

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

(Appointed by the Maharashtra Electricity Regulatory Commission
under Section 42(6) of the Electricity Act, 2003)

REPRESENTATION NO. 27 OF 2026

In the Matter of Erroneous Recording and Billing of Excess Maximum Demand

M/s. Samvat System Pvt. Ltd.....Appellant
(C. No.049069023500)

V/s.

Maharashtra State Electricity Distribution Co. Ltd. Nashik Rural. Respondent
(MSEDCL)

Appearances:

Appellant : 1. Nitin Babar, Director
2. Hiraji Jadhav, Representative
3. Kanayalal Thakur, Representative

Respondent : 1. Devendra Sayanekar, Superintending Engineer
2. Nandkishore Kale, Executive Engineer, Admin

Coram: Vandana Krishna [IAS (Retd.)]

Date of hearing: 13th May 2026

Date of Order: 4th June 2026

ORDER

This Representation was filed on 20th March 2026 under Regulation 19.1 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2020 (CGRF & EO Regulations 2020) against the Order dated 23rd February 2026 in Case No.104 of 2025 passed by the Consumer Grievance Redressal Forum, MSEDCL, Nashik Circle (the Forum). The Forum rejected the Appellant's grievance, based on the following observations noted in Point No. 3 of its order:

- a. *M/s. Secure Ltd report dated 28.01.2026 remarks "(i) As per meter data H I MD is 320.4 KVA as Apparent Import, (ii) Import Lag energy recorded is 308 KVAR (iii) Low*

power factor event recorded during the same instant, hence Lag import energy and KVA MD shot up, and

- b. *Testing Team Nashik analysis report dated 30.01.2025 regarding MD shoot up in December 2024: "Import MD KVA recorded at substation end, checked meter on 04.12.2024 at 4.00 pm is 313.20 KVA, meter load test taken & result found satisfactory." Action taken by MSEDCL is as per rules and circulars/regulations. The complaint is liable to be dismissed.*

Preamble:

2. The particulars of the Appellant and its recorded Maximum Demand in Nov. 2024 & Dec. 2024 are detailed in Table 1 below.

Table 1:

Name	Consumer No.	Address	Sanct. Load / Contract Demand	Date of Supply	Recorded Maximum Demand	
					Nov-24	Dec-24
Samwat System Pvt. Ltd.	049069023500	At- Village Baze, Tal- Trimbak, Dist: Nashik	100 kW/ 120 kVA	11.01.2013	149	320

As per Tariff Order of the Commission dated 28.03.2025, effective from 01.04.2025, the Monthly Billing Demand for HT-I Industry will be the higher of the following 3 parameters: -

- a. Actual maximum demand recorded in the month.
- b. 75% of the highest billing demand recorded during the preceding 11 months, subject to the limit of sanctioned CD.
- c. 70% of the CD for the year 2023-24 (which in this case comes to 84 kVA) & 75% of the CD from 2024-25 onwards (which comes to 90 kVA).

The highest of the above 3 parameters has been calculated in the Table 2. For example, for December 2024, it would be the highest of the following 3 parameters: -

- a. Maximum recorded demand was 320 kVA.

- b. 75% of the highest billing demand recorded during the preceding 11 months i.e. 75% of 149 kVA = 112 kVA (subject to the upper limit of 120 kVA sanctioned CD).
 - c. 75 % of sanctioned CD of 120 kVA i.e. 90 kVA
- The highest of these 3 parameters comes to **320 KVA**. Actual billing was based on this figure.

Similarly for January 2025, it would be the highest of the following 3 parameters: -

- a. Maximum recorded demand was 34 kVA.
- b. 75% of the previous highest – 75% of 320 KVA= 240 kVA, subject to the limit of 120 kVA.
- c. 75 % of sanctioned CD 120 kVA i.e. 90 kVA.

The highest of these comes to 120 kVA; actual billing was based on this figure.

The previous highest of 120 kVA continued to be the same for the next 11 months after Dec.2024.

➤ **Summary of exceeding Contract Demand (CD) in Dec. 2024 and Financial Implications for the next 11 months (2023–24 to 2025–26):**

The Table 2 below summarizes the sanctioned, recorded, and billing Contract Demand (CD), along with the corresponding main financial implications for the period from 2023–24 to 2025–26.

