

BEFORE THE ELECTRICITY OMBUDSMAN (MUMBAI)

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

REPRESENTATION NO. 88 OF 2017

In the matter of recovery of power factor penalty

M/s/ Shree Keshar Printers & Publishers Appellant

V/s

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

For Appellant : Pushpak V. Doshi

For Respondent : 1. B.B.Bharane, Addl. Executive Engineer, MSEDCL, Bhosari, Pune
2. V.J.Kawade, Addl. Executive Engineer, MSEDCL, Bhosari, Pune

Coram: Mr. R.D. Sankhe

Date of Order: 20th September, 2017

ORDER

This representation is filed on 10th August, 2017 under Regulation 17.2 of Maharashtra Electricity Regulatory Commission (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006 [*CGRF Regulations*] against the order dated 18th July, 2017 passed by the Consumer Grievance Redressal Forum, Pune (*the Forum*).

2. The Forum, by observing that as per Regulation 12.1 of the Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005 (*Supply Code Regulations*), it is obligatory for the consumer to maintain the average power factor of his load at levels prescribed by the Indian Electricity Rules, 1956 and in accordance with the relevant orders of the Commission, has dismissed the complaint holding that the Appellant is not entitled for waiver of Power Factor (PF) Penalty.



3. Aggrieved by the order of the Forum dated 18th July, 2017, the Appellant has filed this Representation. It is the case of the Appellant consumer that the Appellant is a Low Tension (LT) Industrial Consumer (No. 170149072390) from 31st May 2010 having Connected Load of 160 KW and Contract Demand (CD) of 100 KVA. Old meter of the consumer of Elster Make was replaced by the licensee in the month of June 2016 with Genus Make for the reason that there was no display. The Appellant consumer however received the bill for the month of July 2016 showing PF penalty of Rs. 14591.42. The Appellant consumer has always availed PF incentive. On enquiry, it is revealed that the meter was in order but as per the opinion of the manufacturer company, the meter recorded low power factor. This was due to manual operated capacitor bank used in system was ON after load is not in use. The company advised to use automatic capacitor bank in system. The Appellant has stated that the Respondent licensee did not advise the consumer properly that the meter required automatic capacitor panel for ideal PF. The problem was with Genus company meter and the fault lies with the licensee who installed the meter. The Internal Grievance Redressal Cell (IGRC) as well as the Forum failed to give proper decision. The Appellant consumer was not liable to pay PF penalty and have requested for the refund of the same.

4. The Respondent MSEDCL has filed the reply by letter dated 8th September, 2017. It is stated that the meter of the Appellant was replaced on 20th June 2016 by New Meter of M/s Genus Make. There was low PF as per reading taken in the month of July 2016 and accordingly, the Appellant Consumer was billed for PF penalty of Rs. 14591.42. The Appellant made complaint about PF penalty on 17th August 2016. The Respondent advised the Appellant Consumer to check proper working of their Capacitor Bank. During testing, on 20th August, 2016, it was observed that tamper indication of meter was ON. The Data of Meter Reading Instrument (MRI) was sent to M/s Genus on 29th August, 2016 for analysis. The Appellant was again billed with PF penalty of Rs. 14347.05 due to low PF. The Genus Make meter was sent to Testing Division on 7th November, 2016. The Executive Engineer (Testing) has reported on 23rd January, 2017 that M/s Genus advised to use Automatic Power Factor Correction (APFC) Panel instead of manual. The Appellant was asked for installation of APFC Panel and was accordingly installed. As per Regulation 12 of *Supply Code Regulations*, it is obligatory for the consumer to maintain the average PF of his load. Therefore, this representation be rejected.

5. During the hearing, the Appellant consumer argued that the meter was provided by the licensee. It was the duty and responsibility of the officers of the MSEDCL to advise the



consumer while providing the meter of Genus company that PF will not be maintained without APFC panel. The Regulations only provides that PF is to be maintained by the consumer but it nowhere says that manual capacitor should not be used. The consumer has spent Rs. 1.75 lakhs for APFC panel. The Appellant consumer during the hearing also shown the record that all the data is maintained by the consumer and pointed out that the consumer has availed PF incentive in all their bills. If the Appellant had been properly informed by the licensee at the time of installing Genus Make meter, the PF penalty could have been avoided. After providing APFC panel in August 2016, PF was maintained. Further, since the disputed PF penalty for two months was not paid, the Appellant did not get the incentive till the PF penalty was paid in July 2017. The Appellant alleged that though the fault lies with the MSEDCL, no refund was given by the IGRC or the Forum and prayed that appropriate order be passed on merits considering fact of this case.

6. The Respondent MSEDCL, on the other hand, stated that due to manual capacitor bank used in system, average PF got effected when load was not in use. During the inspection, it was observed that tamper event in meter was logged due to excess utilization of capacitor bank in the system. This had happened as the capacitor of the consumer was manually operated. After installation of automatic capacitor bank, the problem got solved. The Respondent relied upon Regulation 12.1 of the Supply Code Regulations regarding maintenance of PF by the consumer and stated that negligence was on the part of the consumer and the PF penalty was correctly levied.

7. Heard the parties. The Appellant consumer did not dispute the provision of Regulation 12.1 of the Supply Code Regulations and the responsibility of the consumer to maintain PF of his load. It is, however, the contention of the Appellant that while providing Genus Make meter, the officers of the Respondent MSEDCL should have properly advised the consumer to use automatic capacitor bank in system instead of manual capacitor. When this aspect was pointed out by the manufacturing company, the consumer installed APFC panel costing Rs. 1.75 lakhs. It is the contention of the Appellant consumer that due to fault on the part of the licensee, the Appellant was liable to pay PF penalty though particularly the Appellant consumer all along availed PF incentive. The dispute was resolved after APFC panel was installed in August 2016. The provisions of Regulation 12.1 of Supply Code Regulations, however, cast duty on the consumer to maintain the average power factor and therefore, no relief can be granted to the Appellant consumer in this regard.



8. The Appellant was made liable to pay PF penalty of Rs. 14591.42 as per the bill for the month of July 2016 and Rs. 14,347.05 for the month of August 2016. The Appellant has pointed out that though the dispute was pending, interest was charged on arrears amount of PF penalty, the amount is increased to Rs. 50,597/- as per the bill for the month of July 2017. This apart, the Appellant consumer also did not get incentive due to pendency of arrears towards disputed PF penalty. It is the case of the Appellant consumer that they were not properly advised well in time and had to financially suffer for no fault on their part. Considering the fact that the Appellant is a diligent consumer availing PF incentive was liable to pay the penalty for two months and has also lost PF incentive for about a year due to pendency of arrears of disputed amount, it would be just and proper not to recover interest and Delayed Payment Charges (DPC), if any, on the amount of PF penalty. The Appellant has already paid all the dues together with interest to avoid further implications.

9. In the result, this representation is disposed of as above. The Respondent MSEDCL is however directed to refund the interest and DPC amount, if any, recovered on the amount of PF penalty of two months. The Respondent MSEDCL will be also at liberty to adjust the amount of refund in the energy bills of the Appellant consumer.

10. Compliance to be reported by the Respondent MSEDCL within two months from the date of receipt of this order.

Sd/
(R. D. Sankhe)
Electricity Ombudsman (M)

