



Consumer Grievance Redressal Forum, Kalyan Zone
Behind "Tejashree", Jahangir Meherwanji Road, Kalyan (West) 421301
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**IN THE MATTER OF GRIEVANCE NO. K/E/333/374 OF 09-10 OF M/S
BHAGWANDAS ISPAT PVT. LTD. MURBAD , REGISTERED WITH
CONSUMER GRIEVANCE REDRESSAL FORUM KALYAN ZONE, KALYAN
ABOUT REFUND OF EXCESS COLLECTED AMOUNT WITH INTEREST.**

M/s. Bhagwandas Ispat Pvt. Ltd.
H-20, MIDC, Addl. Murbad
Village - Kundavli,
Dist : Thane

(Here in after
referred to
as Consumer)

Versus

Maharashtra State Electricity Distribution
Company Limited through its
Superintending Engineer, Kalyan Circle -II

(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 of the Licensee. The Consumer is billed as per Industrial tariff. The consumer registered grievance with the Forum on 19/04/2010 regarding Refund of Excess collected amount with Interest. The details are as follows : -

Name of the consumer : M/s. Bhagwandas Ispat Pvt. Ltd.

Address: - As above

Consumer No : 018019021150

Reason for Dispute : - Regarding Refund of Excess collected amount with Interest

- 3). The batch of papers containing above grievance was sent by Forum vide letter No. EE/CGRF/Kalyan/169, dt. 19/04/2010 to the Nodal Officer of the Licensee, and the Licensee through Nodal Officer MSEDCL Kalyan Circle-II filed reply vide letter No. SE/KCK-II/Tech/1896, dt. 04/05/2010.
- 4) The Members of the forum heard both the parties at length on 10/05/2010 @ 16.00 Hrs. in the meeting hall of the Forum's office. Shri B. R. Mantri representative of the consumer & Shri R. V. Purohit, Nodal Officer, Shri V. D. Kale, Asstt. Engr. representatives of the licensee, attended hearing. Second hearing was held on 31/05/2010 at 15.00 hrs. in the meeting hall of the Forum's office. Shri B. R. Mantri representative of the consumer & Shri G. K. Panpatil, Nodal Officer, Shri V. D. Kale, Asstt. Engr. representatives of the licensee, attended hearing. Minutes of the hearing including the submissions made by the parties are recorded and the same are kept in the record. Submissions made by the

parties in respect of grievance since already recorded will be referred to avoid repetition.

- 5) According to the consumer Hon. MERC vide Tariff Order allowed load factor incentive if load factor is above 75%. It is contended load factor is defined as ratio consumption during the month to maximum consumption possible in a month. It is further contended that the weekly staggering day of their company is Friday for 16 hours breakdown/interruption is considered within allowed 60 hours. Consumer is a non express feeder is not getting this benefit, in as much as industrial feeder fed from Murbad 100 KV Sub/Stn. on which planned load shedding of 16 hours takes place on each Friday i.e. 64 hours a month, however, the licensee while calculating the energy bill did not consider the planned load shedding hours for load factor due to which their plant's load factor is shown from 70% to 72% i.e. less 3% a month from Oct. 2006 till date thereby they are losing 3% incentive as per the load factor formula and as such for not considering planned load shedding hours they are put to loss around Rs. two to three lakhs per month as their monthly bill ranges from Rs. 20 lakhs to 80 lakhs. Consumer by letter dt. 08/11/08 and in detail vide letter dt. 14/12/09 apprised the same to the Superintending Engineer Kalyan Circle – II but in vain. Consumer therefore lodged this grievance with a prayer to direct the licensee to consider planned load shedding hours while giving rebate in the tariff from Oct. 06 and to refund the load factor incentive amount already received by the licensee with interest at Bank rate.
- 6) Licensee controverted the above said contentions by filing reply dt. 11/06/2010 contending that load factor incentive is given to the

consumers having load factor over 75%. As per the tariff order load factor incentive is given as under :

$$\text{Load Factor} = \frac{\text{Consumption during the month in MU}}{\text{Maximum Consumption Possible during the month in MU}}$$

$$\text{Maximum Consumption possible} = \text{Contract Demand (KVA)} \times \text{Actual Power Factor} \times (\text{Total No. of hrs. during the month less planned load shedding hours}^*)$$

