

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

REPRESENTATION NO. 197 OF 2019

In the matter of billing

Thakkar Pravin D... Appellant

V/s.

Maharashtra State Electricity Distribution Co. Ltd., Bhiwandi (MSEDCL)... Respondent
Torrent Power Limited (TPL), Franchisee

Appearances

For Appellant : Pravin Thakkar

For Respondent : 1. Satish Dhope, Dy. Ex. Engineer, Bhiwandi
: 2. Prakash Chetwani, Manager, TPL
: 3. Hemangi Bhogwekar, Asstt. Manager, TPL


Coram: Mr. Deepak Lad

Date of Order: 7th January 2020

ORDER

This Representation is filed on 13th November 2019 under Regulation 17.2 of the Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 (*CGRF Regulations*) against the Order dated 31st October, 2019 passed by the Consumer Grievance Redressal Forum, MSEDCL, Bhandup Zone (*the Forum*).


2. The Forum, by its Order dated 31st October 2019 has dismissed the grievance application in Case No.230/2019.


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Secretary
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3. Aggrieved by the order of the Forum dated 31.10.2019, the Appellant has filed this representation stating briefly as under: -

- (i) The Appellant is a LT Consumer (No.13010668322) at H.No.1226, S.No.38, Babla Compound, near Reshma Hotel, Kalyan Road, Nagaon for Power loom purpose under Bhiwandi Nodal Division.
- (ii) The Maharashtra Electricity Regulatory Commission (the Commission) issued Tariff Order on 12.09.2018 in Case No.195 of 2017 effective from 01.09.2018. As per the tariff order, revised concept of leading Power Factor (PF) has been introduced i.e. PF is to be computed on Lead as well as Lag basis.
- (iii) The Appellant has been penalised on account of PF as per the said Tariff Order for Rs. 10414/-, 7045/- and 6678/- in the bills of September 2018, October 2018 and November 2018 respectively. The penalty was without any notice and against the natural justice. The Appellant has reduced load in December 2018 from 31 HP to 23 HP.
- (iv) The Commission, by its order dated 02.01.2019 in Case No.329 of 2018 issued clarification about the methodology followed in Case No. 195 of 2017 for determination of PF (lag or lead). The Appellant is eligible for refund from April 2019 for PF penalty imposed in the bills of September 2018 to November 2018. The penalty amount was not refunded in toto.
- (v) The Appellant filed the grievance in Internal Grievance Redressal Cell (IGRC) on 07.11.2018. The working of IGRC was bias and hence the Appellant approached the Forum immediately, without the order of IGRC, for natural justice. However, the Forum, by its Order dated 31.10.2019 has dismissed the grievance on wrong conclusion observing the Appellant as untrustworthy, hence, held the Appellant not entitled for any equitable relief. The impression of the Appellant is damaged by the strictures passed by the Forum which may not be considered.
- (vi) The Forum had kept his application pending for 10 months which needs to be clarified.
- (vii) The fact of the case is that the billing format of Torrent Power Ltd. (TPL), Bhiwandi is not as per the Regulations of the Commission. The PF is not displayed / printed on the bill of December 2018 onwards and the Appellant is not able to


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understand the actual PF recorded. In the circumstances, Appellant is not supposed to be penalized for the errors of TPL.

- (viii) The PF of April 2019 is printed as 0.00 which is the contravention of the Regulations of the Commission being a deficiency in service. The actual recorded PF is not displayed purposefully by TPL.
- (ix) The Appellant prayed that the Respondent be directed to refund the recovered PF penalty of Rs.17490/- for the month of October 2018 and November 2018.

4. The Respondent MSEDCL/ TPL has filed its reply dated 05.12.2019 stating in brief as under:-

- I. TPL is a Distribution Franchisee of the Respondent MSEDCL in Bhiwandi for electricity distribution and billing for a period of 10 years initially from 26th January, 2007 which is further extended to 10 years.
- II. The Appellant is a LT Power loom Consumer (No.13010668322) having sanctioned load of 31 HP prior to December 2018 at H.No.1226, S.No.38, Babla Compound, Kalyan Road, Near Reshma Hotel, Bhiwandi. The Appellant applied for reduction of load. Accordingly, the load of the Appellant was reduced to 23 HP from December 2018. At present the Appellant is billed for tariff as applicable to load up to 27 HP.
- III. As per the Tariff Order dated 12.09.2018 of the Commission in Case No.195 of 2017, effective from 01.09.2018, certain changes were made in calculation of PF Incentive / Penalty in the existing structure. The previous methodology of PF calculation was based on Lag Reactive Power principle. Incentive/Penalty was billed accordingly. In the Tariff Order, the concept of PF has been modified i.e. PF is to be computed on Lead as well as Lag basis. Whenever the average PF is less than 0.9 (lag or lead), the penal charges should be levied at the rate specified whereas whenever the average PF is more than 0.95 (lag or lead up to 1), an incentive should be given at the specified rate.
- IV. The Commission, further, by its order dated 02.01.2019 in Case No.329 of 2018 clarified the methodology given in Case No. 195 of 2017 for determination of PF (lag or lead). The relevant portion is reproduced as below: -



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“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:

- a. 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.*
- b. 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.*
- c. First instalment to the ‘Eligible Consumer’ shall be refunded by way of adjustment in the electricity bill for consumption of April, 2019.*
- d. Subsequent instalment is refundable only if ‘Eligible Consumer’ maintains PF equal to or above 0.90 (lead or lag) in the month in which instalments is to be refunded. If PF is below 0.90 (lead or lag), instalment for that month shall deemed to be lapsed.”*