Table 2:

Bill Month No	Financial Year	APR 1	MAY 2	JUN 3	JUL 4	AUG 5	SEP 6	OCT 7	NOV 8	DEC 9	JAN 10	FEB 11	MAR 12	Remarks	
Contract Demand	2023-24	120	120	120	120	120	120	120	120	120	120	120	120	70% of Sanctioned CD (120 kVA) comes to 84 kVA for 2023-24. Recorded MD was less than this value of 84 kVA. The higher of 3 parameters comes to 84 kVA, which was billed.	
Max. Recorded Demand		39	32	23	18	38	19	31	54	49	38	42	39		
Billing Demand		84	84	84	84	84	84	84	84	84	84	84	84		
Demand Charges (Rs.)		41,916	41,916	41,916	41,916	41,916	41,916	41,916	41,916	41,916	41,916	41,916	41,916		
Alleged Excess Billing (Rs.)		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Alleged excess billing was nil during FY 2023-24.
Contract Demand	2024-25	120	120	120	120	120	120	120	120	120	120	120	120	75% of Sanctioned CD (120 kVA) comes to 90 kVA. Upto Oct. 2024 recorded MD was less than 90kVA, hence billed with 90 KVA. After that, MD recorded in Nov. 2024 & Dec. 2024 were 149 kVA & 320 kVA, hence billed as per recorded MD, which were more than 90 kVA(75% of 120 kVA CD).	
Max. Recorded Demand		39	35	42	34	37	40	41	149	320	82	36	36		
Billing Demand		90	90	90	90	90	90	90	149	320	120	120	120		
Demand Charges (Rs.)		49,410	49,410	49,410	49,410	49,410	49,410	49,410	81,801	1,75,680	65,880	65,880	65,880		
Alleged Excess Billing (Rs.)		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1,26,270	16,470	16,470	16,470		Alleged excess billing amounting to Rs. 1,75,680/- during FY 2024-25.
Contract Demand	2025-26	120	120	120	120	120	120	120	120	120	120	120	120	75% of Recorded MD (320kVA) of DEc. 2024 was 320kVA, however it was restricted to Sanctioned CD (120 kVA) for billing purpose from Jan.2024 to Nov. 2025 (11 months). After that noramalcys was restored as 90 kVA from DEc. 2025 onwards(75% of 120 kVA CD).	
Max. Recorded Demand		20	21	34	32	34	19	19	33	18	34	30	43		
Billing Demand		120	120	120	120	120	120	120	120	90	90	90	90		
Demand Charges (Rs.)		65,880	65,880	65,880	72,000	72,000	72,000	72,000	72,000	72,000	54,000	13,500	13,500		13,500
Alleged Excess Billing (Rs.)		11,880	11,880	11,880	18,000	18,000	18,000	18,000	18,000	18,000	Nil	Nil	Nil		Nil
Note:	1. Alleged total excess billing amounting to Rs. 3,01,320 (=1,75,680+1,25,640)- from FY 2024-25 to 2025-26.														

3. The Appellant has filed the present Representation challenging the order passed by the Forum. An e-hearing was conducted on 13.05.2026 through video conference where both the parties were heard at length. The Appellant's submissions and arguments are stated as below. *[The Electricity Ombudsman's observations and comments are recorded under 'Notes' where needed.]*

- (i) The Appellant is a Private Limited Company incorporated on 2nd July 2001, with its registered office at 526, 5th Floor, Siddarth Tower, Sangam Press Road, Erandawane, Pune since 11th January, 2013. The Appellant has been an HT Industrial Consumer (No.

049069023500) of the Respondent. The particulars of the Appellant and its recorded Maximum Demand in Nov. 2024 & Dec. 2024 are detailed in Table 1.

