



Consumer Grievance Redressal Forum, Kalyan Zone  
Behind "Tejashree", Jahangir Meherwanji Road, Kalyan (West) 421301  
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Date of Grievance : 26/11/2012  
Date of Order : 12/08/2013  
Period Taken : 259 days

**IN THE MATTER OF GRIEVANCE NO. K/E/662/781 OF 2012-13 OF SHRI ATIN A. SHAH OF MANIKPUR, VASAI (WEST) REGISTERED WITH CONSUMER GRIEVANCE REDRESSAL FORUM KALYAN ZONE, KALYAN ABOUT EXCESSIVE ENERGY BILL**

Mr. Atin A Shah,  
New Lawrence Trade Centre  
Manikpur, Vasai (West), Dist. Thane  
Consumer No.001699030980

} (Here-in-after referred as Consumer)

Maharashtra State Electricity Distribution  
Company Limited through its  
Dy. Exe.Engineer, Vasai S/dn, Vasai (W)

} (Here-in-after referred as Licensee)

Appearance : - C.R. – Shri Harshad Sheth  
For Licensee - Shri S.S. Bakshi, Exe. Engineer  
Mr. V.C. Patil, Executive Engineer, Vasai Division  
Shri Jadhav, Dy. Exe.Engineer, Vasai [West] S/dn  
Shri S.D. Gaikwad, Exe. Engineer, Vasai Division  
Sau. Ovhal, Jr. Engineer, Vasai [West] S/dn  
Mr. V.R. Patil, Engineer, Vasai [West] S/dn

(Per Shri. Sadashiv S. Deshmukh, Chairperson)

1. This Consumer Grievance Redressal Forum has been established under "Maharashtra Electricity Regulatory Commission (Consumer Grievance

Redressal Forum & Ombudsman) Regulation 2006” to redress the grievances of consumers. The regulation has been made by the Maharashtra Electricity Regulatory Commission vide powers conferred 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 having L.T.-II supply from the Licensee. The Consumer is billed as per said tariff. Consumer registered grievance with the Forum on 26/11/2012 for Excessive Bill towards P.F. penalty.
3. The papers containing above grievance were sent by Forum vide letter No. EE/CGRF/Kalyan/0804 dated 26/11/2012 to Nodal Officer of Licensee. The Licensee filed its reply on 20/4/2013
4. The Consumer is having supply from Licensee from 2/8/2007 bearing Consumer no. 001699030980. It is of LT-ii-c category. Sanctioned load is of 107 KW and sanctioned demand is of 80 KVA.
5. Dispute in the present matter commenced on Consumer receiving the bill for August & September 2012 and letter to that effect is addressed by the Consumer to the Dy. Exe.Engineer on 29/10/2012. Further such letter addressed to said Officer on 20/11/2012 covering the period of Nov.’12.
6. Consumer had approached IGRC on 21/9/2012 and IGRC passed an order on 7/2/2013 rejecting the prayer of Consumer. In between the Consumer had approached this Forum by filing grievance on 26/11/2012 and during pendency of this matter, IGRC has passed the order as stated above and it is also now challenged. Licensee filed reply on 20/4/2013. Consumer had added rejoinders Nos. 1 to 8 during period from 26/12/2012 to 10/6/2013, to which Licensee replied on 12/4/2013, 20/4/2013 & 20/5/2013. Dispute of Consumer now is for June & July 2011, Aug. 2012, Sep. 2012 & Dec. 2012. The said dispute is raised contending that appropriately calculation of P.F. is not done by the Licensee. Wrong calculation is done working out P.F. and thereby consumer is charged with P.F. penalty but in fact the Consumer is entitled to P.F. incentive

and hence P.F. penalty recovered be refunded to him and necessary incentive be awarded.

7. In this matter, C.R. attended regularly but for the Licensee different officers attended the matter who were posted from time to time.
8. Consumer has made grievance stating that in July '11 an amount of Rs.31,226.50 is recovered as power factor penalty. However, in the previous month, i.e. June '11 KVAH was '0'. However, Licensee considered one month's KWH and two months KVAH, thereby worked out power factor as 0377 which is not correct. Accordingly refund of said amount is sought along with incentive of Rs.4185.32 ps. In respect of Aug.'12, towards power factor penalty an amount of Rs.52,440.45 ps. Is recovered which is not correct. power factor comes to 0.909, KWH is 0.896, KVAH is 8972, thereby Consumer is entitled to incentive of Rs.7,634.13 ps. This amount is sought along with refund of power factor penalty to the tune of Rs.53,440.45 ps.
9. We sought information from C.R. precisely his dispute pertaining to which months. He clarified that though he has disputed for July '11, Aug.'12 and it covers even Sept.'12 and Dec.'12. he clarified that though he has referred to July '11, it is to be considered taking reading of June '11 but in June '11, KVAH reading is shown as '0' and hence whatever is result appropriately relief is to be given even in June '11. Accordingly relief is now sought for June '11, July '11, Aug.'12, Sept.'12 & Dec.'12 contending that even during the pendency of this grievance same flaw continued by Licensee.
10. It seems to be the factual aspect relied on by Licensee to work out the aspects of P.F. penalty and while dealing it Licensee relied heavily on the internal circular issued by Chief General Manager (IT) dated 20/7/2013 and even the Officers of Licensee in this matter sought reply from said IT Section and IT Section replied vide its letter dated 4/1/2013 about P.F., how to be calculated is stated in that particular letter. It is in consonance with the letter of Chief General Manager (IT), communicating to the Dy. General Manager (IT) at various places in