- V. On receipt of the Tariff Order in Case No. 195 of 2017, the utility has taken various measures proactively for creating awareness among the consumers through various communication modes such as articles, SMS to consumers with registered mobile numbers, conducting Janta Darbars, etc.
- VI. As per the Order in Case No. 329 of 2018 dated 02.01.2019 the Appellant has fulfilled the eligible criteria as the PF of the Appellant for the consumption of April 2019 was 0.99 which was greater than 0.90 (Lead or Lag). The PF charged in the months of September and October 2018 has been already refunded to the Appellant in the month of June and July 2019 respectively.
- VII. The Respondent clarified that the Appellant has missed three installments as he has not maintained the PF up to 0.90 for the respective months. The above facts clearly show the grievance of the Appellant has been duly resolved.
- VIII. The Respondent prayed that the Representation of the Appellant be rejected.


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5. The hearing was held on 13.12.2019. During the hearing, both the parties argued in line with their written submissions. The Appellant argued that he is entitled for refund of PF penalty. The field of PF is not displayed on the bill as the load is below 27 HP. The Appellant further argued that the Respondent has wrongly interpreted the order. When the sanctioned load is less than 27 HP from December 2018, there is no mechanism to follow up the recorded PF and the Respondent should refund the recovered PF penalty immediately in toto. The Respondent is doing unfair trade practice. The Appellant prayed for refund of PF penalty illegally recovered.


6. The Respondent argued that the PF penalty / PF incentive are correctly calculated and debited / credited as required in the energy bill. The Respondent argued that the Appellant is billed as per revised tariff guidelines of the Commission and the Respondent does not have any role in deciding the tariff. The Respondent further clarified that new tariff is implemented as per load reduction of the Appellant. The Respondent clarified that PF field is shown on the bill whenever the load is more than 27 HP and if the load is below 27 HP, in that case, PF field is kept blank. The Appellant filed the grievance in Internal Grievance Redressal Cell (IGRC) on 26.11.2018. The hearing was completed on 07.12.2018. The order of the IGRC issued on 01.02.2019. However, the Appellant approached the Forum without any order of the IGRC. Overall the behavior of the Appellant is unreliable and rude with the Respondent.

Analysis & Ruling

7. Heard both the parties and perused the documents on record.

The Appellant is being billed as per the Tariff Order of the Commission and as per the Commercial Circular No.311 dated 01.10.2018 of the Respondent. The Respondent submitted statement towards PF penalty / incentive, charged / credited to the Appellant by its email dated 17.12.2019 which is tabulated as follows.

| Statement showing month-wise details of PF charged / Lag PF incentive credited | | | | | | |
|--|--------|------------|-----------|---------------------------|--------|--|
| Sr. No. | Month | PF Charged | | Lag PF incentive credited | | Remarks |
| | | PF | Amount | PF | Amount | |
| 1 | Sep.18 | 0.57 | 10,414.19 | | | PF penalty charged as per new tariff order |
| 2 | Oct.18 | 0.62 | 7,045.64 | - | | |
| 3 | Nov.18 | 0.62 | 6,678.44 | | | |


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| | | | | | | |
|--------------|--------|------------------|---|------|------------------|--|
| 4 | Dec.18 | | | | | |
| 5 | Jan.19 | - | - | - | | PF penalty not charged as load reduced to 23HP |
| 6 | Feb.19 | | | | | |
| 7 | Mar.19 | | | | | |
| 8 | Apr.19 | - | - | 0.91 | | |
| 9 | May.19 | - | - | 0.90 | 7,430.56 | Eligibility criteria-maintained PF more than 0.90 Amount credited in May 2019 |
| 10 | Jun.19 | - | - | 0.86 | - | Amount not credited as PF is less than 0.90 |
| 11 | Jul.19 | - | - | 0.94 | 3,715.28 | Amount credited as PF more than 0.90 |
| 12 | Aug.19 | - | - | 0.81 | - | Amount not credited as PF is less than 0.90 |
| 13 | Sep.19 | - | - | 0.94 | 3,715.28 | Amount credited as PF more than 0.90 |
| 14 | Oct.19 | - | - | 0.74 | - | Amount not credited as PF is less than 0.90 |
| TOTAL | | 24,138.27 | | | 14,861.12 | |

8. After going through the statement submitted by the Respondent, I am of the opinion that the Appellant does not have any case which needs further consideration as far as refund of PF penalty is concerned. However, as regards Appellant's demand of display of PF on bill though the load of the Appellant does not invite any levy of PF penalty or grant of any incentive, it would help all consumers like the Appellant to improve upon the PF if it is less than 0.90. This will not only help all similarly placed consumers but will also help the system at large through corrective measures that may be taken by the consumers at large. This is applicable exclusively if the meters installed at such consumers are capable of recording PF as such.


9. While departing with the order, I am constrained to take cognizance of the manner in which the Appellant has argued his case and submitted information on small pieces of paper which are not accepted. The Appellant, in general, was very much lagging in his homework of the case and therefore, there was no consistency in his argument.

10. In view of the above, I pass the following order: -

This Representation is hereby rejected

11. No order as to cost.

Sd/-
(Deepak Lad)
Electricity Ombudsman (M)


(Dilip Dumbre)
Secretary
Electricity Ombudsman Mumbai

