

**Consumer Grievance Redressal Forum
Maharashtra State Electricity Distribution Co. Ltd.
Bhandup Urban Zone, Bhandup**

Ref. No. Secretary/MSEDCL/CGRF/BNDUZ/

Date :

Case No. 427

Hearing Dt. 18/02/2012

In the matter of Refund of Infrastructure Expenses

M/s. Vicky Electrical - Applicant

Vs.

MSEDCL, Nerul S/divn - Opponent

Present during the hearing

A] - On behalf of CGRF, Bhandup

- 1) Shri S.K. Chaudhary, Chairman, CGRF Bhandup.
- 2) Shri R.M Chavan, Member Secretary, CGRF, Bhandup.

B] - On behalf of Applicant

- 1) Shri Mohammed Ali - Consumer

C] - On behalf of Opponent

- 1) Shri R.A. Ramteke, Dy. Ex. Engr., Nerul S/Divn.
- 2) Shri A.A. Pol, Nerul S/Divn.

Preamble: -

M/s. Vicky Electrical is a Technical private Institute and supplying learnt & studied man power to out of country for an employment. The institute received a huge amount of electric bill including P.F Penalty. The owner of the institute Shri Ahammed Ali approached to the utility office where he was guided by an officer to check his own wiring and capacitor

connections. The Applicant consumer stated that utility officials were allowed him to pay the current bill every month with promise to correct the disputed bill in next month.

The consumer applicant further stated that the utility official sent their agent to convenience him to installed 630 KVA transformer at his own cost for appropriate voltage level & permanent power supply which will reduce his monthly bill.

He further stated that, the utility officials do not care for the reply to his correspondence. He also stated that the utility has produced the statement of P.F. till Sept-2011 and not upto Feb-2012 because as per assurance the P.F. problem was not sort out even after replacement of meter and to hide the same statement of P.F. is not produced.

The utility was allowing him to pay the energy bill every time with the assurance that the problem of P.F. will be sort out at earliest.

During the proceeding, the consumer representative stated that the P.F. penalty which he paid for the year 2008 should be refunded with interest at the bank rate.

He also claimed that the compensation for harassment and for disconnection of power supply should be awarded to him.

Shri Ramteke, Dy. Ex. Engr. of Nerul S/Divn. was present to represent the opponent. He stated that MSEDCL, being electricity distribution licensee, is entrusted with one of the essential services of providing electricity throughout the stated through its various branch offices including the concerned M.S.E.D.Co. Ltd., Nerul, Navi Mumbai.

The applicant Vicky Electricals 32 A, Shirawane naka, Sec. 1, Nerul Navi Mumbai, is company's LT IP consumer bearing consumer no.

000338477244, B.U. 4752, with connected load 67 kw, utilizing the power supply for Industrial purpose.

He further stated that from the billing records of the electricity bill of M/s. Vicky Electricals at address plot no. 32 A, Sec.1, Nerul, consumer no. 000338477244, M. No. 6831 it is noticed that the power factor penalty in the electricity bills were imposed from the month of Aug-2008.

The details of the pf penalty is as under :

| S.No. | Month | Pf Penalty Amt | PF |
|--------------|--------------|-----------------------|-----------|
| 1 | Aug-2008 | 31,197.35 | 0.41 |
| 2 | Sep-2008 | 31,931.85 | 0.42 |
| 3 | Oct-2008 | 25,617.86 | 0.42 |
| 4 | Nov-2008 | 28,584.15 | 0.41 |
| 5 | Dec-2008 | 39,548.81 | 0.41 |
| 6 | Jan-2009 | 44,295.17 | 0.41 |
| 7 | Feb-2009 | 34,787.48 | 0.41 |
| 8 | Mar-2009 | 39,732.90 | 0.42 |
| 9 | Apr-2009 | 24,986.60 | 0.41 |
| 10 | May-2009 | 23,957.45 | 0.48 |
| 11 | June-2009 | 12,101.76 | 0.57 |
| 12 | July-2009 | 9,060.78 | 0.64 |
| 13 | Aug-2009 | -505.16 | 0.97 |
| 14 | Sept-2009 | -1,014.84 | 1.00 |
| 15 | Oct-2009 | -1,498/- | 1.00 |
| 16 | Nov-2009 | -3,417.50 | 1.00 |
| 17 | Dec-2009 | 3,472.38 | 0.2 |
| 18 | Jan-2010 | -1,913.21 | 1.00 |

But it is also to be noted that from Aug-2009 the power factor improved and incentive were given in the bills.