- (ii) Under the Renewable Energy Policy, the Appellant has been operating a 1.2 MW Small Hydro Power Generation Unit for the past 13 years and supplying the generated electricity to the 33/11 kV Trimbak Substation through a 33 kV grid connectivity.
- (iii) On 4th December 2024 at 16:30 hours, the Maximum Demand (MD) was momentarily recorded as 320 KVA only during a 15/30-minute time slot. MSEDCL wrongly assessed excessive demand charges considering recorded MD as 320 KVA in the bill of Dec. 2024 by relying upon Circular No. 336 dated 16.03.2022. As detailed in Table 2, an excess charge of Rs. 1,25,770/- was levied in the December 2024 billing cycle (calculated as Rs. 1,75,680 – Rs. 49,410). Furthermore, additional billing discrepancies occurred over an 11-month period. These, combined with the December adjustment, result in a total excess billing amount of Rs. 2,99,320 /-for the period from FY 2024–25 to 2025–26. Furthermore, applicable Electricity Duty and associated surcharges have been calculated and applied to the base billing amounts on a monthly basis, in accordance with prevailing rules and regulations.
- (iv) As per Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Standards of Performance of Distribution Licensees including Power Quality) Regulations, 2021 (Supply Code & SoP Regulations, 2021: Effective from Sep. 2021 onwards the definitions of Contract Demand & Maximum Demand are as below:

2. Definitions

m. “Contract Demand” means demand in kilowatt (kW) / kilovolt ampere (kVA)/ Horse Power (HP), mutually agreed between Distribution Licensee and the Consumer as entered into in an agreement in which the Distribution Licensee makes a commitment to supply in accordance with the terms and conditions contained therein; or equal to the Sanctioned Load, where the Contract Demand has not been provided in such agreement;

mm : “Maximum Demand” in kilowatts or kilo-volt-amperes, in relation to any period shall, unless otherwise provided in any general or special order of the Commission, mean four times the largest number of kilowatt-hours or kilovolt-ampere-hours supplied and taken during any consecutive Fifteen (15) minutes blocks in that period:

- (v) The Appellant had never exceeded the Contract Demand beyond 60 kVA against the sanctioned Contract Demand of 120 kVA from the date of connection till date, except during November 2024 and December 2024. The plant is equipped with an auxiliary transformer having a capacity of 100 kVA (33/0.440 kV). Therefore, it is unclear as to how a Maximum Demand of 320 kVA could have been catered through the said distribution transformer of 100 kVA capacity, particularly when the 33 kV grid connectivity feeder had tripped at 15:40 hours and the power supply was restored only at 16:40 hours on 04.12.2024. *(Note: The recorded 320 kVA peak was a transient event limited to a single 15-minute block. Due to the significant thermal mass of its core, oil, and windings, a standard 100 kVA (33 kV / 0.433 kV) transformer has a slow thermal time constant. This allows it to safely sustain short-duration overloads well within its transient thermal limits without exceeding critical hot-spot temperatures. Therefore, the physical 100 kVA rating of the DT does not technically conflict with a brief 320 kVA demand log.)*
- (vi) The Appellant referred Regulation 7.6 of Supply Code & SoP Regulations, 2021 which is reproduced as below:
- 7.6 The Distribution Licensee shall revise (increase or decrease) the Contract Demand / Sanctioned Load of the Consumer upon receipt of an application for the same from the Consumer:*
- Provided that in case Consumer exceeds its Contract Demand on Three (3) occasions in any Financial Year, then Distribution Licensee shall intimate such Consumer to apply for regularising its Contract Demand. In case Consumer refuses or fails to do so, Distribution Licensee shall revise its Contract Demand to the highest recorded Maximum Demand in that Financial Year in the immediate next ensuing bill:*
- (vii) As per the provisions of the Supply Code and SoP Regulations in force, all energy meters are required to be tested every year in accordance with the given provisions, to ensure accuracy, reliability, and compliance with prescribed standards. MSEDCL failed to comply with the aforesaid regulatory requirements and has also not provided the requisite meter testing reports to the Appellant.

