



MADHYA GUJARAT VIJ COMPANY LIMITED

Consumer Grievances Redressal Forum

Reg. Office: Sardar Patel Vidhyut Bhavan, Race Course, Vadodara-390 007.

CIN No. U40102GJ2003SGC042907

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Ref No. MGVCL/RA&CForum/Hearing/ 338

Date : 7/10/2024

Complain No. MG-II-18-2024-25

To

M/s. Farmson Pharmaceutical Gujarat P Ltd., (Unit I)

Plot No.14 GIDC Industrial Estate

Nandesari, Dist: Vadodara

Sub: Your grievances regarding ambiguity in electricity bill, HT con No.13955.

Ref: Your application dated 29.07.2024

Dear Sir,

Enclosed herewith please find the order of the Consumer Grievances Redressal Forum as mentioned above.

Thanking You,

Yours Sincerely,
For & on behalf of CGRF

(P N Thanawala)
Convener CGRF

Encl: As above

cfwcs along with order to:

ETA to MD MGVCL Corp Office, Vadodara

C E (T&O) MGVCL Corp Office, Vadodara

copy to:

SE (O&M) MGVCL - CO Gotri Vadodara

EE (O&M) MGVCL DO Vadodara

--He is requested to submit Action Taken Report within 7 days from the date of issue of this letter.

**CGRF formed under the provision of IE Act 2003, sub clause 42(5) as well
Notification No.2/2019 of GERC (CGRF & Ombudsman)**

**BEFORE THE CONSUMER GRIEVANCES REDRESSAL FORUM
MADHYA GUJARAT VIJ CO LIMITED
CORPORATE OFFICE, 5TH FLOOR SP VIDYUT BHAVAN,
RACECOURSE, VADODARA 390 007**

Subject	Consumer Grievances Complaint No. MG-II-18-2024-25
Complainant	M/s. Farmson Pharmaceutical Gujarat P Ltd., (Unit-III), Plot No.14 GIDC Industrial Estate, Nandesari, Dist: Vadodara
Respondent	Shri H J Shah, Executive Engineer and Shri H R Patel (Billing) both from Baroda (O&M) Division
Date of hearing	22.08.2024 at MGVCCL Corporate Office, Vadodara

QUORUM	NAME
Chairperson	Shri S P Trivedi, Vadodara
Technical Member	Shri V N Rathva, I/c ACE (RA&C) MGVCCL Vadodara

The complaint dated 29.07.2024 regarding discrepancies in electricity bills from M/s. Farmson Pharmaceutical Gujarat P Ltd., (Unit II). HT. con No.13955 for their unit located at Plot No.14 GIDC Industrial Estate, Nandesari, Dist: Vadodara.

1.0 On 22.08.2024, the case of the Complainant Grievance was heard before Consumer Grievance Redressal Forum wherein Shri Bharat Trikambhai Kadivar and Shri Anilkumar Gopalbhai Patel appeared on behalf of complainant M/s. Farmson Pharmaceutical Gujarat P Ltd., (Unit I). whereas Shri H J Shah, Executive Engineer and Shri H R Patel (Billing) both from Baroda (O&M) Division, appeared as respondent on behalf of MGVCCL before the Forum. Both the parties were heard.

2.0 The brief history of the case is as under:

2.1 M/s. Farmson Pharmaceutical Gujarat P Ltd., (Unit II) is having 2100 KVA Contract Demand, HT. consumer No.13955 for their unit located at Plot No.14, GIDC Industrial Estate, Nandesari, Dist: Vadodara. The connection was released on 27.11.2010.

2.2 The complainant had complained for some discrepancies in their energy bills to the respondent Executive Engineer (O&M) Baroda division office of MGVCCL vide letter dated 31.01.2023 and 11.07.2023. Respondent Executive

Engineer (O&M) Baroda division has replied vide letter dated 28.07.2023 but not satisfied by the said reply, hence the complaint is submitted to CGRF for the following.

2.2.1 As per Gujarat Electricity Duty Act, 1958, the duty is to charge on consumption only and not on demand charge and difference is to be refunded to them.

2.2.2 Power Factor Adjustment Charges / Rebate.

3.0 The representative of the complainant contended that -

3.1 As per Gujarat Electricity Duty Act, 1958, Section 15 (iv) (a) (b) only on consumption electricity duty is to be charged. In their electricity bill, Electricity Duty Act 1958 is not followed and on demand charge, 15% duty is charged.