In the month of June-2010 the above meter was changed due to no display and meter with S. No. 11861, Make HPL Socomec was installed and again the power factor penalty was charged in the bills as under :

| S.No. | Month | Pf Penalty Amt | PF |
|--------------|--------------|-----------------------|-----------|
| 1 | June-2010 | 19802.84 | 0.17 |
| 2 | July-2010 | 17785.98 | 0.15 |
| 3 | Aug-2010 | 15724.16 | 0.19 |
| 4 | Sept-2010 | 5870.27 | 0.51 |
| 5 | Oct-2010 | 17932.03 | 0.19 |
| 6 | Nov-2010 | nil | |
| 7 | Dec-2010 | 440.08 | 0.853 |
| 8 | Jan-2011 | nil | |

Due to power factor penalty problem this meter was replaced as per the instructions from Testing, Vashi Division in the month of Feb-2011 with new meter with S.N. MSP00859, Make Secure.

The Power factor penalty was corrected in the month of July-2011.

After the new meter was installed the power factor penalty is charged as per the consumer's actual maintained power factor. The details was produced by the Opponent as under :

| S.No. | Month | Pf Penalty Amt | PF |
|--------------|--------------|-----------------------|-----------|
| 1 | Feb-2011 | 255 | 0.883 |
| 2 | Mar-2011 | nil | 0.42 |
| 3 | Apr-2011 | nil | 0.41 |
| 4 | May-2011 | 160 | 0.889 |
| 5 | June-2011 | 385 | 0.854 |
| 6 | July-2011 | 674 | 0.795 |
| 7 | Aug-2011 | 1315 | 0.748 |
| 8 | Sept-2011 | 372 | 0.82 |

He further stated that the consumer is paying all the bills after rectification of previous bills.

He further stated that the present grievance is false, frivolous, vexatious, malafide & filed without following the due procedure of Law as well as without any sufficient and reasonable cause, only with the intention to pressurize the opponent with sole intention to flee away from its legal liability.

As far as harassment is concerned as alleged by the complainant, at any point of time the M.S.E.D.Co. Ltd. has never acted in negative manner. Therefore complaint is not entitled for any compensation much less Rs. 1,00,000/- as claimed by the complainant. As far as disconnection of power supply is concerned, at any point of time the M.S.E.D.Co.Ltd. never disconnected the power supply as alleged by the complainant. Therefore action against M.S.E.D.Co.Ltd. concerned doesn't arise at all because as stated here and above at no point of time M.S.E.D.Co.Ltd. gave any type of harassment to the complainant as alleged by the complainant. At the same time the M.S.E.D.Co.Ltd. gave full co-operation by revising the bill and giving the credit as applicable from time to time. Therefore it is humble prayed that the present complaint is not maintainable and it may

kindly be dismissed with the compensatory cost, because the present matter is barred by law of limitation.

The matter was heard on 18/02/2012, the documents on record and arguments during the proceedings reveals that there is nothing on record which can prove that the utility has insisted to the applicant to develop his own infrastructure through any agent, hence Forum is unable to direct the Opponent to take action against any particular officer. However, if such is the case the consumer applicant should complained to the appropriated authority alongwith all proofs and substances.

Another matter which the Applicant consumer has emphasized is the P.F. penalty. On perusal of the recorded penalty from Aug-2008 to Sept-2011 it is admitted fact the due to meter fault the P.F. recorded from June-2010 to Jan-2011 was wrong and hence the penalty is withdrawn by the opponent. However, if any interest and DPC is charged due to non payment of these penal bills that should also be withdrawn in the subsequent bill.

Forum observed that Opponent has not only levied heavy P.F. penalty from Aug-2008 to July-2009 but also awarded the incentive for improved P.F. for Aug-09, Sept-09, Oct-09, Nov-09 & Jan-2010.