- (viii) While assessing the disputed energy bills on the basis of the alleged Maximum Demand exceeding CD, **MSEDCL never formally communicated the basis or details of such assessment to the Appellant.** Even after the Appellant lodged a complaint before the Circle Office, MSEDCL failed to conduct a joint Site Verification Report (SVR) in the presence of representatives of both parties.
- (ix) Being a power generator, the Appellant executed a Power Purchase Agreement (PPA) with MSEDCL for supply of power on per-unit (kWh) basis at a fixed tariff. Therefore, **the concept of Maximum Demand is not applicable in the present case,** particularly when the Appellant already requested this a separate connection for auxiliary supply. Further, the connected load of the plant remains constant, and therefore the possibility of MD exceedance does not arise.
- (x) MSEDCL has relied solely upon laboratory testing of secured meters and internal test reports, and based on the same has wrongly assessed the energy bills.
- (xi) The Appellant filed a grievance application before the Forum on 22.09.2025. However, the Forum rejected the grievance based on the observations recorded in the first paragraph of the order. The Forum failed to appreciate the basic issue involved in the matter, namely that **the recorded KVA Maximum Demand (MD) (320 kVA) was erroneous, as the Appellant's actual MD had never exceeded 60 KVA since the date of connection.** The Forum also failed to properly consider the submissions and contentions raised by the Appellant in their true spirit. The Forum failed to consider and properly apply the provisions of the MERC Supply Code Regulations, 2021 and the MERC Power Quality Regulations, 2021; and **the correct methodology for calculation of Maximum Demand charges,** resulting in violation of the applicable Standard Operating Procedure (SOP) of the Distribution Licensee.
- (xii) The Appellant has sought reassessment of the Maximum Demand (MD) charges in accordance with the applicable MERC Regulations, along with refund/adjustment of the excess amount recovered.
- (xiii) In view of the above, the Appellant prays that the Respondent be directed to:
- (a) **consider the Maximum Demand (MD) as 60 KVA,** being the highest actual recorded demand, and accordingly revise the bills and refund/adjust the **excess charges recovered for the period of 11 months;** and

- (b) pay compensation of Rs. 10,00,000/- towards mental harassment, agony, and inconvenience caused to the Appellant.

4. The Respondent's submission and arguments are stated as below:

- (i) The Appellant is an HT Industrial Consumer (Consumer No. 049069023500) of the Respondent. The consumer particulars and recorded Maximum Demand (MD) for November 2024 and December 2024 are given in Table 1. The Appellant has also been operating a 1.2 MW Small Hydro Power Generation Unit for the last 13 years under the Renewable Energy Policy and supplying electricity to the 33/11 kV Trimbak Substation through 33 kV grid connectivity.
- (ii) The Appellant raised a complaint regarding abnormal recording of KVA Maximum Demand (MD) of 320 KVA in the December 2024 bill. The MRI data of Meter No. XD 503885 (Cons. No. 049069023500), manufactured by Secure, was available in the monthly billing data for December 2024. Accordingly, the Executive Engineer, Testing Division of Maharashtra State Electricity Distribution Company Limited forwarded the MRI data to Secure Meters Limited, the meter manufacturer, for detailed analysis. After analysis, M/s Secure Ltd. reported vide email dated 27.11.2024 that the meter was functioning properly and no abnormality was found in the recording of the meter. (The said meter is still in operation.) The details of the report are as under:

Table 3:

Meter Details	<i>Premier 300, HT4 ABT_XD503884</i>
Observations of Secure Meter Ltd.	
1	<i>As per meter Data H1 MD is 320.40 kVA Apparent Import : 04.12.2024:16.40.00 hrs.</i>
2	<i>Import Lag enrgy recorded is 308.00 kVAr : 04.12.2024 : 12.55.00 React.</i>
3	<i>Low Power Factor Event recorded during the same instant, hence, lag import enrgy & kVA MD shoot up: Low Power Factor start polyphase: 15.49.55 hrs. to 16.15.57 hrs. : Snapshot : Low Power Factor L1: 0.30 ; L2: 0.32, L2 : 0.32</i>

The technical observations report submitted by Secure Meter Ltd. is officially taken on record.

- (iii) To investigate these findings further, the technical testing team of the Respondent from Nashik conducted a comprehensive site visit immediately to the substation to verify system integrity and performance of meter assembly. As part of this diagnostic process, the team retrieved and rigorously analyzed the Meter Reading Instrument (MRI) data from the Substation Check Meter. This specific meter monitors the 33 kV feeder, which serves as the primary injection and drawl source for the net metering setup of the Appellant's Hydro Power Station, tracking both Import and Export units. The overall meter health results were found to be entirely satisfactory, officially confirming the operational accuracy of the metering installation under standard field operating conditions. Furthermore, the retrieval of parallel data from the substation check meter (Sr. No. XD503885) serves to cross-reference system-end load registration against consumer-end logging, providing a definitive basis for the ongoing cross-meter maximum demand (MD) comparison.