The Gujarat Electricity Duty Act, 1958, SCHEDULE-I, PART-I (3), 'where an industrial undertaking consumes high tension energy; 15% percent of consumption charges is to be charged and clarify as under:

I. Where no energy has been consumed by a consumer, minimum charges payable by him shall not be deemed to be consumption charges.

II. Where the units of energy actually consumed by a consumer are less than the units of energy for which prescribed minimum charges are payable "consumption charges" shall, in the case of such consumer, mean the charges for the units of energy actually consumed by him and not the prescribed minimum charges.

As per above clarification, on minimum charge Electricity Duty is not to be charged. As per GERC Tariff order, demand charge is to be charged as minimum charge. Respondent MGVL is wrongly charging 15% Electricity Duty on demand charges which is not to be charged.

iii. As per Gujarat Electricity Duty Act, 1958, Electricity Duty is to be charged on consumption only i.e. excluding fixed charges. For example, Electricity Duty charged for bill of Feb 2023 and excess charged to be refunded.

Infact, as per Gujarat Electricity Duty Act, 1958, the duty is to be charged on consumption charges only, and not on demand charge. Thus, Electricity Duty is to be charged only on consumption charges of Rs.10,64,698.20 whereas MGVL have recovered Electricity Duty on Rs.11,93,845.10. Hence Additional Electricity Duty of Rs.1,29,146.691 recovered in this Bill need be refunded to them.

Similar to above, Electricity Duty need to be calculated again as per Rules from starting, and additional amount recovered must be refunded with interest to them. The complainant has submitted a calculation sheet from January 2016 to June 2024, showing additional amount recovered as Rs.83,83,359.73 towards Electricity Duty. Now onwards Electricity Duty to be charged only on consumption charges as per norms.

3.2 Power Factor rebate as per GERC tariff order, was not given upto Feb 2019 in electricity bills, night rebate was deducted from energy charges and there after PF rebate was given.

As per GERC tariff order, PF rebate / penalty is to be charged on energy charges. GUVNL vide letter No.161 dated 29.5.2018 has issued circular and at Point No.4 of the circular, narrated that -

“PF adjustment charges / rebate

As per billing programme, PF adjustment / rebate, charges are calculated @ 1% / 0.5% on the total amount of bill, for the month under the head “Energy Charges less night concession. However, in terms of provision of GERC tariff schedule PF adjustment / rebate charges is to be charged @ 0.5% / 1% of on the total amount of electricity bill”.

Accordingly, IT department shall action to modify the billing programme for PF adjustment charges / rebate on the total amount of bill for that month under the head of “Energy Charges” only without taking into account night concession / time of use charges.

Thus, it is clear that same provision was existing before March 2019 also and hence requested to provide PF rebate upto Feb 2019 as per above referred GUVNL letter and additional amount recovered is to be refunded in the ensuing energy bill.

In same type of matter, of M/s. Farmson Pharmaceuticals Gujarat P Ltd., Case No.43 of 2023 and M/s. Plasten India Limited, case No.54 of 2023, Hon'ble Electricity Ombudsman has ordered in favour of consumer.

4.0 The respondent has contended as under:

4.1 As per schedule-1, explanation given in the Notification, Gujarat Electricity Duty Act 1958, the expression "consumption charges" means the charges payable by a consumer to a licensee but shall not include any of the following charges namely :

I. Meter charges

II. Interest on Delayed Payment Charges

III. Fuse off call charges and reconnection charges

IV. The losses of energy sustained in transmission for transformation by licensee per person before supply to a consumer;

Provided that-

(a) Where no energy has been consumed by a consumer, minimum charges payable by him shall not be deemed to be consumption charges;

(b) Where the units of energy actually consumed by a consumer are less than the units of energy for which , prescribed minimum charges are payable, " consumption charges' shall, in the case of such consumer, mean the charges for the units of energy actually consumed by him and not the prescribed minimum charges;

(c) Where any person supplies electrical energy to any other person (herein referred to as "the receiving person"), the charges payable by the receiving person for such quantum of power to the distribution licensee under Section 14, who is engaged in the business of supplying energy within the area where the receiving person is located, shall be deemed to be consumption charges for such supply of energy

In view of above, MGVCCL have never calculated electricity duty on above mentioned charges. If there is no energy has been consumed by the consumer in that case no electricity duty is chargeable. The billing is correct as per Gujarat Electricity Duty Act, 1958.

Accordingly, the demand is not considerable.

4.2 As per GUVNL letter No.GUVNL/IT/HT/231 dated 27.03.2019, PF adjustment / rebate is calculated only the head of energy charge without taking in account of night rebate. The complainant demand to recalculate PF rebate from Jan 2016 to Feb 2019 cannot be considered as per Limitation Act .