Maharashtra and System Analysts (IT). The Chief General Manager (IT) has forwarded the details and stated the purpose of amendment.

11. In this matter, we heard both sides time and again as they were concentrating on interpretation of mode of working out P.F. The Officers of Licensee claimed that calculation for the disputed months is done as per the above letter of Chief General Manager (IT) and hence calculation is correct. On behalf of Consumer reliance was placed on the order of Hon'ble Ombudsman passed in Representation No.10 of 2013 dated 6/3/2013 in the matter of Supreme Industries Ltd. v/s Maharashtra State Electricity Distribution Co. Ltd. The Hon'ble Ombudsman in Para 2 of the order dealt the facts therein and aspect of working out P.F. and observed as under:

“Gist of Representation is that up to Nov. '11, Respondent calculated average P.F. by one method :  $kWh \div kVAh$  and from Dec.'11 by another method:  $kWh \div \text{SQRT}(kWh^2 + RkVAh^2)$ . Ideally the average P.F. calculated by both the methods should be the same but the bill of Dec.'11 shows average P.F. calculated by the first method is 0.999 and by second method as 0.986. ...”

Thereafter the Hon'ble Ombudsman considered the clause 2.1 (d) of MERC (Supply Code) Regulations pertaining to average P.F. in Para 8, referred to Annexure I of the appropriate tariff schedule of MERC Tariff order dated 12/9/2010 in Case no.111 of 2009 which speaks about P.F. calculation. Two modes are given, one after another and in Para no. 9 of the Hon'ble Ombudsman's order, it is observed as under:

“Plain reading of above provisions make it abundantly clear that whenever average measurement is not possible through the installed meter, the kVAh shall be calculated as  $= \text{SQRT}(kWh^2 + RkVAh^2)$  and average P.F. shall be calculated as  $= kWh \div kVAh$ . In this case, measurement of kVAh is possible from the reading of the installed meter.

Therefore, average P.F. shall be calculated as  $\text{kWh} \div \text{kVAh}$  for giving P.F. incentive in the bills. Accordingly to the values of kWh and kVAh, taken from the meter readings, average P.F. for the month of Dec.'11 is  $4994500 \div 499500 = 0.999$  and the average P.F. for the month of Jan '12 is  $5203000 \div 5218500 = 0.997$ . The Appellant is therefore entitled for 7% incentive by taking into consideration the Power Factor level of 1.00 as shown in the above table for the month of Dec. '11 as well as Jan.'12. The Respondent is, therefore, hereby directed to work out P.F. incentive in terms of the above tariff order and give necessary credit, in the Appellant's ensuing bills, towards rectification of errors in the said two bills of Dec.'11 & Jan '12, accordingly.

12. Though it is contended by the Licensee that the above order of Hon'ble Ombudsman is not applicable to the present matter, the C.R. submitted that by all means this order is applicable to the present case. We find question before Hon'ble Ombudsman was pertaining to two modes stated for working out average P.F. and while stating so, in Para 4 the Hon'ble Ombudsman noted that there was an error in the measurement of RkVAh for the month of Dec.'11 & Jan.'12 and thereby P.F. needs to be re-calculated correctly. Accordingly, error in recording measurement of RkVAh is dealt therein. Similarly in the matter before this Forum, it is demonstrated by the C.R. that already two factors are visible from the readings available in the meter of Consumer pertaining to kWh and kVAh. However, the figures in RkVAh are not tallying. This aspect is for disputed months of June & July, 2011, Aug., Sep. & Dec. 2012. The Officers of Licensee conceded for the error pertaining to the month of Aug. Sep & Dec. 2012. The Consumer has worked out the said aspect and sought incentive. Those details are as per the following chart.