➤ **Cross-Meter MD Comparison of Check Meter (XD503885)(Substation End)**

- **Recorded Parameter:** Import Maximum Demand (MD)
- **Timestamp of Recording:** 04.12.2024 at 16:00:00 hrs. (04:00 PM)
- **Quantum Recorded:** 313.20 kVA
- **Technical Inference & Correlation:** The independent recording of **313.20 kVA** on the substation check meter on 04.12.2024 strongly correlates with the high kVA demand patterns observed in this billing cycle (such as the 320.40 kVA peak recorded on the billing meter on 04.12.2024).

Both independent meters recorded sustained, elevated kVA values. The complete downloaded meter data profiles for both the billing meter and the substation check meter are kept on record.

- (iv) The Appellant filed a grievance application before the Forum on 22.09.2026. However, the Forum rejected the grievance based on the observations recorded in the first paragraph of the order.

- (v) The routine annual testing of the main meter was successfully carried out on 31.12.2024, and all test results were found to be completely in order, conforming to the standard operating procedures executed every year.
- (vi) The Respondent points out that comprehensive weather and grid checks conclusively demonstrate that strong winds did not cause the high Maximum Demand (MD) spike. On 04.12.2024, the highest recorded wind speed was only 18.83 kmph, which is entirely normal and could not have caused physical or electrical line surges. Simultaneously, network records confirm that no other HT (High Tension) consumers connected to the same 33 kV Source Substation experienced power failures or voltage fluctuations. This systemic continuity proves that the high MD spike was not triggered by environmental factors or a generalized grid disturbance, but was an isolated event unique to the operational dynamics of the Appellant's plant.
- (vii) Furthermore, it is confirmed that the recorded demand of 320 kVA on 04.12.2024 is accurate, as validated by both the main meter and the substation check meter data. Accordingly, the monthly billing was processed in strict compliance with Commercial Circular No. 341, dated 28.04.2023. **As per this circular, the monthly billing demand is established as the higher of the actual recorded demand, or 75% of the highest Billing Demand recorded during the preceding eleven months, subject to the contract demand limit.**
- (viii) In view of these facts, the kVA MD billed for the month of December 2024 and all subsequent months is entirely correct and fully as per MERC Regulations and Tariff Orders in force. The Respondent therefore prays that the representation of the Appellant be rejected, as it is based on incorrect assumptions without technical merit.

5. The Respondent was directed to submit a written reply regarding the queries raised by the Appellant during the hearing on 13.05.2026. This is the Respondent's reply to the additional points raised by the consumer.

6. Regarding the Appellant's contention that a hydro generator with a constant connected load should not be treated as a common consumer for considering excess Maximum Demand

(MD), the Respondent clarifies that as a hydro plant availing Start-Up Power, and the Appellant is still a consumer. In fact, under the applicable tariff provisions, the Appellant already benefits from demand charges levied at just 25% of the standard rate. Consequently, the argument to “exempt them from standard excess MD rules as applicable to a common consumer” is untenable.

7. Addressing the Appellant's arguments regarding the 15-minute averaging logic of MD, the Respondent confirms that this aligns exactly with standard metering practices. The tri-vector meter integrates energy consumption over 15-minute blocks to derive the average demand, and the highest block in a cycle becomes the MD. In this case, the recorded MD reached 149 kVA in November 2024 and rose to 320 kVA in December 2024. These readings were fully authenticated by a check meter installed at the substation end, proving that the high demand was not an instantaneous spike but a sustained, measurable pattern across two consecutive months.

8. This billing is fully supported by the legal and regulatory framework. Under Section 2(15) of the Electricity Act, a consumer includes any person whose premises are connected to receive electricity for their own use, which applies directly to the Appellant's setup. Furthermore, in line with the MERC Order in Case No. 226 of 2022, the licensee is fully authorized to calculate additional demand charges for consumers operating generation plants. Because the charges for exceeding the MD are accurate, justified, and backed by verified data, the Respondent prays that this representation be dismissed.