It will be worth to go through the commissions directives about maintaining the P.F.

Documents on record and submissions made by the rival parties, both written and during the hearing, bring out the main issue for consideration, whether the Respondent has correctly levied the power factor penalty to the Appellant for not maintaining the average power factor at the desired level. As regards maintaining average power factor of the load, Regulation 12.1 of the Supply Code Regulations stipulates as under :-

“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 variation, if any, adopted by the Distribution Licensee in accordance with Rule 27 of the Indian Electricity Rules, 1956 and in accordance with the relevant orders of the Commission.

Provided that it shall be obligatory for the HT consumer and the LT consumer (Industrial and Commercial only) to control harmonics of his load at levels prescribed by the IEEE STD 519-1992, and in accordance with the relevant Orders of the Commission.

It is seen from the above that every consumer is required to maintain the average power factor of his load at the levels, prescribed by the Electricity Rules, 1956 and in accordance with the relevant orders of the Commission. In the present case, clearly, the Appellant has not been able to maintain the power factor of his installation at the desired level of 0.9. In such an eventuality, the Commission has prescribed a method of levy of penalty in case of short fall in power factor and has provided incentive, if the consumer is above to outperform over the stipulations laid down by the Commission and maintain the average power factor more than 0.95. The Commission, in its tariff order, dated 20th June, 2008, has provided as under :

“Incentives and Disincentives :

Power factor Incentive (Applicable for HT I, HT II, HT IV and LT II above 20 kW, LT III and LT V above 20 kW).

Whenever the average power factor is more than 0.95, an incentive shall be given at the rate of 1% (one percent) of the amount of the monthly bill including energy charges, FAC and Fixed/Demand Charges, but excluding Taxes and Duties for every 1% (one percent) improvement in the power factor (PF) above 0.95. For PF of 0.99, the effective incentive will amount to 5% (five percent) reduction in the monthly bill and for unity PF, the effective incentive will amount to 7% (seven percent) reduction in the monthly bill.

Power Factor Penalty (Applicable for HT I, HT II, HT IV and LT II above 20 kW, LT III and LT V above 20 kW).

Whenever the average PF is less than 0.9 penal charges shall be levied at the rate of 2% (two percent) of the amount of the monthly bill including energy charges, FAC and Fixed/Demand Charges, but excluding Taxes and Duties for the first 1% (one percent) fall in the power factor below 0.9 beyond which the penal charges shall be levied at the rate of 1% (one percent) for each percentage point fall in the PF below 0.89."

Forum therefore direct to the Opponent to verify the penalty levied is as per Commission directives.

The power factor read by the meter from Aug-2008 is on record and which cannot be denied. However the wrongly recorded P.F. is been corrected and the refund is already effected in the bill. Hence Forum does not found any substance to direct the Opponent to rectify the P.F. penalty for the year 2008. The prayer of the Consumer Applicant is not tenable.

However for the disconnection of power supply, the Opponent is denying for power cut.

The Forum therefore directed to the Opponent to recover the rectified bill amount and restore the power supply of the Consumer Applicant.

In this case time limit cannot be observed as the P.F. charged accounting details was to be enquired from the utility office.

No order as to the cost.

Both the parties be formed accordingly.

The order is issued under the seal of consumer Grievance Redressal Forum M.S.E.D.C. Ltd., Bhandup Urban Zone, Bhandup on

Note : 1) If Consumer is not satisfied with the decision, he may go in appeal within 60 days from date of receipt of this order to the Electricity Ombudsman in attached "Form B".

Address of the Ombudsman

The Electricity Ombudsman,
Maharashtra Electricity Regulatory Commission,
606, Keshav Building,
Bandra - Kurla Complex, Bandra (E),
Mumbai - 400 051.

2) If utility is not satisfied with order, it may proceed before the Hon. High Court within 60 days from receipt of the order.

S.K. CHAUDHRY
CHAIRMAN
CGRF, BHANDUP

R.M. CHAVAN
MEMBER SECRETARY
CGRF, BHANDUP