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Consumer Grievance Redressal Forum  
"Vidyut Bhavan", Gr. Floor,  
L.B.S.Marg,Bhandup (W),  
Mumbai – 400078.

**REF.NO. Member Secretary/CGRF/MSEDCL/BNDUZ/ 52/325**

**Date:22.10.2019**

**Hearing Date: 24.09.2019**

**CASE NO.52/2019**  
**Sahialam J. Shalkh,**  
**H.NO.1099,Nagaon-II,**  
**Nr. Naseeb Hotel,Bala Comp,**  
**Bhiwandi-421302.**

(CONSUMER NO.13012541222) . . . . (Hereinafter referred as Consumer)

**Versus**

Maharashtra State Electricity Distribution Company Limited  
through its Nodal  
Officer,  
Bhiwandi  
Circle,Bhiwandi.

. . . (Hereinafter referred as Licensee)

**For Consumer –** Mr. Pravin Thakkar - Consumer Representative.

**Appearance : For  
Licensee**

- 1) Mr. Prakash Chetwani-  
Member, TPL.
- 2) Mr. Raghuvendra Rao, Gm, TPL

**[Coram- Dr. Santoshkumar Jaiswal - Chairperson, Shri. Ravindranath Bagal -  
Member Secretary and Sharmila Ranade - Member (CPO)].**

- 1) Maharashtra Electricity Regulatory Commission, is, constituted u/s. 82 of Electricity Act 2003 (36/2003). Hereinafter for the sake of brevity referred as 'MERC'. This Consumer Grievance Redressal Forum has been established as per the notification issued by MERC i.e. "Maharashtra Electricity Regulatory

Commission (Consumer Grievance Redressal Forum & Ombudsman) Regulation 2006” to redress the grievances of consumers vide powers conferred on it by Section 181 read with subsection 5 to 7 of section 42 of the Electricity Act, (36/2003). Hereinafter it is referred as ‘Regulation’.

**Consumer Say:**

- 2) The applicant is stating that for the service number 13012541222, load is reduced to 27 Hp/20KW from December 2018. The applicant submits to clarify that the amount of penalty of power factor is not refunded to him in the bill of April 2019, which is totally unjust, unfair, illogical and illegal with him. The applicant is requesting to kindly consider the refund on account of penalty of power factor in the month of September and October 2018.

**Utility Say**

- 3) The applicant is having service connection vide number 13012541222, sanctioned for the load of 27 HP. The applicant was having sanctioned load of 34 HP prior to December 2018 after which he was billed as per the tariff of below 27HP.

Hon’ble Maharashtra State Regulatory Commission (MERC) has issued revised tariff order on 12.09.2018 for different categories of customers w.e.f. 1-Sep-2018 in case no. 195 of 2017. As per the tariff order passed and MSEDCL Commercial CircularNo 311 dated 01-Oct-2018, certain changes in calculation methodology of Power Factor Incentive / Penalty in the existing Structure.

The previous calculation methodology of power factor was ‘PF = kWh / kVAh where kVAh =  $\sqrt{\{(Kwh)^2 + (RkVah \text{ Lag})^2\}}$ ’ i.e. Only Lag Reactive Power was considered while computing Power factor % and Incentive / penalty was billed accordingly.

As per the tariff order revised concept of leading power factor has been introduced i.e. Power Factor is to be computed on LEAD as well as LAG

basis where Current lags behind the Voltage or Current leads the voltage. The calculation methodology was changed as  $PF = kWh / kVAh$  where  $kVAh = \sqrt{\{(Kwh)^2 + (RkVah\ Lead + RkVah\ Lag)^2\}}$  i. e. Penalty is introduced for leading as well as lag power factor below 0.9 PF, whereas Incentive shall be given for  $PF > 0.95$  Lag upto 1. In case if  $PF > 0.95$  upto 1 is on lead then Power factor incentive is not passed on to consumer.

