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-IV-35-2023-24
Complainant	M/s. Rohan Dyes & Intermediates Ltd (Unit - I), Survey No.637/23/A/2/P, Village : Kalamsar, Tal: Khambhat, Dist: Anand
Respondent	Shri D M Upadhyay, DE - Tech, Petlad Division, MGVCL
Date of hearing	27.03.2024 at MGVCL Corporate Office, Vadodara

QUORUM	NAME
Chairperson	Shri S P Trivedi, Vadodara
Technical Member	Shri B J Desai, ACE (RA&C) MGVCL Vadodara

The email complaint dated 22.02.2024 regarding suomotu estimate for increase in Contract Demand.

1.0 On 27.03.2024, the case of the Complainant Grievance was heard before Consumer Grievance Redressal Forum wherein CA Shri Arun Baldi, appeared on behalf of complainant M/s. Rohan Dyes & Intermediates Ltd Whereas D M Upadhyay, DE - Tech, Petlad Division appeared as respondent on behalf of MGVCL before the Forum. Both the parties were heard.

2.0 The brief history of the case is as under:

2.1 The complainant is having 1500 KVA HT connection for their unit located at Survey No-637/23/A/2/P, Kalamsar, TA - Khambhat, bearing Consumer No.15114.

2.2 The complainant had crossed their permissible demand four times during FY 2023-24 as under:

Sr. No.	Billing Month	Notice issued by Division on dated	Actual Recorded Demand(KVA)	% Excess Drawl
1	Apr-23	21.04.23	2037	35.8 %
2	May-23	22.05.23	2323	54.8 %
3	June-23	26.06.23	1596	6.4 %
4	July -23	27.07.23	1832	22.13 %
	Average :		1947	29.78 %
			Avg. load 1947 KVA say 1950 KVA	

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2.3 As per clause 4.95 of GERC supply code,2015, Petlad division office had issued notice every month for excess demand than its contract demand.

2.4The complainant didn't responded & not applied for additional load for said connection.

2.5 As there was no response from the consumer against the notice to restrict the demand, Estimate under suomotu procedure was issued vide letter dated 19.12.2023.

2.6The consumer has not paid the said estimate till date.

3.0 The representative of the complainant contended that

3.1 The complainant M/s.Rohan Dyes & Intermediates Ltd. (Unit-1), located at Survey No-637/23/A/2/P, Kalamsar, TA - Khambhat, have been a valued consumer of electricity supplied by Madhya Gujarat Vij Company Ltd (MGVCL) since 1999, under Consumer No: 15114 with a contract demand of 1500 KVA.

3.2 In the current financial year 2023-24, they have received notices from MGVCL stating that our electric connection is covered under the demand tariff act. As per the provisions, they are not allowed to draw power in excess of 5% of the contract demand i.e., 1575 KVA. If they exceed this limit more than four times in a financial year, they are required to increase the contract demand, failing which MGVCL will initiate suomotu proceedings to regularize the load and charge it in the respective electricity bills.

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3.3.In their bill dated 15-02-2024, they noticed an amount of Rs.56,45,377/- debited towards additional load suomotu estimate dated 18.12.23 for a suomotu increase in demand by MGVCL

3.4 They have been a reputable chemical manufacturing company since 1992, and their long standing relationship with MGVCL reflects their commitment to compliance and reliability.

3.5 A substantial bank guarantee of Rs. 106,72,273.00 has been provided to MGVCL as security, demonstrating their financial stability and trustworthiness.

3.6 They pride on consistently settling their electricity bills before the due date, ensuring prompt payment and adherence to financial obligations.

3.7 The global challenges and economic downturns, particularly affecting the chemical industry, have significantly impacted their operations over the past 12-15 months, leading to a decrease in demand and profitability. Numerous companies have been forced to curtail production or shut down entirely due to these difficulties.

3.8 In response to these challenges, running a loss-making unit, they have also downsized their operations, including a reduction in their contract demand from 3000 KVA to 1500 KVA, in an effort to mitigate fixed costs associated with electricity consumption.

3.9 Additionally, they have completely shut down their H Acid plant and significantly reduced production (almost by 90%) for V.S. & DASA products which they are producing within the periphery of Unit-1. This is further reflected in their electricity bills, which show a substantial decline in energy consumption over the past months. Their recent production records and electricity consumption patterns clearly demonstrate a substantial reduction in their operational activities, in line with the prevailing economic circumstances.

3.10 The brief instances of exceeding the contract demand were unintentional & primarily attributed to transient spikes in power consumption during machine startups, for a fraction of seconds only, which unfortunately got recorded in MGVCL meter reading & do not reflect their typical operational requirements.

3.11 On receiving MGVCL repetitive notices, they have thorough technically reviewed the entire connected load multiple times and have managed to keep the load in KVA under control within the contract demand for many months now and implemented measures to ensure compliance with their contracted demand limits, thereby preventing future occurrences of excess consumption.

3.12 They assure MGVCL of their commitment to responsible energy usage and pledge to maintain compliance with all regulatory requirements moving forward to operating within the designated contract demand limits. They undertake that such instances will not repeat in the future as they have taken necessary steps to prevent any future recurrences.

3.13 They are running their factory in the hope of better times in the future, otherwise, they have already been compelled to consider closing the unit due to the lack of demand and recession. As a struggling business, the imposition of additional financial burdens could jeopardize their ability to sustain operations and threaten their long-term viability to run this factory.

