

ग्राहक गा-हाणे निवारण मंच
महाराष्ट्र राज्य विद्युत वितरण कंपनी मर्यादित
औरंगाबाद परिमंडळ,औरंगाबाद.

Old Power House Premises, Dr.Ambedkar Road, Aurangabad. Phone: 0240 - 2336172

No,CGRF/AZ/U / 193 / 2009 / 27 /

Date :-

To,
The Executive Engineer (Administration)
O/O Superintending Engineer ,
O&M Urban Circle , M.S.E.D.C.L.,
Aurangabad.

Sub:- Forwarding of grievance submitted by MASSIA through its president Shri Anup Kabra regarding levy of power factor penalty.

Dear Sir,

Please find enclosed herewith a copy of the grievance application received by the Forum from MASSIA through its president Shri Anup Kabra regarding levy of power factor to small scale Industries.

you are requested to submit your para wise reply on the grievance within 15 days from the date of receipt of this letter along with related documents.

The hearing in this matter is kept on 31.03/2009 at 12=30 Hrs.

Encl: As above

Member/Secretary
CGRF(AZ) MSEDCL
Aurangabad.

Copy to:-
Shri Anup Kabra
President , MASSIA

**BEFORE THE CONSUMER GRIEVANCE REDRESSAL
FORUM
AURANGABAD ZONE, AURANGABAD**

(Case No: CGRF/ AZ / U / 193 / 2009 / 27)

Date of Filing: 17.03.2009

Date of Decision: 15.04.2009

President

Marathwada Association of Small
Scale Industries & Agriculture (MASSIA)
P-25, MIDC, Chikalthana, Aurangabad.
(Thro: Shri Anup Kabra, President)

Consumer Complainant.

V/s

Maharashtra State Electricity Distribution Co.Ltd.
Urban Circle Aurangabad.

The Distribution Licensee.

Coram:

Shri V.A.Hambire President

Shri H.A.Kapadia Member

Shri P.A.Sagane Member secretary

Sub:- Grievance under the Maharashtra Electricity Regulatory
Commission, (Consumer Grievance Redressal Forum
and Ombudsman) Regulations 2006.

The Marathwada Association of Small Scale Industries &
Agriculture (MASSIA), has filed its grievance in Annexure "A"
through its President Shri Anup Kabra before this Forum on
17.03.2009 under Regulation No. 6.10 of the Regulations 2006.
The grievance of the consumer was registered as **CGRF/AZ/
AUR/ U/ 193/ 2009/ 27** and was forwarded to the Nodal Officer,
(Adm.) in the office of the Superintending Engineer, O&M Urban
Circle, Aurangabad and hearing in the matter was kept on
31.03.2009.

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The grievance of the complainant, as per consumer , is as stated below :-

1. The consumer complainant is president of a registered organization of small scale Industries & Agriculture situated in Marathwada region. The contention of the complainant is that before Sept.2008 , no penalty or incentive towards low or high power factor was levied in the bills issued to the L.T. consumers by the Distribution Licensee (hereinafter referred to as D.L.). However the D.L., after installation of new meters has started issuing monthly bills on demand base and also started levying penalties wherever the power factor was recorded below specified limit . The complainant also contended that their members were not given any prior intimation about this change in billing mechanism and are therefore required to pay penalty due to low recording of power factor to many LT industries . The consumer further contended that D.L. has not followed the guidelines given by Hon'ble Maharashtra Electricity Regulatory Commission (clause 12.2 of the Electricity Supply Code & Other Conditions of Supply 2005) in this context. He therefore requested the Forum to direct the D.L. to give prior intimation to the LT consumers as per guidelines given by M.E.R.C. and to direct the D.L. to withdraw the penalties levied on account of low power factor due to change in billing mechanism..
2. On 31.03.09, i.e. on the date of first hearing, Shri Anup Kabra, President of MASSIA was present along with Shri Rajesh Patni and Shri Raman Ajgaonkar, members of the Association . Nodal Officer Shri G.S.Rathore and Shri D.J. Mane, Asst.Engineer, urban circle, were present on behalf of D.L. Nodal Officer filed his reply on the grievance and stated that as per MERC guidelines the penalty was levied to the consumers wherever the power factor has been recorded less than 0.90 and further stated that the bills issued are correct and are as per tariff order passed by the MERC. On questioning about the prior intimation required to be given to the consumers recording low power factor as per MERC guidelines, the Nodal Officer stated that no such intimation was given to the consumers concerned and further stated that all such information are made available on the web site of Mahadiscom & MERC. The consumer contended that as per provision in Regulation a separate intimation is required to be given to consumer likely to be penalize for recording low power. After hearing both parties at length, the matter was kept for decision.

3. We have gone through the grievance filed by the complainant, we have also gone through the reply filed by the Nodal officer . On going through the documents, we observed that Hon'ble Commission has published Electricity Supply Code & other Conditions of Supply Regulation 2005 for all the Distribution Licensee in the state of Maharashtra .

The Hon'ble Commission, through the said Regulations and as per tariff order , has made it obligatory to all consumers to maintain the average power factor of his load at levels prescribed by the Indian Electricity Rules 1956. The regulation No. 12.2 which is related to power factor & harmonics reads as under.

