption bill has been issued to the consumer. That means consumer has not utilized the full power from MSEDCL. The Commission has retained the Load Factor incentive for consumers having Load Factor above 75% based on contract demand. Consumers having load factor over 75% upto 85% will be entitled to a rebate of 0.75% on the energy charges for every percentage point increase in load factor from 75% to 85%. The consumers having a load factor over 85% will be entitled to rebate of 1% pm. As per the commercial circular No.81 dt.7.7.09 with reference to the MERC order, this consumer is not entitled for the load factor incentive as the consumer's L.F. is below 0.75%.

- 6). The CR submits that in this case, the consumer demands for LF incentives on the total consumption of the factory, including wind mill energy. The calculation of Load Factor incentives is done on billed units basis on quantum of power supplied to the consumer. He is taking part of

power and asking incentives for full power. Though there is no mention about 'Wind Mill Energy' in the MERC order, it is the outcome of the said MERC order. The licensee can only give the incentives for the power given (bills issued) by them to the consumer and not on the total consumption, adding the power taken from 'wind mill energy, Satara'. The consumer meeting their total requirement by taking 80% power from 'wind mill' and 20% power from MSEDCL, being the 'wind mill' energy is cheaper than the MSEDCL energy.

- 7). The L.R. further submits that when the MSEDCL is not supplied the power, how it can give incentives on unsupplied power. The consumer asking the incentives on their total consumption of both means only on the ground that the MERC's tariff order. He has not produced any documents to justify his stand. Whatever energy drawn from the licensee's Grid, that much quantum can only be considered by it for load factor incentives. The wind mill energy is cheaper than MSEDCL energy so consumer tries to get equal concession from licensee also under LF incentives on the pretext of MERC order. On what basis licensee can give LFI for the power not supplied by them. There are No. of such other consumers in the State with the MSEDCL and all are applied same formula. For all consumers who availing wind mill energy are charged on net units sent from its Grid. Thus the consumer's grievance is not practicable and therefore the same may not be considered please.
- 8). Forum's findings are follows:
 - a). The consumer M/s.Kokan Sythentic Fibres Poy Unit draws power from MSEDCL network. The consumer is also using the power from third

party (Wind Mill Energy) from M/s.Dhariwal Industries, Satara, since long back through MSEDCL network (Grid).

b). For billing purposes the units from wind mill as per the credit notes received from SE Satara are adjusted in the MSEDCL readings and net consumption bill is issued to the consumer.

c). It is very clear from the bill that the total power is received and metered through the MSEDCL network, metering system on the HT side. The consumer is getting the adjustment in the bill for the Wind Mill Energy i.e. power utilized by the consumer, is from two sources viz. MSEDCL and Wind Mill Energy.

d). The consumer received a bill for the month of May 09 wherein the load factor was 0.73 as per the calculation done by the licensee. On the basis of net power purchased by the consumer from the licensee, as per the load factor (0.73), the consumer is entitle for the load factor incentive and same has not been given by the licensee to the consumer.

e). Both the parties (consumer and licensee) are calculating load factor as per the guidelines given for the load factor incentives in Commercial Circular No.81 of 07.07.08 i.e. at page No.16 which read as "The Commission has retained the load factor incentive for consumers having Load Factor above 75% based on contract demand. Consumers having load factor over 75% upto 85% will be entitled to a rebate of 0.75% on the energy charges for every percentage point increase in load factor from 75% to 85%. Consumers having a load factor over 85% will be entitled to rebate of 1% on the energy charges for every percentage point increase in load factor from 85%. The total rebate under this head will be subject to a ceiling of 15% of the energy charges for that consumer. This incentive is limited to

HT-1 category only. Further, the load factor rebate will be available only if the consumer has no arrears with the MSEDCL., and payment is made within seven days from the date of the bill or within 5 days of the receipt of the bill, whichever is later. However, this incentive will be applicable to consumers where payment of arrears in installments has been granted by the MSEDCL, and the same is being made as scheduled. The MSEDCL has to take a commercial decision on the issue of how to determine the time frame for which the payments should have been made as scheduled, in order to be eligible for the Load Factor incentive. Load Factor means the ratio of total number of units (KWh) consumed during a given period to the total number of units (Kwh) which may have been consumed had the contract demand/sanctioned load been maintained throughout the same period, subject to availability of power supply from MSEDCL and shall usually be expressed as a percentage. The load factor has been defined below:

$$\text{Load factor} = \frac{\text{Consumption during the month in MU}}{\text{Maximum consumption possible during the month in MU}}$$

Maximum consumption possible = Contract Demand (KVA) X Actual Power Factor X (Total No.of Hrs during the month less planned load shedding hours*)

* - Interruption/non-supply to the extent of 60 hours in a 30 days month has been built in the scheme.

In case the billing demand exceeds the contract demand in any particular month, then the load factor incentive will not be payable in that month.(The

billing demand definition excludes the demand recorded during the non-peak hours i.e. 22.00 hrs to 06.00 hrs and therefore, even if the maximum demand exceeds the contract demand in that duration, load factor incentives would be applicable. However, the consumer would be subjected to the penal charges for exceeding the contract demand and has to pay the applicable penal charges).

f). The consumer is not making any payment for the Wind Mill Energy part of the power, to MSEDCL. Hence for billing purpose only the units consumed by the consumer from the Licensee's Grid /network, are taken into consideration for billing purpose.

g). The consumer is not agreeing to the basis of load factor calculation made by MSEDCL and the consumer is insisting that the load factor should be calculated on the basis of total power consumption which consist of power drawn from MSEDCL grid and Wind Mill Energy (i.e. M/s.Dhariwal Industries Limited, Satara)

h). In the present case the consumer is using power from two different sources i.e. MSEDCL and Wind Mill Energy and the consumption during the month in MU consist of the consumption from two different sources though the same is metered through the common metering system.

i). The consumer is making the separate payment to MSEDCL and Dhariwal System for the above total consumption. The consumer is making payment to MSEDCL for the only part of power consumption which is drawn from MSEDCL grid.

i). In the light of above, the licensee's method for calculation of load factor is correct in month of May 09, hence the consumer is not entitle for load factor incentive in the month of May 09.

- 9). In view of above, studying all documents submitted by consumer as well as license, forum has passed following order unanimously.

ORDER

- 1) Grievance application is disallowed.
- 2) The consumer's pray for revision of the bill for the month of May 09 is hereby rejected as per para-8 (a) to (i) above.
- 3) The Consumer can file representation against this decision with the Ombudsman at the following address.

“Office of the Electricity Ombudsman, Maharashtra Electricity
Regulatory Commission, 606/608, Keshav Building,
Bandra Kurla Complex, Mumbai 51”

Representation can be filed within 60 days from the date of this order.

Date : 30/09/2009

(Sau.V.V.Kelkar)
Member
CGRF Kalyan

(R.V.Shivdas)
Member Secretary
CGRF Kalyan