

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

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

Date :

Case No.454

Hearing Dt. 03/07/12, 07/07/12,  
19/07/2012 & 04/08/12.

**In the matter of excess M.D. Determined**

M/s. Mineral India International - Applicant

Vs.

M.S.E.D.C.Ltd., Mulund - Respondent

Present on behalf

A - On behalf of CGRF, Bhandup

- 1) Shri S.K. Choudhary, Chairman, CGRF, Bhandup.
- 2) Shri R.M Chavan, Member Secretary, CGRF, Bhandup.
- 3) Dr. Smt. Sabnis, Member, CGRF, Bhandup.

B - On behalf of Appellant

- 1) Shri. Harshad Seth–Consumer Representative
- 2) Shri. Mukesh Seth–Consumer Representative

C - On behalf of Respondent

- 1) Shri. Bedagkar Dy Executive Engineer, Saravoday, Sub Division.
- 2) Shri. Manik Assistant Accountant.

**ORDER**

M/s. Mineral India International is an industrial consumer with the sanctioned load of 97.5 HP & contract demand of 50kVA. Under Sr.No. 022919021740 billed in the category of LT II-C.

The above said connection was released in 1999 in the name of M/s. Mineral India International at B/31, 34, 35, 36 mineral Industrial Estate; Opp. Rallies wolf Mulund (W) Mumbai-400 082.

Shri. Harshad Seth was preset to represent the case on the behalf of consumer (here in after will referred as to the applicant). He explains the facts as below:-`

In the year 1999 consumer has taken 3ph electric connection with the sanctioned load of 97.5HP & contract demand of 50kVA; that time consumer had declared his contract demand as 50kVA, as he was in need of only maximum use of 50kVA at a time & not more than that. Accordingly the utility was billing this consumer under the new tariff category time to time. Till Sept. 2010 this consumer was bill in the tariff category of LT II B. but suddenly the utility change the tariff category of this consumer to LT II C & Contract demand was enhancement to 122kVA. In the mean while utility itself has changed the connected load from 97.5HP to 97.5KW & considering the directives given in the commercial circular no.78 dt.28.03.2008 the contract demand was determined as :-

$$\begin{aligned} \text{CD} &= \frac{\text{Connected Load in KW}}{\text{Power Factor}} \\ &= \frac{97.5 \text{ KW}}{0.8} \end{aligned}$$

$$\text{Contract demand} = 122 \text{ KVA.}$$

& utility forcefully changed the category of this consumer from LT II-B to LTR II C; He further stated that with this change in tariff category the fixed charged is increased as it was billed on the 40% of 122kVA every month which is more than that of LT II B. He put forth the excess recovering. In the tabulated form which comes from Sept. 2010 to July 2012 as Rs.1, 22, 483/- this includes fixed charges, Energy charges, E. duty, & 6%

interest P.A. He claimed the refund of this amount in the next billings cycle. He also honestly clear that utility has ignored the billing for the unit's consumed by the consumer from Dec.2011 & only billing on the fixed charges. But at the same time he expects that while recovering the energy & allied charges, Utility should not claim the DPC & interest from the consumer for their own fault.

Shri. Bedagkar, the Dy Executive Engineer, Saravoday Sub Division was present to represent the utility side, (here in after will referred as to the respondent). He clarified the issues as under:-

He stated that as per the Commercial Circular No.78, it was mandatory to all consumers having load above 20KW, billed under the category of commercial or industrial to declare their contract demand to be billed on LTMD tariff. This tariff was made applicable from July 2008. He also insisted that as per this circular. It was the directives from commission to use the power factor 0.8 instead of 0.9 while determining the contract demand of the consumer who has not opted for declaration of their contract demand. Accordingly the consumer's sanctioned load on record was 97.5KW & hence his contract demand was determined to 122 kVA & pushed this consumer to LT II C from LT II B.

However he could not explain how the consumers sanctioned load is changed from 97.5HP to 97.5KW. He further admitted for non-billing of the consumer on the basis of consumption from the Dec.2011 and reason quoted behind this was change of multiplying factor from 1 to '0'.

The matter was lastly heard on 04<sup>th</sup> Aug 2012 both the parties were present documents on record & arguments during the hearing reveals that, it was the grave mistake by the utility that sanctioned load of consumer is baselessly changed from 97.5HP to 97.5KW which leads to wrong determination on contract demand to 122kVA. However the correct procedure in the view of this forum should be.

$$\frac{97.5\text{HP} \times 0.746}{0.8}$$

0.8

which comes out 91KVA

and accordingly consumer should have billed from Sept.2010. However as per the applicant's say that it was already declared by the consumer that his contract demand was 50KVA; but forum feels that before application of this tariff i.e. before July 2008, the sanctioned contract demand was not the billing parameter in case of LT consumers. Moreover it was ampli clear in the beginning of the circular that

The Hon'ble commissioning is desirous on implementing M.D. based tariff to LT industrial consumer, however in case of LT industrial consumers only sanctioned load is considered for billing purpose, as contract demand is not given by consumer & hence it is not considered.

It was mentioned in the said circular that the commission has modified the definition of contract demand in prevailing tariff order w.e.f. 1.05.2007 that instead of 0.9 P.F. the P.F. of 0.8 should be consider while converting the sanctioned load in KW to contract demand in KVA.

It was mentioned in the circular that. "In case where consumer opts for determination of CD on their own, then this method of determining CD is not applicable." In the present case consumer failed to produced any documentary evidence for opting the contract demand & hence the remaining alternative with the utility respondent was to determine the contract demand as per the procedure laid down by the Hon'ble commission.

During the proceeding consumer applicant requested the forum atleast from now on word his contract demand should be reduced to 50KVA on this forum asked to the consumer applicant to apply to the utility for reduction of load in the prescribed format along with the list of machineries installed & wiring test report & also directed the utility to act upon accordingly.

It was also necessary to the respondent to verify the actual sanction load of the consumer & if it is 97.5 HP then his determined contract demand should be 91 KVA & not 122KVA accordingly the correction should be made from Sept.2010. Moreover while billing to the unbilled

consumed units, utility should not demand or impose any DPC or interest towards this recovery.

Hence order.

### ORDER

- 1) Application is allowed.
- 2) Respondent should determine contract demand properly hence forth & correct the contract demand to 91 KVA & rectify billing from Sept.2010 onward accordingly.
- 3) On application by the consumer for reduction of contract demand along with relevant document utility should do the necessary correction without any unnecessary delay.
- 4) While billing to the consumer from Dec.2011 for units consumed, no DPC & interest should be charged to the consumer.

No order as to the cast.

Both the parties are informed accordingly.

Compliance should be reported within 60 days from the receipt of this order.

The order is issued under the seal of consumer Grievance Redressal Forum M.S.E.D.C. Ltd., Bhandup Urban Zone, Bhandup on 14<sup>th</sup> of Aug 2012.

Note:

If Consumer is not satisfied with the decision, he may file representation the case 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.

3) If utility is not satisfied with order, it may go in appeal before the Hon. High Court within 60 days from receipt of the order.

**DR. ARCHANA SABNIS**  
**MEMBER**  
**CGRF, BHANDUP**

**S. K. CHOUDHARY**  
**CHAIRMAN**  
**CGRF, BHANDUP**

**R.M. CHAVAN**  
**MEMBER SECRETARY**  
**CGRF, BHANDUP**