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**REVIEW PETITION No. R.P/005/2021**  
**IN APPEAL PETITION No: P-028/2021**

**(Present: A.S. Dasappan)**

**Dated: 2<sup>nd</sup> February 2022**

Review Petitioner : The Assistant Executive Engineer,  
Electrical Sub Division,  
KSE Board Ltd,  
Pinarayi, Kannur Dist.

Review Respondent : Sri. Jamsheer. A.,  
Proprietor,  
International Pet Industries,  
Pachapoika, Koothuparamba,  
Kannur Dist. 670 643

**ORDER**

The Review Petitioner is the respondent in Appeal No. P-028/2021. The Review Respondent/appellant is a consumer of Electrical Section, KSEB Ltd., Vengad with consumer number 11170 with LT IVA tariff and running an industry by name “International Pet Industries” at Pachapoika, Koothuparamba. The industry started functioning in 2004. The connected load in the premises is 125 kilowatts and Contract Demand is 75 kVA. The appellant remitted Rs.1,41,894/- towards “other charges” specified in the regular monthly bills from 01-11-2018 to 02-11-2020. As per respondent “other charges” mentioned in bills are low power factor penalty. The appellant approached Assistant Engineer, Electrical Section, Vengad; Assistant Executive Engineer, Electrical Sub Division, Pinarayi and Deputy Chief Engineer, Electrical Circle, Kannur for the refund of “other charges” from 01-11-2018 to 02-11-2020. Since no action was taken by the Officers of KSEB Ltd., the appellant filed petition in Consumer Grievance Redressal Forum (CGRF), Northern Region, Kozhikode vide OP No. 126/2020-21 and the Forum in

its order dated 02-03-2021 rejected the request of the appellant. Not satisfied with the decision of the Forum, the appellant filed an appeal petition vide P-028/2021 before this Authority and a decision was taken as follows:

“There are lapses on the part of appellant in maintaining the rated values of capacitors to avoid power factor disincentives and lapses on the part of respondent to intimate the subject of low power factor to the appellant as per rules. As such, it is decided to refund the power factor penalty realized from the appellant for 12 months from 11/2019 to 11/2020, by limiting the period of refund requested by the appellant. The respondent shall refund the amount realized under “other charges” or “power factor penalty” from the appellant from 11/2019 to 11/2020 within 45 days from the date of order or adjust in the future bills.”

The arguments raised by the review petitioner are as below:

The review respondent/appellant is billed under LT IV industry category. As the connected load is above 20 kW (125kW), the review respondent is being billed under demand-based tariff with a demand charge of 170/kVA or a part thereof/month and energy charge of Rs.5.75/unit. This is the only consumer group under low tension category, which is being billed under ToD tariff. The billing procedure of this category is entirely different from all other LT consumers categorized in the tariff schedule being notified by the Hon'ble KSERC from time to time. As such this group of consumers is being considered at par with HT/EHT consumers in the tariff schedule for all billing activities. ToD tariff applicable, power factor incentive/dis-incentive and billing procedure applicable for LT IV industrial consumers with a connected load of and above 20 kW, HT/EHT consumers are the same and are specified in Annexure-A, Annexure-B and in Annexure-E respectively. As such, general conditions applicable for LT consumers is not applicable to LT IV industrial consumers with a connected load of and above 20 kW as far as billing activities are concerned.

The power factor incentive/dis-incentive applicable to the consumer is being levied as per Annexure-B of the “Tarff Schedule” at par with HT/EHT consumers and the same is extracted below:

**ANNEXURE-B**  
Power Factor Incentive/Disincentive

The following incentive and disincentive shall be applicable to LT industrial consumers with a connected load of and above 20 kW, HT&EHT Consumers for power factor improvement.