Analysis and Ruling:

9. Heard the parties and perused the documents on record. The Appellant is an HT Industrial Consumer (No. 049069023500) of the Respondent. The Appellant operates a 1.2 MW Small Hydro Power Generation Unit under the State's Renewable Energy Policy. This facility has been operational for 13 years, supplying electricity to the 33/11 kV Trimbak Substation via a dedicated 33 kV grid connection; notably, the facility exclusively operates for startup of hydro power generation and allied office lighting.

The Appellant's recorded Maximum Demand (MD) for November and December 2024 is detailed in Table 1. Furthermore, Table 2 summarizes the sanctioned, recorded, and billing Contract Demand (CD), along with the cumulative financial implications for the period from FY 2023–24 to 2025–26.

10. The Appellant contended that the recording of 320 kVA MD on 04.12.2024 should not be considered for supplementary billing, as historical demand never exceeded 60 kVA. In addition, MD charges are not applicable under the power purchase agreement. The Appellant therefore sought restriction of billing demand to 60 kVA and revision/refund of excess billing.

11. The Respondent contended that the billing was correct and supported by both the consumer meter and substation check meter data, which recorded high MD on 04.12.2024. The meter was found healthy upon testing and no external network disturbance was reported. The Respondent further submitted that billing was raised strictly in accordance with Commercial Circular No. 341 and the applicable MERC Tariff Order.4. Analysis and Rulings of the Ombudsman. Both the consumer-end billing meter (Sr. No. XD503884) and the substation-end check meter (Sr. No. XD503885) registered mutually reinforcing high kVA demands of 320 kVA within the same time window on 04.12.2024. The lack of disruptions among neighboring HT consumers and the absence of extreme weather events indicate that the high apparent power draw of 320 kVA was created by load conditions inside the Appellant's installation rather than external grid errors. Under standard electrical principles, Apparent Power kVA is inversely proportional to the Power Factor for any given active load kW. Consequently, a drastic drop in the instantaneous power factor causes a severe surge in the apparent import demand of kVA required to sustain even a small active load. This characteristic relationship ensures that whenever the power factor degrades significantly, the kVA Maximum Demand (MD) will inherently increase.

12. As per Tariff Order of the Commission dated 28 March, 2025 in Case No. 217 of 2026 with effect from 01.04.2025, the HT tariff category under Industry is as below: -

➤ ***HT I: HT – Industry***

HT I (A): Industry – General

Applicability:

This tariff category is applicable for electricity for Industrial use at High Voltage for purposes of manufacturing and processing, including electricity used within such premises for general lighting, heating/cooling, Research & Development, manufacturing, Processing, Melting, Blending, Mixing, Refining, Printing, Product Testing, Packing, etc.

.....
It shall also be applicable for use of electricity / power supply for (but not limited to) the following purposes:

.....
k. Start-up power for Generating Plants, i.e., the power required for trial run of a Power Plant during commissioning of the Unit and its Auxiliaries, and for its startup after planned or forced outage (but not for construction);

The tariff rate schedule is as below:

Rate Schedule		
Tariff w.e.f. 1 April, 2025 to 31 March, 2026		
Supply Voltage Level	Wheeling Charges (Rs. /kVAh)	
<i>EHV</i>	<i>Nil</i>	
<i>HT</i>	<i>0.62</i>	
PLUS		
Demand/Fixed Charge and Energy Charge (for all Supply Voltage Levels)		
Rate Schedule		
Consumer Category	Demand Charge (Rs/ kVA/ month)	Energy Charge (Rs/kWh)
<i>HT I(A): HT - Industry - General</i>	<i>555</i>	<i>7.48</i>
<i>HT I(B): HT - Industry - Seasonal</i>	<i>555</i>	<i>7.78</i>
<i>ToD tariff (in addition to above base tariffs) is applicable as % of Energy Charge (Rs/kVAh)</i>		

Note: 1

i High Tension Industrial consumers having captive generation facility synchronized with the grid may opt for Standby Capacity at rate of 25% of applicable Demand Charges.

