

O/o. Chief Engineer, (BMTZ) Zone office, Plot No. P.34, Above Bank Of Maharashtra MIDC Area,
Baramati. Ph. (02112)244771 Fax. 244773 E-mail: cebaramati@mahadiscom.in, cebaramati@gmail.com

NO.EE/CGRF/BMTZ/

Date:

Case No. 09/2012

Date:- 16/01/2013

In the matter of

M/s Lalchand Mansukhlal Shah & Compny.
F-5, MIDC, Satara, -
Dist- Satara.
Pin 415004

Applicant (Complainant)

Versus

Executive Engineer
Electricity Distribution Co. Ltd. -
Satara division
Satara.

Opponent
(Here in after referred As Respondent)

Quorum

Chair person	Mr. S.D. Madake
Member Secretary	Mr. D.U. Ghatol
Member	Mr. Suryankant Pathak

The applicant filed present grievance application before forum on date 4/09/2012 under regulation 6.4 of Maharashtra electricity regulatory commission consumer grievance Redressal forum & Electricity ombudsman Regulations 2006, here in after referred as regulations. Grievance is filed against the order passed by Internal Grievance Redressal Cell Satara on dt 20/07/2012. The applicant after hearing requested vide his application dated 16.10.2012 for further submission of documents. Till date no submission of documents is made.

- 1) The applicant is consumer of MSEDCL since 02/03/1979 having consumer No. 190560049092 , connected load 63 HP & contract demand 52 KVA . The tariff

applicable is LT-V B. Applicant received electricity bills of June 2011 to March 2012 levied with power factor penalty; he has not received any notice regarding PF penalty is going to impose from June 2011. Applicant wants penalty should be completely waived. IGRC Satara had ordered to waive penalty for 3 months June 11, July 11 & Aug 11 as per the Maharashtra Electricity Regulatory Commission regulation (Electricity Supply Code & Other supply conditions of Supply Regulation 2005 regulation 12.1 and 12.2

- 2) Respondent does not file any written statement prior to hearing, but submitted it on the date of hearing. It is stated that the power factor penalty is levied as per MERC order for MSCEDL for FY 2009-2010 and tariff for FY 2010-2012. As per regulation 5.8 incentive & Disincentive, there is provision of penalty charge if power factor is below 0.9. As per MERC regulation 12.1 it is the consumer's responsibility to maintain the power factor of his load at levels prescribed by the Indian Electricity Rule. It is neither necessary to give notice nor is it mentioned in the Regulation. As per Respondent power factor penalty of 36% in the bill for the month January 2012 is correct as per MERC order.

- 3) It is clear from the above that, the issue remains to be decided now is whether power factor incentive shall be given to the consumer for maintaining his apparatus in good power factor or penal charges shall be levied for bad power factor, without giving a notice of not less than 3 months. It is applicants' contention that three months' notice must be given, in terms of the said Regulation 12.2, to improve the power factor up the level as prescribed by the Indian Electricity Rules, 1956. The Respondent denies this and submits that, giving incentive to consumers for improving power factor above 0.95 levels and levying penalty for power factor below 0.90 levels are simultaneously introduced in the tariff orders passed by the commission and are to be complied with effect from the date on which the tariff came into force. Further although 3 months' time is allowed to improve the power factor upto the level prescribed by Indian Electricity Rules, 1956, it does not automatically entitle the Respondent to deny incentive for good power factor and / or exempt the consumer from the levy of charges for bad power factor, as per the rates prescribed in the tariff. In this regard, it is therefore, worthwhile to refer to the following provision relevant to the matter:

- 4) Condition 22k of Annexure VI under rule 27 of the Indian Electricity Rules, 1956, stipulates that, consumer's apparatus shall have power factor of not less than 85 percent at normal working load. Further the condition 19 of the said Annexure, stipulates that if any consumer adopts any electrical appliance which is likely to affect the supply to other consumers, the licensee may discontinue the supply so long as such appliances is not kept in proper order. The Licensee is not bound to give or continue supply as long as such appliance is not kept in proper order.
- 5) The Maharashtra Electricity Regulatory Commission (Electricity Supply Code & Other Conditions of supply) Regulations, 2005, came into force from January, 2005. Regulation 12 reads:

"12. Power factor / Harmonics

12.1 It shall be obligatory for the consumer to maintain the average power factor of his load at levels prescribed by the Indian Electricity Rules, 1956, with such variations, if any adopted by the Distribution Licensee in accordance with Rule 27 of the Indian Electricity Rules, 1956 and accordance with the relevant orders of the Commission....

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

Provided that the Distribution Licensee may charge penalty or provide incentives for low / high power factors and for harmonics, in accordance with relevant Orders of the Commission"

- 6) Plain reading of the above provisions makes it abundantly clear that a period of 3 months time is allowed to the consumer to improve the power factor upto the level of 85% (0.85), in accordance with the Indian Electricity Rules 1956, failing which the supply of electricity would be liable to be disconnected as stated in the Condition 19. Perusal of the tariff orders passed by the Commission show that incentive is given to the consumer for maintaining good power factor (above 0.95 level) and penal charges are levied for bad power factor (below 0.90 level). The

wording in the Tariff order for 2010-11 is "whenever the average PF is less than 0.90 penal charges shall be levied". There is no condition in the tariff orders to give any advance notice to get incentive or levy of penal charges. Not giving notice for improvement of power factor up to the level of 0.85, as stipulated in the Indian Electricity Rules, 1956, cannot be construed to mean that it automatically exempts the consumer from levy of penal charges, as stipulated in the tariff orders. It is also in the interest of the consumer to improve power factor of his apparatus above 0.95 level, to get incentive in the bills. Improvement of Power factor is also in the interest of reducing system losses and thereby reducing Aggregate Revenue Requirement (ARR) and tariff. As such Appellant's Representation, in this regard has no merit. The Representation is therefore, liable to be and hereby rejected.

- 7) In view of the aforesaid, the applicant is required to pay the charges for penalty calculated as per MERC tariff order for FY 2010-2011 resolution 5.8, whenever the monthly average factor is below 0.9 or get incentive whenever monthly average power factor is above 0.95. The applicant prayer to withdraw the power factor penalty charges levied during the period of june 2011 to march 2012 is therefore devoid of merit.

Order

The representation is disposed off. No order as to cost

Mr. S.D. Madake
(Chairperson)

Mr. D.U. Ghatol
(Member Secretary)

Mr. Suryankant Pathak
(Member)