PF range (lag)	Incentive/Penalty
Incentive	
Above 0.95 and up to 1.00	0.50% of the Energy Charge for each 0.01 unit increase in power factor from 0.95
Penalty	
0.90 and up to 0.95	0.50% of the energy charges for every 0.01 fall in PF below 0.95 and upto 0.90
below 0.90	1% of the energy charge for every 0.01 fall in PF from 0.90

Note:—No penalty and incentives for consumers with leading power factor.

From the above, it is clear that the incentive is provided for maintaining a better power factor (above 0.95) and penalty is being imposed on low power factor. These are all depend upon the reactive energy (kVARh) drawn by the machineries/equipment installed to the consumer premises, from the grid. The individual consumer shall provide adequate reactive compensation to compensate their inductive power requirement in their system, so that they do not depend upon the grid for reactive power support. As such, Hon'ble KSERC fixed a base power factor 0.95 for maintaining grid standard specified by CEA (Technical Standards for Connectivity to Grid Regulations, 2007). It is to be noted that to maintain power factor above 0.95, the consumer has to provide static capacitors specified in Annexure-C of the Tariff Schedule.

Based on the above (Annexure-B), the factors taken for determining the power factor penalty are average power factor, a display parameter provided in the meter and the energy charge (derived from a display parameter consumption) of the consumer. Also, average power factor is the ratio of Active Energy (KWh) to apparent energy (kVA h). In KSEB Ltd., this ratio is being taken for power factor incentive/dis-incentive. Thus, general conditions 3,4,5 & 6 'Part-A-Low Tension (LT) Tariff' of the Tariff Schedule is not applicable (not mandatory) to LT IV Tod bill consumers (having connected load of and above 20 kW), where power factor

penalty is based on average power factor. Being a display parameter (Average PF) on the meter installed in premise, the consumer can view/watch the same (at regular intervals) and appropriate remedial measures can be taken in the case of low power factor. Also, detailed bills are provided in the official website of KSEB Ltd. (Home/Customers/LT Bill View) in all cases, in which all charges including power factor penalty are included in the bills. In the last bill for November 2021, the consumer is charged with a power factor penalty of Rs.320/- (with average power factor 0.94) even after the modernization work carried out in the premise. Thus, the consumer, even after aware of penalization, did not make any earnest attempts to provide a better power factor.

The general conditions “3,4,5 & 6 Part-A-Low Tension (LY) Tariff” of the tariff schedule is not applicable (not mandatory) to LT IV Industrial/Agriculture consumers billed under normal tariff. In order to provide an estimate bill as specified in the schedule in the case of consumers other than demand-based consumers, the meter reader has to see whether the consumer has provided capacitors of adequate ratings as per ‘Schedule of Tariff’ and to ensure that same is working properly. It is obligatory to check the working condition of the capacitor to fix the penalty as per clause 3 of the general conditions. The same is not mandatory to fix the penalty in the case of demand-based consumers, where the same is being fixed based on the average power factor recorded in the meter. It may be noted that general view on the matter will affect the financials of the KSEBL.

Kerala Electricity Supply Code 2014 also insist for installation of shunt capacitors and the relevant regulation is reproduced below:

Regulation 16 (2) “Supply of electricity shall not be given to any applicant at low tension for utilizing induction motors of 0.746kW (1HP) capacity or above or for welding transformers of 1 kVA capacity or above, unless shunt capacitors of appropriate rating are installed by the consumer across the terminals of such motors or welding transformers, to achieve an average monthly power factor that is specified by the Commission in the tariff order”.

Hence, the consumer has to provide capacitors of adequate rating as per the schedule and it is the duty of the Licensee to ensure the same at the time of

connection and at the time of enhancement of connected load, if any, at a later date in case of demand based billed consumers.

After the roll out of billing software, monthly/bimonthly electricity bills are being given with the aid of hand-held device called PDI. Hence, there is limitation in providing entire billing details in the invoices given through PDI. In order to redress the grievances of the consumer's, detailed bills are provided in the official website of KSEB Ltd.