Month	KWH			KVAH			RKVAH			P.F.	KVAH BY	P.F. BY	RECEIVED INC.	CHARGED PENALTY TO WAIVE	INCEN. TO RECEIVE
	Prev. Reading	Current reading	Total kwh x 2 MF	Prev. Reading	Current reading	Total kwh x 2 MF	Prev. Reading	Current reading	Total kwh x 2 MF	kvh / kvah	Sq. Root	Sq. RT formula			
June '11	106930	111396	8932	106990	106990	0	404498	404498	0	0.000					
July '11	111396	114099	5406	106990	114161	14342	404498	404498	0	0.377				31,226.50	4,158.32
Aug '12	146526	151007	8962	146597	151083	8972	525334	535145	19622	0.999	21572	0.4155		53,440.46	7,634.13
Sep '12	151007	154231	6448	151083	154309	6452	535145	543879	17468	0.999	18620	0.3463		45,551.79	5,562.88
Dec '12	161022	164081	6118	161100	164162	6124	562685	571719	18068	0.999	19076	0.3207		48,018.87	5,697.15

13. We find as the Officers of Licensee conceded to the error apparent in showing RkVAh, now this claim is to be allowed. Accordingly, the Licensee is required to refund the P.F. penalty, DPC and interest recovered and pay the P.F. incentive admissible after verifying the figure worked out by the Consumer for the month of Aug. Sep. & Dec. 2012.
14. In respect of June '11 & July '11 it is submitted that for June '11 KVAH difference is shown as '0', but in July there is a difference as worked out to the extent of 14,342 which is to be treated for two months, i.e. June '11 & July '11. In this light, working out of appropriate power factor incentive needs to be done. If it is to be done then for July, calculation is to be done with the formula on 14,338 considering the quantum of KWH consumption for the month of July '11 and its comparison and its ratio with the total KWH consumption combined together for June & July '11 is to be considered and accordingly applying the same ratio of KWH consumption, quantum of KVAH consumption for the two different months, i.e. June & July '11 is to be calculated. By this way, the KVAH consumption for July '11 will be 5,407.50 and the quantum of KVAH for the June will be total KVAH (14,332) minus 5407.5 = 8934.50. After determining the KVAH for June & July '11, the power factor to be calculated by utilizing straight way formula, i.e. KWH divided by KVAH which calculation comes to 0.999 and as per this formula the power factor for June '11 comes to 0.999 and for July '11 also it is the same 0.999. Accordingly for these two months the respective incentive needs to be given which the Licensee is to properly work out.

We find no any hitch in allowing the above claim. No any flaw is pointed out by Licensee's side in this aspect. Accordingly this relief for June & July 2011 is also to be allowed.

15. As per the judgment of Hon'ble Ombudsman no more comments are required on the circular issued by the Chief General Manager (IT) of the Licensee dated 20/7/2012. The judgment of Hon'ble Ombudsman referred above speaks itself. Accordingly this grievance is to be allowed.
16. In this matter the Forum was required to deal the aspect, along with other bunch of matters of similar nature including Grievance No.K/E/693/819 of 2013-14 Shri Rakesh Shah, hearing both parties time and again. These parties added from time to time their contentions, precedents, supplemented their arguments. Matter before the IGRC was dealt in the said Group during pendency of this matter. As matter was of importance due to technical aspect, both parties were given time to make their submissions.

Hence the Order

**O-R-D-E-R**

- a) The grievance of the Consumer is hereby allowed.
- b) The bills for the months of June & July 2011, Aug. Sep, Nov. & Dec. 2012 and charging of P.F. penalty are set aside.
- c) Licensee directed to work out afresh correctly as discussed above the Average Power Factor, i.e. P.F. as discussed above for the month of June & July 2011, Aug. Sep, Nov. & Dec. 2012 considering the kWh, kVAh which is visible from the meter and reading available. Thereafter refund the P.F. penalty, DPC and interest imposed and recovered from the Consumer and provide incentive, if found payable. This be done within 45 days from the date of receipt of this order and amount so found due to be paid to the Consumer or be adjusted in the ensuing bills. Interest be paid as per Bank

Rate for the amount deposited by Consumer as per the bills, which is required to be refunded.

d) Compliance be submitted within 60 days of the receipt of this Order.

Date : 12/08/2013

**I Agree**

**I Agree**

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

**(Chandrashekhar U. Patil)**  
**Member Secretary**  
**CGRF Kalyan**

**(Sadashiv S. Deshmukh)**  
**Chairperson**  
**CGRF Kalyan**

**Note:-**

a) The consumer if not satisfied, may file representation against this order before the Hon. Ombudsman within 60 days from the date of this order at the following address.

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

b) Consumer, as per section 142 of the Electricity Act, 2003, can approach Hon. Maharashtra Electricity Regulatory Commission for non-compliance, part compliance or delay in compliance of this decision issued under “Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Ombudsman) Regulation 2003” at the following address:-

*“Maharashtra Electricity Regulatory Commission, 13th floor, World Trade Center, Cuffe Parade, Colaba, Mumbai 05”*