

BEFORE THE VIDYUT OMBUDSMAN

Present

**K.Sanjeeva Rao Naidu, Director (Law) and
Vidyut Ombudsman**

Dated: 06 -02-2010

Appeal No. 28 of 2009

Between

M/s. Dhanalakshmi Industries,
Plot No. 12 & 21, Phase 1 (b),
IDA, Cherlapally, Hyderabad

... Appellant

And

Asst. Divisional Engineer / Operation / APCPDCL / Sainikpuri / Sec'bad
Divisional Engineer / Operation / APCPDCL / Medchal / Hyd
Senior Accounts Officer / Operation / APCPDCL / Hyd (West) Circle / Sec'bad
Superintending Engineer / Operation / APCPDCL / Hyd (West) Circle / Sec'bad
The General Manager, Customer Services / APCPDCL / Corp. Office / Hyd

....Respondents

The appeal / representation received on 10.06.2009 of the appellant has come up for final hearing before the Vidyut Ombudsman on 28.01.2010 in the presence of Sri T.Srinivas, Administrative Officer, Sri P.Srinivas Reddy, Electrician of appellant and Sri P.Mohan Reddy, Divisional Engineer / Operation / Medchal, Sri Shaik Anwar Basha, Senior Accounts Officer, R.R.(North) Circle, respondents and having stood over for consideration till this day, the Vidyut Ombudsman passed / issued the following:

AWARD

Aggrieved by the orders of the Forum in CG No. 43/2008-09 dated 02.05.2009 the present appeal is filed on 10.06.2009.

1. The case of the appellant M/s. Dhanalakshmi Industries is that on 24.10.2008 HT Service No. RRN-1645 was released with 200kVA and connected

load of 350 HP. On 29.10.2008 at 11.26PM, the M.D shoot upto 238.85 kVA without any load, again on 15.11.2008, at 02.59 A.M i.e., (in the night time) the M.D shoot up to 259.4 kVA with only lighting load resulting in Low Power Factor (LPF) and this was happened as they used old transformer for HT S.C.RRN-1645 and due to lack of knowledge on the transformers. The same was informed to the department and the old transformer was replaced. Now the maximum demand and Power factor are totally controlled and there is no problem. The surcharge levied for LPF is very high and requested the Forum to reduce the same.

2. One Sri T.Srinivas was examined on behalf of the complainant (Appellant) and he narrated same as mentioned in the complaint itself. He has also further stated, that the PF had fallen to 0.20 as against 0.90 required to be maintained due to fault in the transformer in the very first month of the release of supply, and the same old transformer was replaced. Now PF is totally controlled and there is no problem as such.

3. Sri P.Mohan Reddy, the Divisional Engineer who was examined on behalf of the respondents also stated that it is the responsibility of the consumer to procure transformer and also other protective apparatus, duly conducting all tests, by the supplier and Electrical Inspector concerned. It is also the responsibility of the consumer to operate and maintain his equipment as per General Terms & Conditions of Supply. He has also stated that the consumer has to maintain 0.90 PF during the billing period, if it is not maintained surcharge will be levied as per the rates indicated in the Tariff Order 2008-09.

4. Now, the point for consideration is, whether the impugned order dated 02.05.2009 is liable to be set aside? or varied? if so, on what grounds?

5. The Administrative Officer of the appellant Sri T.Srinivas and one Sri. Sunder Singh Jain has appeared on behalf of the appellant and informed that the department has heavily levied surcharge and the District Forum had failed to consider the power factor as it was fallen to 0.20 as against 0.90 in the first

month itself and the same was rectified by replacing a new transformer and the surcharge has to be suitably modified, instead of the proposed surcharge made by the department.

6. The respondents have represented by DE/Op/Medchal, Senior Accounts Officer, and they have clearly stated that the above said voltage surcharge is made by the department in accordance with the tariff order fixed for the year 2008-09.

7. It is an admitted fact that the power factor has to be maintained at 0.90 but the same was maintained far below the said minimum and the surcharge is billed with as per item No.5 of part (B)

“4. As per item (5) of Part B”VOLTAGE SURCHARGE” of the Tariff for the year 2008-09, the power factor for the month shall be the ratio of kilo-Watt hours to the Kilo-Volt-Ampere Hours supplied to the consumer during the month. The power factor shall be calculated up to two decimal places. The power factor of the consumer’s installation shall not be less than 0.90. If the power factor falls below 0.90 during any month, the consumer shall pay a surcharge as detailed below.

S.No.	Power Factor Range	Surcharge
1	Below 0.90 & upto 0.85	1% of CC charges bill of that month for every 0.001 fall in Power Factor from 0.90
2	Below 0.85 & up to 0.80	1.5% of CC charges bill of that month for every 0.001 fall in Power Factor from 0.85
3	Below 0.80 & upto 0.75	2% of CC charges bill of that month for every 0.001 fall in Power Factor from 0.80
4	Below 0.75	3% of CC charges bill of that month for every 0.001 fall in Power Factor from 0.75

According to the above table, the LPF surcharge calculation would be as follows: -

S.No.	Power Factor Range	Surcharge
1	Below 0.90 & upto 0.85	5.0%
2	Below 0.85 & up to 0.80	7.5%
3	Below 0.80 & upto 0.75	10.0%
4	Below 0.75 & up to 0.20 (3 x 0.55)	165.0%
	Total	187.5%

LPF surcharge = Energy charges x total percentage of surcharge leviable.

LPF surcharge = Rs.107365.65 x 187.5% = Rs.2,01,310.59.”

8. It is the responsibility of HT consumer, to procure the transformer and other protective apparatus and get them tested by the supplier and Electrical Inspector before installation and continue to maintain and operate the same to the satisfaction of licensee i.e., APCPDCL. It is also the responsibility of APCPDCL authorities to ensure, that the energy meter fixed records consumption accurately and there is no defect in the meter. Pre-commissioning tests were conducted by providing Elster meter before releasing HT supply to the complainant service on 24.10.2008. It is apparent that the low power factor had occurred due to old transformer installed by the complainant (appellant). As the complainant has drawn power and the company has supplied more lagging current, there is energy loss to the company on account of low power factor and the same is to be compensated by paying lower power factor surcharge as per the tariff order 2008-09.

9. The above said calculations have clearly disclosed that the amount claimed by the respondents is in accordance with the tariff order and it is in accordance with the rates included in the tariff order and the same is in order. There are no grounds to interfere with the said finding as the impugned order is a well constrained order and there are no grounds to interfere with the same. The appeal preferred by the appellant liable is to be dismissed.

10. In the result, the appeal is dismissed, no order as to costs.

This order is corrected and signed on this day of 6th February 2010.

VIDYUT OMBUDSMAN