According to the review respondent, the statement is as follow:

The respondent/review petitioner filed the review petition RP-005/2021 against the order of Electricity Ombudsman in Appeal Petition P-028/2021 dated 17-09-2021 only after 100 days. The version of the review petition is against the order of Kerala State Electricity Regulatory Commission. The review respondent had requested for the refund of the penalty realized by the review petitioner in the Appeal Petition P-028/2021. The main complaint of the review respondent was about the imposing of penalty without obeying rules and regulations. The request made by the review respondent is to dismiss the review petition since the review petitioner realized the amount without issuing notice as per General Conditions 5 of Part A – Low Tension (LT) Tariff.

An online hearing was conducted at 3-30 PM on 21-01-2022 with prior intimation to both the Review Petitioner and Review Respondent. Sri. K.P. Sunilkumar, Assistant Executive Engineer, Electrical Sub Division, Pinarayi attended the hearing for the review petitioner and Sri. P.K. Purushothaman attended the hearing for the review respondent. On examining the review petition, the counter statement of the respondent, the documents attached and the arguments made during the hearing and considering all the facts and circumstances of the case, this Authority comes to the following findings and conclusions leading to the decisions thereof.

As per the review petitioner, the power factor incentive is provided for maintaining a better power factor (above 0.95) and penalty is being imposed on low power factor. Bing a display parameter (Average PF) on the meter installed in premises, the consumer can view/watch the same and appropriate remedial

measures can be taken in the case of low power factor. Also, detailed bills are provided in the official website of KSEB Ltd., in which all charges including power factor penalty are included in the bills. The general conditions “3,4,5 & 6 Part-A-Low Tension (LT) Tariff” of the tariff schedule is not applicable (not mandatory) to LT IV Industrial/Agriculture consumers having connected load above 20 kW billed under ToD tariff.

In this case, the view of this Authority was there are lapses on the part of appellant in maintaining the rated values of capacitors to avoid power factor disincentives and lapses on the part of respondent to intimate the subject of low power factor to the appellant as per rules. As such, it was ordered in Appeal Petition No. P028/2021 to refund a portion of power factor disincentive realized by the respondent to the appellant. The appellant had started replacement of defective capacitors even before the notice of the respondent.

Here the issue arisen on the disincentive for the low power factor. In the tariff order, it is already mentioned that all LT industrial (both LT IV (A) and LT IV (B) consumers) and LT agricultural consumers shall, for power factor improvement, install static capacitors with ISI certification as specified. But, the power factor incentive/disincentive will be applicable only to LT industrial consumers under ToD billing with a connected load of and above 20 kW, HT & EHT consumers for power factor improvement.

As such, it does not mean that an inspection in the premises of a consumer is not required where ToD meters are installed or monitoring of data like power factor maintained monthly. This Authority of the view that power factor of the industrial and other applicable categories of the consumers can be improved by monitoring the data available to the Licensee.

In the review petition nothing is pointed out, which escaped from the notice of this Authority while disposing the appeal petition. The review jurisdiction is limited to rectify a mistake or an error which is apparent on the face of records and it cannot be used as appellate jurisdiction. In this background, this Authority did not find any reason to intervene the order already issued.

**Decision**

In view of the above discussions, I hold that review petition is not maintainable and hence, rejected.

Having decided as above, it is ordered accordingly.

**ELECTRICITY OMBUDSMAN**

R.P/005/2021/\_\_\_\_\_ dated \_\_\_\_\_.

**Delivered to:**

1. The Assistant Executive Engineer, Electrical Sub Division, KSE Board Ltd, Pinarayi, Kannur Dist.
2. Sri. Jamsheer. A., Proprietor, International Pet Industries, Pachapoika, Koothuparamba, Kannur Dist. 670 643

**Copy to:**

1. The Secretary, Kerala State Electricity Regulatory Commission, KPFC Bhavanam, Vellayambalam, Thiruvananthapuram-10.
2. The Secretary, KSE Board Limited, Vydhyuthi Bhavanam, Pattom, Thiruvananthapuram-4.