**COURT OF THE LOK PAL (OMBUDSMAN),**

**ELECTRICITY, PUNJAB,**

**PLOT NO. A-2, INDUSTRIAL AREA, PHASE-1,**

**S.A.S.NAGAR (MOHALI).**

**APPEAL NO. 42/2018**

**Date of Registration : 19.07.2018**

**Date of Hearing : 06.11.2018**

**Date of Order : 15.11.2018**

**Before:**

**Er. Virinder Singh, Lok Pal (Ombudsman) Electricity**

**In the Matter of:**

Shiv Forgings,

95-B, Industrial Area-A Extension,

Ludhiana.

...Petitioner

Versus

Senior Executive Engineer,

DS, CMC (Special) Division,

PSPCL, Ludhiana.

...Respondent

**Present For:**

Petitioner : Shri R.S. Dhiman,

Petitioner’s Representative (PR).

Respondent : Er. Harmail Singh,

Asstt. Executive Engineer/Tech-2.

Before me for consideration is an Appeal preferred by the Petitioner against the order dated 27.06.2018 in Case No. CG-155 of 2018 of the Consumers Grievances Redressal Forum (Forum) deciding that :

*“Applicable interest on Security (consumption) and Security (meter) be paid to the Petitioner till the end of financial year 2017-18 i.e. 31.03.2018 in compliance of Regulation 17.1 of the Supply Code-2014.”*

**2. Facts of the Case:**

The relevant facts of the case are that:

**(i)** The Petitioner was having a Large Supply Category connection with sanctioned load of 995 kW and contract demand (CD) of 995 kVA.

**(ii)** The Petitioner deposited a sum of Rs. 2,99,229/- on 01.04.2013 on account of Advance Consumption Deposit (ACD) and Meter (Security). The Petitioner had been depositing various amounts at various stages from the year 2013 to 2017. The total amount of Security deposited till 02.08.2017 was Rs.23,42,208**/-** comprising ACD [ now known as Security (Consumption) ] of Rs.23,12,198/- and Security (Meter) of Rs.30,010/-.

1. The Respondent did not update the Security in its system as a result of which, the Petitioner was allowed less interest on Security, required to be given under the provisions of Regulation 17.1 of the Supply Code-2014.
2. The Petitioner vide its letter dated 12.11.2017, requested the Respondent for up-dation of Security in the system and allowing the interest due from 01.04.2013 to 31.03.2017 on Security (Consumption) and Security (Meter). Accordingly, the Respondent updated the Security in its system and allowed interest to the Petitioner on Security as under:

S.No. Financial Year Amount of Interest Date

allowed (INR)

\_\_\_ \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_

1. 2015-16 27,057/- 29.04.2016

2. 2016-17 93,225/- 13.04.2017

3. 2017-18 1,09,336/- 06.04.2018

**(v)** Aggrieved, the Petitioner filed a Petition in the Forum, who passed the order dated 27.06.2018(Reference: Page-2 Para 1).

**(vi)** The Petitioner was not satisfied with the decision of the Forum and preferred an Appeal in this Court requesting to set aside the decision of the Forum and allow the Appeal in the interest of justice.

**3. Submissions made by the Petitioner and the Respondent:**

Before undertaking analysis of the case, it is necessary to go through written submissions made by the Petitioner and reply of the Respondent as well as oral submissions made by the Representatives of the Petitioner and the Respondent along with material brought on record by both the sides.

**(a) Submissions of the Petitioner**:

The Petitioner made the following submissions for consideration of this Court:

1. The Petitioner was having a Large Supply Category connection with sanctioned load of 995 kW and contract demand (CD) of 995 kVA for its Forging Unit.
2. The Petitioner deposited a sum of Rs. 2,99,299/- on 01.04.2013 on account of Advance Consumption Deposit (ACD) and Meter Security. Further, the Petitioner had been depositing various amounts at different stages from 2013 to 2017. The total amount of Security so deposited was Rs. 23,42,208/- as reflected at the end of the bills issued by the Respondent- PSPCL.
3. Though the Respondent had updated the amount of Security (Consumption) and Security (Meter) deposited by it but applicable interest on the same was not paid despite efforts and written requests made by the Petitioner.
4. Aggrieved, the Petitioner submitted its Petition to the Forum who allowed interest to the Petitioner in accordance with Regulation 17.1 of the Supply Code-2014, which was not in consonance with the relevant provisions of the Supply Code-2007 and Supply Code-2014.
5. The Forum allowed interest to be paid to the Petitioner in accordance with Regulation 17.1 of the Supply Code-2014, but from the details submitted by the Respondent - PSPCL before the Forum, it was evident that the interest was not paid on updated figures of Security (Consumption) and Security (Meter) from the dates, additional Security was deposited. Therefore, Regulation 17.3 of the Supply Code-2014 was applicable according to which interest was payable at twice the SBI Base Rate plus 2% for the actual period of delay.
6. The Petitioner had deposited Security (Consumption) after raising loans from the banks and paying interest thereon to the Banks. So, the delay on the part of the Respondent – PSPCL to credit interest regularly resulted in huge loss to the Petitioner. The provisions of Regulation 17.3 of the Supply Code-2014 and Regulation 17.4 of the Supply Code-2007, were just and fair and required to be implemented in the case of the Petitioner.
7. Not satisfied with the decision of the Forum, the Petitioner preferred an Appeal in this Court with the request to set-aside the decision of the Forum and issue directions to the Respondent – PSPCL to pay the interest in accordance with the Regulation 17.3 of the Supply code-2014 and Regulation 17.4 of the Supply Code-2007.