“ The Distribution Licensee may require the consumer, within a reasonable time period , which shall not be less than three months, to take such effective measures so as to raise the average power factor or control harmonics of his installation to a value not less than such norms , in accordance with Regulation 12.1 “

It is further observed that Hon'ble Commission has prescribed minimum level of power factor to be maintained by the consumer where the facility of recording the power factor is available in the meter installed at consumer's premises as 0.90 and provision for levying of penalty or incentive has also been made in the said tariff order. However Hon'ble Commission, in its previous order in this context has also directed the D.L. to installed T.O.D. meters for L.T. consumers having load more than 20 Kw as the facility of recording parameters like maximum demand , voltage, current, in addition to power factor are available in the T.O.D. meter.

The Nodal officer , during the hearing has accepted that no separate intimation has been given to the L.T. consumers recording power factor below 0.90 and also agreed that penalties are levied to all such consumers in the monthly bills. From the copies of the monthly bills submitted before the Forum , it is observed that no consent about KVA demand has been obtained by the D.L. and the bills are being issued on the basis of theoretical calculations which may likely to create disputes in future.

This action on the part of D.L. is violation of the provisions mentioned in Regulation 12.2. We are of the opinion that since the billing mechanism has been changed with the installation of T.O.D. meters, intimation about new billing system is required to given to the L.T. consumers wherever such meters are installed by the D.L.

Hon'ble Commission, in its above said Regulations (12.2) has clearly specified the time limit of minimum three months to enable the consumer to take necessary measures for improving the power factor of its electrical installation due to change in billing mechanism . By plain interpretation of the said regulations, it alternatively means that the consumers whose power factor are found less than the specified limit of 0.90 shall be given three month time period to make necessary improvement in power factor.

In view of above observation and law of Natural justice about levying penalty without prior intimation, we are of the opinion that the action of D.L.to levy penalty towards low power factor is incorrect and bad in the eye of law.

Hence following order:

ORDER

1. The Distribution Licensee is directed to withdraw penalties levied to L.T. Consumers towards low power factor. The amount charged towards penalty shall be refunded / adjusted in the next bill/bills due to be issued to the consumers.
2. The Distribution Licensee shall give minimum three month time period to L.T. consumers recording power factor below prescribed limit before levying penalty.

Hemant A.Kapadia
Member

Date: 08.05.2009

DIFFER ORDER

The above order delivered by Shri H.A.Kapadia , member, CGRF is not agreed to us and our differ order is given as under.

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1. The proceedings and observations upto para -2 and Mark * are accepted
 2. In our opinion the Regulations No.12.2 passed by the Hon'ble Commission also clarifies as under

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“ Provided that the Distribution Licensees may charge penalty or provide incentives of low/high power factor and for harmonics, in accordance with relevant orders of the Commission”.

We further observed that the Distribution Licensee, with the approval from Hon’ble Commission, has prescribed minimum level of power factor to be maintained as 0.90. However, as per Regulations, the consumers either HT or LT shall be given reasonable time (minimum three months) to take effective measures to reach such minimum level. The Hon’ble Commission has also permitted to the Distribution Licensees to charge the penalty or to provide incentives for low/high power factor.

The consumer during the hearing contended that no separate intimation has been given before penalizing for recording low power factor. This contention of the consumer in our opinion is not valid as per the provision of regulation No.12.2 The Hon’ble Commission in its order dated 15/12/2005 in case No.18/2004 has directed that

“ Power factor penalty will be levied only if the power factor recording instrument is available and in case of consumer who have instrument (Meter) to measure the power factor “.

From the above it is clear that whenever the meters with facility of measurement of power factor have been installed by the Licensees, the power factor penalty can be charged as per those meter reading.

In view of above observations we are of the view that Distribution Licensee has rightly levied penalty through monthly bills for recording power factor below 0.90

ORDER

1. The complaint of the consumer stands dismissed.

Inform the parties and close the case.

(P.A.Sagane)
Member Secretary

V.A.Hambire
President

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औरंगाबाद परिमंडळ, औरंगाबाद.

जुने पावर हाऊस परिसर.डॉ.बाबासाहेब आंबेडकर रोड, मिल कॉर्नर, औरंगाबाद. - ४३१ ००१, दुरध्वनी व फॅक्स -०२४० - २३३६१७२.

Case No.CGRF/AZ/U/193 / 2009 / 27/

Date:-

To,

- 1. The Executive Engineer (Adm.)
O/O Superintending Engineer
O& M , Urban Circle, M.S.E.D.C.L.
Aurangabad.**
- 2. The President
Marathwada Association of Small Scale
Industries & Agriculture (MASSIA),
Plot NO.p-32, MIDC, Chikalthana
Aurangabad**

Sub: Grievance incase No. (Case No:CGRF/ AZ/ U/193/2009 /27)

Please find enclosed herewith a copy of order passed by the Forum in the case mentioned above. Please note that as per the Regulations laid down by M.E.R.C. , the decision passed by the majority member is enforcable.

The consumer, if not satisfied with the decision of the Forum , is at liberty to make a representation to the Electricity Ombudsman, the contact details of whom is as under, within a period of 60 days from the date of this order.

Encl: A/A

Contact Details of Electricity Ombudsman:

The Electricity Ombudsman

Maharashtra Electricity Regulatory Commission

606-608, Keshava Building

Bandra-Kurla Complex, Mumbai 400 051

Tel.No. 022-26590339