5.0 The Forum Members present at the hearing considered contention of both the parties and perused the records and considering them in detail, findings are as under:

5.1 The respondent MGVCCL has billed the complainant levying electricity duty as per Gujarat Electricity Duty Act, 1958.

5.2 As per Gujarat Electricity Duty Act, 1958, Schedule-I, Part II, where any dispute arises, the dispute shall be referred to Appropriate authority as specified by the State Government.

5.3 PF adjustment charges / rebate

GUVNL, Vadodara vide letter No. GUVNL/COM/Tariff/2018-19/611 dated 29.05.2018, issued directives as under,

"As per billing programme, PF adjustment / rebate, charges are calculated @ 1% / 0.5% on the total amount of bill, for the month under the head "Energy Charges less night concession. However, in terms of provision of GERC tariff schedule PF adjustment / rebate charges is to be charged @ 0.5% / 1% of on the total amount of electricity bill for that month under the head Energy Charges only without taking into account night concession.

Accordingly, IT department shall take actions to modify the billing programme for power factor adjustment charges/rebate on the total

amount of Electricity bill for that month under the head Energy Charges only without taking into account night concession / Time of use charges".

As per Tariff order FY 2018-19 of H'ble GERC for MGVL,

Power Factor Adjustment Charges & Penalty for poor Power Factor:

- a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", will be charged.

Power Factor Rebate:

If the Power Factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor, on the total amount of electricity bill for that month under the head "Energy Charges", for every 1% rise or part thereof in the average power factor during the month above 95%.

Respondent MGVL, in hearing submitted that power factor Rebate/penalty were calculated after deduction of Night Rebate from Energy charges and GUVNL has directed vide letter dtd 29.05.2018 for necessary modification in HT billing system and accordingly MGVL has made change in HT billing program since March'19 and error was rectified from March'2019 onwards.

In view of the above, Respondent MGVL, Baroda (O&M) Division should verify the Electricity bills issued after 29.05.2018 to the Feb 2019 bill as per directive issued by the GUVNL dated 29.05.2018 as per GERC's tariff order FY 2018-19 and calculation of Rebate/penalty to consumer be done and to be adjusted in next Energy Bill.

ORDER

6.0 The Forum has come to the conclusion that

6.1 The respondent MGVCL has billed the complainant M/s. Farmson Pharmaceutical Gujarat P Ltd., (Unit-III), HT Consumer No. 13955, at:Plot No.14, GIDC Industrial Estate, Nandesari, Dist: Vadodara levying electricity duty as per Gujarat Electricity Duty Act, 1958. For any dispute / clarification in levy of electricity duty, the complainant may approach The Collector of Electricity Duty, Gandhinagr /Appropriate authority.

Accordingly, the request to recalculate Electricity Duty in electricity bills from starting, cannot be considered.

6.2 Respondent MGVCL, Baroda (O&M) Division should verify the Electricity bills issued after 29.05.2018 to the Feb 2019 bill as per directive issued by the GUVNL dated 29.05.2018 and as per GERC's tariff order FY 2018-19 and calculation of PF Rebate/penalty to consumer be done and to be adjusted in next Energy Bill.


(V N Rathva)
Technical Member


(S P Trivedi)
Chairperson

PS :

If the complainant is not satisfied with the order of this Forum, the complainant may approach Ombudsman only after payment of minimum 33% of the bill amount issued to the party in question. **The Office address of the Ombudsman is : The Staff Officer, Office of the Electricity Ombudsman, Gujarat Electricity Regulatory Commission, Barrack No.3, Polytechnic Compound, Ambawadi, Ahmedabad 380 015 in accordance with Clause No.3.19 (viii) of GERC Notification No.2 of 2019.**

Procedure to make representations before Ombudsman***

1. Representation should be in writing duly signed by the complainant with his name and address.
2. Representation should be supported with affidavit.
3. True copy of order of Forum and original complaint made before Forum should be attached. Enclosed documents should be certified copies of the original documents.
4. The representation before Ombudsman should be submitted within 30 days from the date of order of Forum.
5. Copy of representation should be submitted at the office of Ombudsman. Copy of representation should be submitted to all respondents.
6. If the complainant is required to pay any amount according to the order of Forum, one-third of such amount should be deposited by complainant and proofs should be attached along with the representation.
7. The matter should not be pending before the competent Forum or any other court, tribunal, arbitrator or any other authority.
8. All representations should be with a sufficient cause, reasonable diligence causing the consumer prima facie loss and damages / inconvenience.
9. Representation may be submitted in English or Gujarati language