3.14 In light of the aforementioned circumstances, they respectfully request MGVCL to reconsider the imposition of the suomotu increase in their contract demand & set aside the suomotu proceedings or at last kindly provide them with suitable remedies / alternate with estimated calculation there on.

3.15 Also, they have already provided an extra security deposit in the form of BG considering the actual usage. Kindly consider the same, too.

3.16 They believe that their recent bills of the last many months, demonstrated commitment to compliance, considering their loss-making unit, current economic pressures, and proactive measures taken, warrants a fair and equitable resolution to this matter.

3.17 They appreciate MGVCL understanding and cooperation in this regard and remain hopeful for a favorable response from your esteemed organization.

3.18 They vide their letter dtd 26.03.2024, submitted that they assure their commitment to responsible energy usage and pledge to maintain compliance with all regulatory requirements moving forward to operating within the designated contract demand.

4.0 The respondent contended that

4.1 The complainant has 1500 KVA HT connection for their unit located at Survey No-637/23/A/2/P, Kalamsar, TA - Khambhat, since 1999, bearing Consumer No.15114.

4.2 The complainant had crossed their permissible demand four times during FY 2022-23 as under:

Sr. No.	Billing Month	Notice issued by Division on dated	Actual Recorded Demand(KVA)	% Excess Drawl
1	Apr-23	21.04.23	2037	35.8 %
2	May-23	22.05.23	2323	54.8 %
3	June-23	26.06.23	1596	6.4 %
4	July -23	27.07.23	1832	22.13 %
	Average :		1947	29.78 %
			Avg. load 1947 KVA say 1950 KVA	

4.3 As per circular No. 75, Petlad division office issued a notice every month whenever said consumer drawl excess than its contract demand, but he has not applied for additional load for said connection.

4.4 An estimate under suomotu procedure issued vide letter dated 19.12.2023, but till today the consumer has not paid the said estimate.

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 As per available record and submission by respondent & complainant, it was confirmed that the maximum demand was recorded in excess of contract demand by more than 5% for four times during financial year 2022-23, the respondent MGVCL had issued 30 days' notice to the complainant for submitting an application form for enhancement of load.

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5.2 It was observed that due to non-response of the consumer by the end of notice period, the procedure for enhancing the contract demand from 1500 KVA to 1950 KVA HT and estimate issued in accordance with clause No.4.95 of GERC Supply Code 2015 by the respondent is in order.

Review of Contracted Load/ Sanctioned Load Contracted Demand

In case of HT, EHT and Demand Based LT connections, if the maximum demand was recorded to be in excess of contract demand by 5% or more for at least four times during last financial year, the licensee shall issue a 30-day notice to the consumer for submitting an application form for enhancement of load. If there is no response from the consumer by the end of the notice period, the licensee shall start the procedure for enhancing the consumer's contract demand to the average of four recordings of maximum demand shown by the consumer's MDI meter in the last financial year. In such case, the consumer shall be liable to pay all applicable charges as per provisions of this Code for regularization of the enhanced demand. The enhanced demand will be considered as revised contact demand on receipt of such charges and all provisions of agreement shall be applicable to such consumers for revised contract demand.

In case of non-Demand Based LT connections, review of Contracted Load/ Sanctioned Load shall be carried out once in a financial year and if it is found that connected load on such type of connection is 25% or more than the Contracted Load/ Sanctioned Load in case of Residential Consumers and l0%o or more than the Contracted Load/ Sanctioned Load in case of other categories of consumers, the licensee shall issue a 60-day notice to the consumer for submitting an application form for enhancement of load. If there is no response from the consumer by the end of the notice period, the licensee shall start the procedure for enhancing the consumer's Contracted Load/ Sanctioned Load to the load found at the time of inspection. In such case, the consumer shall be liable to pay all applicable charges as per provisions of this Code for regularization of the enhanced load. The enhanced load will be considered as revised Contracted Load/ Sanctioned Load on receipt of such charges and all provisions of agreement shall be applicable to such consumers for revised Contracted Load/ Sanctioned Load.

5.3 The Forum considered the contentions of the complainant and the contentions of Respondent and the facts, statistics, and relevant papers, which are on records, and considering them in detail, the findings are as under.

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a. The procedure for enhancing the contract demand from 1500 KVA to 1950 KVA HT and estimate issued by respondent MGVCL in accordance with clause No.4.95 of GERC Supply Code 2015 is in order in respect of complainant M/s.Rohan Dyes & Intermediates Ltd.

b. The complainant request to reconsider suomoto proceeding of regularizing drawal of additional cannot be considered.

ORDER

6.0 The Forum Members present during the hearing considered contentions of both the parties and has come to the conclusion that -

6.1 The procedure for enhancing the contract demand from 1500 KVA to 1950 KVA HT and estimate issued by respondent MGVCL in accordance with clause No.4.95 of GERC Supply Code 2015 is in order in respect of complainant M/s.Rohan Dyes & Intermediates Ltd., (Unit - I), Survey No.637/23/A/2/P, Village : Kalamsar, Tal: Khambhat, Dist: Anand

6.2 The complainant's request to reconsider suomoto proceeding of regularizing drawal of additional cannot be considered.

(B J Desai)
Technical Member

SP Trived.
(S P Trivedi)
Chairperson

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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