Further Hon'ble MERC has again passed the order vide case number 329 of 2018 stating that:-

"17. As there is no error in inclusion of 'RkVAh lead' in computation of PF, the Commission is not changing effective date i.e. 1 September, 2018 for inclusion of RkVAh lead in computation of PF. However, in order to support the consumer who are willing to take corrective measures, the Commission rules that differential amount (difference between PF computed without 'RkVAh Lead' and with 'RkVAh lead') for the period of 1 September, 2018 to 31 March, 2019 will be refunded to the consumer as follows:

- 4) Consumer shall be eligible for refund only if PF (with RkVAh lead) for consumption of April, 2019 is equal to or above 0.90 (lead or lag). No refund will be given to other consumers. This refund shall be in equal monthly instalments. Number of instalments shall be equal to numbers of months in which 'RkVAh lead' based PF has been billed to consumer till March, 2019. First instalment to the 'Eligible Consumer' shall be refunded by way of adjustment in the electricity bill for consumption of April, 2019. Subsequent instalment is refundable only if 'Eligible Consumer' maintains PF equal to or above 0.90 (lead or lag) in the month in which instalment is to be refunded. If PF is below 0.90 (lead or lag), instalment for that month shall deemed to be lapsed."

On receipt of the Tariff order passed by Hon'ble MERC, the utility has taken various measures to pro-actively create awareness among the

consumers through various communication modes such as installing Banners at various locations, Consumer's awareness Letters, Awareness through newspaper articles, SMS to consumers with registered mobile numbers , Conducting Janta Darbars, Etc.

As mentioned in the Tariff order 329 of 2018 by Hon'ble MERC, the applicant has not fulfilled the eligibility criteria as mentioned by the Hon'ble MERC, as the Power factor of the service of the applicant for the consumption of April 2019 was 0.67 which was less than 0.90(Lead or Lag). The Power factor charged in the month of Sept and October 2018 cannot be refunded to the applicant, as above consumer is not eligible to get the PF refund of penalty charged in Sept 18 and Oct 18.

- 5) Further as per Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 regulation 6.9 "The Forum may reject the Grievance at any stage if it appears to it that the Grievance is: (a) frivolous, vexatious, malafide; (b) without any sufficient cause; (c) there is no prima facie loss or damage or inconvenience caused to the consumer; Provided that no Grievance shall be rejected in respect of sub-clauses (a), (b) and (c) unless the applicant has been given an opportunity of being heard. ". Hence, it is respectfully requested to your Hon'ble Forum to kindly dismiss the said grievance as per Regulation 6.9 of MERC CGRF regulation 2006.

#### **Forum Observation**

- 6) I have gone through the pleadings, heard both sides. It appears from the records that IGRC has rejected the application of this complainant as the power factor (PF) is 0.50 which is below 0.90. If was maintained at 0.90 and above, the PF penalty if recovered, should be refunded to the consumer in instalments. The applicant failed to prove that he has maintained the PF at 0.90 or above to claim the refund. Wherever the utility has filed a

documentary evidence to show the PF is 0.50. on going through this documentary evidence, the applicant fails to prove his claim made out in the application. Hence I pass following order.

### ORDER

This application is hereby dismissed.

**I Agree/Disagree**

**I Agree/Disagree**

**MRS. SHARMILA RANADE,  
MEMBER  
CGRF, BHANDUP**

**Dr. SANTOSHKUMAR JAISWAL  
CHAIRPERSON  
CGRF, BHANDUP**

**MR. RAVINDRANATH BAGAL  
MEMBER SECRETARY  
CGRF, BHANDUP**

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

#### **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, Keshav Building,Bandra - Kurla Complex, Bandra (E),Mumbai - 400 051"
- b) b) consumer, as per section 142 of the Electricity Act, 2003, can approach Hon'ble Maharashtra electricity Regulatory Commission for non- compliance, part compliance or
- c) Delay in compliance of this decision issued under" Maharashtra Electricity Regulatory Commission ( consumer Redressed Forum and Ombudsman) Regulation 2003" at the following address:-  
  
"Maharashtra Electricity Regulatory Commission, 13<sup>th</sup> floor,world Trade Center, Cuffe Parade, Colaba, Mumbai 05"
- d) It is hereby informed that if you have filed any original documents or important papers you have to take it back after 90 days. Those will

not be available after three years as per MERC Regulations and those will be destroyed.