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

It is contended that load shedding is done in industrial area on every Friday from 06.00 a.m. to 10.00 p.m. This load shedding is done due to shortage of power in the State of Maharashtra. During the load shedding if the system allow i.e. power generation position remains good load shedding is withdrawn several times. During the load shedding maintenance work is carried out on very few occasions in the year and for very limited period. According to the licensee for interruption/non supply to the extent of 60 hours is in built in the scheme by the Hon. MERC. It is contended that as per Company Act, each factory has to give a weekly off to it's workers and maintenance of factory, thereby company keep the factory close day in a week for maintenance work and give weekly off to their workers. Company declare weekly off on the staggering holiday applicable to their areas, they avail staggering holiday as weekly off and declare weekly off in a week such a load shedding day thereby there is no loss of production or any other losses. It is contended in this context deducting the planned load shedding hours for giving rebate is out of question in as much as they are included in the package

itself. It is therefore the contention of licensee that on staggering day factories can give weekly off to the workers and take their factory for weekly maintenance and simultaneously licensee also get one day energy save and attend maintenance work if required therefore, granting incentive for planned load shedding is not permissible as per the order of MERC. Since the energy bill pertains to consumer company prepared as per the formula laid down by the Hon. MERC, considering planned load shedding hours to prepare bill is contrary to the order to Hon. MERC and on this background grievance being devoid of substance be dismissed in limine.

- 7) On perusal of the record and hearing both the parties following points arise for the consideration of Forum and findings thereon for the reasons recorded below :

| Points | Findings |
|--|--------------------|
| a)Whether consumer is entitled to load factor incentive as prayed in the grievance application ? | NO |
| b)Whether consumer is entitled to refund of incentive amount on load factor incentive from October 2006 and interest thereon as prayed ? | Does not arise |
| c)What Order ? | As per Order below |

Reasons

- 8) The Hon. MERC in case No. 54 of 2005 for FY 2006-2007 clearly observed that commission introduced incentive to reward consumers contributing a steady load to the MSEDCL System and to incentivize such consumers to remain with the MSEDCL. As per this order MERC has allowed load factor incentive in tariff if load factor is above 75%. According to the consumer licensee has considered the planned load shedding and interruption hours

for total hours and then calculated load factor on the total hours is not as per the policy laid down by the MERC referred to above. In short, according to consumer licensee should calculate the planned load shedding hours for giving rebate in tariff. Licensee dispute this contending Hon. MERC while preparing scheme already considered planned load shedding hours i.e. interruption/non supply hours to the extent of 60 hours in a 30 day month for giving incentive i.e. it is inbuilt in the scheme itself.

- 9) On perusal the scheme referred to above in case No. 54 of 2005 page 145/146 Hon. MERC has considered 60 hours in a month against for interruption/non supply to be deducted from charging tariff in the bill by way of load factor incentive. Referring para 23 and 27 in order as above the learned representative for consumer submitted that shut down being planned load shedding to be informed to the consumer by the licensee and that events such as stoppage for maintenance have to be treated as planned shut down and the same to be considered while computing entitlement for load factor incentive however, licensee ignoring this position not deducted the planned load shedding hours while calculating tariff thereby the consumer company suffered loss to the tune of Rs. two to three lakhs per month. On the other hand, the learned representatives for licensee urged with force that the Hon. MERC in the order referred to supra clearly pointed out as to how load factor to be drawn and what planned load shedding hours mean i.e. interruption/non supply to the extent of 60 hours in a 30 day month.
- 10) We have gone through the detail order of Hon. MERC on page 145/146 referred to above. It is clearly pointed out planned load shedding hours including interruption/non supply to the extent of 60 hours in a day month

therefore hardly lie in the mouth of consumer that he is entitled to the incentive on planned load shedding hours which is utterly contradictory to the scheme settled by the Hon. MERC. In this view of the matter we find no force in the submission of learned representative of consumer that the licensee is required to allow load factor incentive considering planned load shedding hours. We find the action of the licensee in respect of the consumer is justified. Consequently consumer is not entitled to load factor incentive as prayed in the grievance application therefore question of giving him refund amount in this context that too with interest, does not arise. The grievance lodged by the consumer in view of the position discussed supra being devoid of substance deserves to be dismissed. Points are answered accordingly and hence the order :

ORDER

- 1) Grievance application stands dismissed.
- 2) The Consumer can file representation against this decision with Hon. Electricity Ombudsman at the following address.

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

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

Date : 15/06/2010

(Mrs. S.A. Jamdar)
Member
CGRF Kalyan

(R.V.Shivdas)
Member Secretary
CGRF Kalyan

(S.N. Saundankar)
Chairperson
CGRF Kalyan