BEFORE THE ELECTRICITY OMBUDSMAN, JHARKHAND
4th floor, Bhagirathi Complex, Karamtoli Road, Ranchi – 834001

Appeal No. EOJ/01/2012

Dated- 27th July, 2012

M/s TMT Metals Pvt. Ltd.　　　　　　……..　　　**Appellant**

Versus

Jharkhand State Electricity Board & others　……..　　**Respondent**

Present:

Electricity Ombudsman	-	Shri Arun Kumar Datta
Advocate for the appellant	-	Shri Vijay Kr. Gupta
		Shri Vikash Kr. Singh
		Shri D.K. Pathak
Advocate for the respondent	-	Shri Kumar Sundaram
		Shri Ravi Kr, Singh

J U D G E M E N T

1. The appellant M/s T & T Metals Pvt. Ltd. has filed this appeal against the Order/Judgement dated 28.02.2012 passed in case No. 13/2011 by Vidyut Upbhokta Shikayat Niwaran Forum (In short to be referred as V.U.S.N.F.) of J.S.E.B., Ranchi, by which learned forum has rejected the claim of the consumer/appellant.

2. The brief facts leading to give rise to this appeal is that the consumer/Appellant is a HTSS consumer bearing consumer No.AH-5180 having a contract demand of 3600 KVA and the electricity supply has commenced w.e.f. 03.07.2005.

3. The consumer/appellant had filed his complaint before the V.U.S.N.F. for correcting the impugned bills in connection with power factor and load factor rebates in accordance with JSERC Tariff of 2003-04

and appellant/consumer has also prayed for refund of excess amount paid by consumer/appellant.

4.   According to appellant the standard formula of calculating power factor is KWH units divided by KVAH units (KWH/KVAH). Therefore respondents/J.S.E.B. should have calculated the percentage of power factor up to 3 digits and if the power factor of the appellant had been in any month beyond 0.95 such as 0.951 and 0.952 and so on then the appellant would have been allowed a rebate of 2% instead of 1%. But the respondents in most of the month mentioned the power factor of the appellant in only 2 digits which has resulted in excess payment of Rs. 30,000/- to 40,000/- more only on account of power factor rebate. Similarly the respondents/J.S.E.B. had miscalculated the load factor rebate in every month bill. The respondent/J.S.E.B. has made all the calculation on the basis of total contract demand of the consumer/appellant against the provisions of Tariff and also according to the decision of the courts which has resulted in huge amount of loss in the energy bills of each and every months of the appellant.

5.   On the other hand the case of J.S.E.B./respondent in brief is that the calculation of power factor rebate and load factor rebate has been as per the rule which is correct and therefore no question of adjustment/refund arises. According to respondent/J.S.E.B. there is a provision for allowing power factor rebate to the consumer in the manner that "in case average power factor is mentioned by the consumer is more than 85% a rebate of 1% and if average power factor is more than 95% a rebate of 2% on demand and energy charges shall be applicable. The load factor is calculated on the basis of full contract demand or recorded KVA which ever is higher. Therefore according to respondent/J.S.E.B. the calculation in respect of power factor rebate and load factor rebate has been correctly

calculated and there is no question for revision or calculation is required and hence the appeal filed by the appellant/consumer is fit to be dismissed.

6. On the pleadings of both the parties and after hearing the learned Counsel of both the sides the following issues emerges for their adjudication and decision there on:-

<u>ISSUES</u>

<u>Issue No. (I) :-</u>

Whether power factor can be calculated up to 3 digits after decimal for the purpose of allowing power factor rebate, or not?

<u>Issue No. (II) :-</u>

Whether actual recorded KVA or 75% of contract demand has to be taken for the purpose of calculation of load factor rebate?

F I N D I N G S

7. Both the issues are co-related, therefore both the issues No. I and II are taken together for their discussions and decisions there on:-

<u>ISSUE NO. I & II:-</u>

8. Shri Dhananjay Pathak the learned Counsel appearing on behalf of appellant/consumer has submitted that the learned V.U.S.N.F. has failed to appreciate that the power factor if calculated in percentage, the appellant has maintained its average power factor more than 85% and like 95.5%, 95.6%, 95.7%, 95.8% and so on which is more than 95% and therefore the appellant/consumer is entitled for 2% power factor rebate. Further, the learned V.U.S.N.F. has also failed to appreciate that the respondents have while doing mischief to the appellant has not calculated the power factor in percentage rather the respondents have calculated the same in figure up to 2 digits only which is not provided any where in the Tariff order 2003-04.

It has also been submitted by Shri D.Pathak the learned counsel appearing on behalf of consumer/appellant that the learned V.U.S.N.F. has failed to appreciate that if the maximum demand is being calculated on the basis of actual demand of 75% of the contract demand then there is no justification to calculate the load factor on 100% contract demand because the learned V.U.S.N.F. as well as this office of the Electricity Ombudsman in several cases has held that the demand charges has to be calculated on the basis of actual demand recorded in the meter or 75% of the contract demand which ever is higher. Therefore there is no justification to calculate the load factor on 100% contract demand. But I don't find any force in the aforesaid contention of the learned Counsel of the appellant/consumer because the aforesaid finding was made by learned V.U.S.N.F. and also by this office of the Electricity Ombudsman while determining the issue of demand charges and not in relation to load factor rebate. I find force in the submissions made on behalf of respondent/J.S.E.B. that the calculation of load factor has been done in accordance with the rule and Tariff on the basis of total contract demand or recorded KVA which ever is higher. I also find force in the contention of learned Counsel of J.S.E.B./respondent that the formula for calculation of load factor is "energy consumed/maximum power(KW) X No. of hours", the maximum power being product of maximum KVA and power factor. The maximum power can be achieved only when KVA is highest whether it be contract demand or recorded KVA. I also don't find any specific formula in the Tariff or Regulation of 2005 of JSERC and therefore I am led to hold that the formula adopted by J.S.E.B. in calculating load factor is correct.

9. So far as the contention of learned Counsel of consumer/appellant on the point of not allowing power factor rebate of 2% exceeding 85% or 95% is concerned I don't find any force in the aforesaid contention of learned Counsel of appellant/consumer because it is not mentioned any

where in the Tariff that calculation of power factor should made up to 3 digits after decimal and as such I find force in the contention of learned Counsel of respondents that power factor rebate is calculated only up to 2 digits after decimal and as such it has been so calculated in the impugned bills of the consumer.

10. Thus from the aforesaid discussion and finding made above I am led to hold that the impugned bills have been correctly raised and as such they are legally payable by the Consumer/Appellant and both the issues I & II are decided against the appellant/consumer and in favour of the respondent/J.S.E.B.

11. In the result there is no merit in this appeal and the Order/Judgement of the learned V.U.S.N.F. passed in case no. 13/2011 on 28.02.2012 is hereby confirmed without any interference and this appeal is dismissed.

Let a copy of the Judgement be served on both the parties.

Sd/-
Electricity Ombudsman