- ii Demand Charge shall be applicable at 25% of the above rates on the start-up demand contracted by the Power Plant (as referred to at (h) above) with the Distribution Licensee.
- iii Demand Charge shall be applicable at 75% of the above rates for Steel Plant operating with electric arc furnaces.

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➤ *Miscellaneous and General Charges:*

Billing Demand - HT tariff categories

Billing Demand for HT I: Industry, HT II: Commercial, HT III Railway/Metro/Monorail, HT IV: Public Water Works, HT V: Agriculture, HT VI: Group Housing Society (Residential), HT VIII: Public Services and HT IX: HT – Electric Vehicle Charging Station:

Monthly Billing Demand will be the higher of the following:

- a. *Actual Maximum Demand recorded in the month during 0600 hours to 2200 hours;*
- b. *75% of the highest Billing Demand recorded during the preceding eleven months, **subject to the limit of Contract Demand;***
- c. *70% of the Contract Demand For FY 2025-26: 75%, FY 2026-27: 75%, FY 2027-28: 75%, FY 2028-29: 75%, FY 2029-30:*
- d. *Note: - Only the Demand registered during the period 0600 to 2200 Hrs. will be considered for determination of the Billing Demand.*
 - *In case of a change in Contract Demand, the above period will be reckoned from the month following the month in which the change of Contract Demand is effected.*

13. As tabulated in Table 2, during FY 2023–24, there was no alleged excess billing. For FY 2024–25, the sanctioned Contract Demand (CD) was 120 kVA, and 75% thereof worked out to 90 kVA. Up to October 2024, the recorded Maximum Demand (MD) remained below 90 kVA. However, during November and December 2024, the recorded MD increased to 149 kVA and 320 kVA, respectively. Since the recorded MD exceeded the threshold limit of 90

kVA during these months, billing was carried out based on the recorded MD. The alleged excess billing for FY 2024–25 amounted to Rs. 1,73,680/-.

For the months following Dec. 2024, although 75% of the recorded MD of December 2024 (320 kVA) would mathematically exceed the sanctioned CD, for billing purposes, the demand was restricted to the sanctioned CD of 120 kVA for the eleven-month period from January 2025 to November 2025. Thereafter, from December 2025 onwards, normalcy was restored and the billing threshold reverted to 90 kVA, being 75% of the sanctioned CD of 120 kVA. The alleged excess billing for FY 2025–26 amounts to Rs. 1,25,640/-.

According to the Appellant, the total alleged excess billing from FY 2024–25 to FY 2025–26 amounts to Rs. 2,99,320/- (Rs. 1,73,680/- + Rs. 1,25,640/-).

14. The recorded Maximum Demand of 320 kVA for December 2024 is found to be in order technically; apparently it happened due to very low power factor recorded at the time of MD. The earlier normal recorded MD was in the range from 30 to 60 KVA; the Dec. MD was nearly five times higher. The formula mandated by the Commission considers the historical highest recorded peak demand, and applies this to the subsequent eleven-month billing cycle, subject to the sanctioned Contract Demand limit with CD of 120 kVA. However, considering that in this case the CD was exceeded only momentarily in Nov. and Dec.2024, as a special case, the Appellant does not deserve to be penalized for the next 11 months. Historically it had never exceeded its CD; in fact, its MD regularly fell below its CD, both before and after the ‘CD exceedance’ event. Considering the merits of this specific case, the subsequent 11 months’ billing is set aside.

15. In view of the above the Respondent is directed to

- a) Revise the bill with 90 kVA Contract Demand (75% of 120 KVA) instead of 120 kVA CD for the period from Jan.2025 to November 2025, and withdraw the interest and delayed payment charges levied, if any, from December 2024 onwards till the date of this order.
- b) Compliance to be submitted within two months from the date of issue of this order.
- c) Other prayers of the Appellant are rejected.

16. The representation is disposed of accordingly.

17. The Appellant and the Respondent are advised to verify whether the Appellant has opted for standby capacity applicable to High Tension Industrial consumers having captive generation facilities synchronized with the grid, for which Demand Charges are leviable at 25% of the applicable Demand Charges, and take further necessary action in the matter as per the relevant tariff order of the Commission.

Sd/-
(Vandana Krishna)
Electricity Ombudsman Mumbai