**(b) Submissions of the Respondent:**

1. The Petitioner was having a Large Supply Category connection with sanctioned load of 995 kW and contract demand (CD) of 995 kVA.
2. The Petitioner requested that its Security should be updated in the system and demanded the interest due from 01.04.2013 to 31.03.2017 on Security (Consumption) and Security (Meter).
3. Security (Consumption) and Security (Meter) was updated in the system of the PSPCL and the Petitioner had been allowed interest for the Financial year 2015-16 amounting to Rs.27,057/- on 29.04.2016, for 2016-17 amounting to Rs.93,225/- on 13.04.2017 and for the Financial Year 2017-18 amounting to Rs. 1,09,336/- on 06.04.2018, but in the meantime, the Petitioner had approached the Forum, who decided the case on 27.06.2018. Accordingly, the revised the calculation sheet of the interest on Security (Consumption) and Security (Meter) was prepared and a refund of Rs. 4,17,470/- was given vide SCA No. 5/43/R615, to the Petitioner.
4. The Petitioner was not satisfied with the decision of the Forum and preferred an Appeal in this Court.
5. In view of the above submissions, the Appeal may be dismissed, as the petitioner had already been given interest as per CGRF (Forum) decision.

**4. Analysis:**

The issue requiring adjudication is the legitimacy of the interest allowed to the Petitioner, on Security (consumption) and Security (Meter), as per applicable regulations.

*The points emerged are deliberated and analysed as under:*

1. PR contended that the Petitioner deposited a sum of Rs.2,99,299/- on 01.04.2013 on account of Advance Consumption Deposit (ACD) and Meter Security and had been depositing various amounts at different stages from 2013 to 2017. The total amount of Security so deposited was Rs. 23,42,208/- as reflected at the end of the bills issued by the Respondent- PSPCL. Though the Respondent had updated the amount of Security (Consumption) deposited by it but applicable interest on the same was not paid despite efforts and written requests were made by the Petitioner. The Forum allowed interest to be paid to the Petitioner in accordance with Regulation 17.1 of the Supply Code-2014, but from the details submitted by the Respondent - PSPCL before the Forum, it was evident that the interest was not paid on updated figures of Security (Consumption) and Security (Meter) from the dates, additional Security was deposited. Therefore, Regulation 17.3 of the Supply Code-2014 was applicable according to which, interest was payable at twice the SBI Base Rate plus 2% for the actual period of delay. The Petitioner had deposited ACD after raising loans from the banks and paying interest thereon to the Banks. So, the delay on the part of the Respondent – PSPCL to credit interest regularly resulted in huge loss to the Petitioner. The provisions of Regulation 17.3 of the Supply Code-2014 and Regulation 17.4 of the Supply Code-2007, were just and fair and required to be implemented in the case of the Petitioner.

The Respondent, in its defence, submitted that the Petitioner requested on 12.11.2017 that its Security should be updated in the system and demanded the interest due from 01.04.2013 to 31.03.2017 on Security (Consumption) and Security (Meter). Accordingly, Security (Consumption) and Security (Meter) was updated in the system of the PSPCL and the Petitioner had been paid interest for the Financial Year 2015-16 amounting to Rs.27,057/- on 29.04.2016, for 2016-17 amounting to Rs.93,225/- on 13.04.2017 and for the Financial Year 2017-18 amounting to Rs. 1,09,396/- on 06.04.2018, but in the meantime, the Petitioner had approached the Forum, who decided the case on 27.06.2018. Accordingly, the revised calculation sheet of the interest on Security (Consumption) and Security (Meter) was prepared and a refund of Rs. 4,17,470/- was given vide SCA No. 5/43/R615, to the Petitioner.

The Respondent, in its defence, stated that the Petitioner had never pointed out any discrepancy in non-updation of the Security deposited by it on receipt of energy bills issued by the PSPCL. The Respondent added that the Petitioner delayed the submission of the disputed claim as it was entitled to get interest at comparatively higher rate from PSPCL than that admissible in the banking institutions. The Petitioner also hoped that in the event of success of its Petition/Appeal in the Forum/Court of Ombudsman, it could get higher rate of interest under Regulation 17.3 of the Supply Code-2014 than the normal rate admissible under Regulation 17.1 of the Supply Code-2014.

I find that the Petitioner was allowed lesser amount of interest on the amount of Security (Consumption) and Security (Meter) deposited by it for its Large Supply Category connection as the same was not updated in its system by the Respondent – PSPCL. I also find from perusal of material brought on record that a refund of Rs. 4,17,470/- on account of difference of interest due upto the end of the Financial Year 2017-18 (i.e. upto 31.03.2018), was made to the Petitioner vide Sundry Charges Adjustment (SCA) No. 5/43/R-615 in compliance to order dated 27.06.2018 of the Forum deciding to allow applicable interest in terms of provisions of Regulation 17.1 of the Supply Code-2014.

1. PR next contended that the decision of the Forum was not just and fair and interest was required to be allowed in terms of provisions contained in Regulation 17.4 of the Supply Code-2007 and Regulation 17.3 of the Supply Code-2014 as per which, interest was payable at twice the SBI Base Rate plus 2% for actual period of delay.

*I observe that the Respondent defaulted in ensuring timely up-dation of Security (Consumption)/Security (Meter) in the Energy Bills which led to avoidable litigation. At the same time, the Petitioner had also been negligent in bringing the fact of non-updation of the same in the Energy Bills for a long period, to the notice of the Respondent. The Petitioner, being a Large Supply Category consumer, was expected to go through and study the Energy Bills carefully and intelligently and bring the discrepancy, if any, to the notice of the Respondent immediately on noticing it. Hence, the claim of the Petitioner for allowing interest in terms of provisions of Regulation 17.4 of the Supply Code-2007 and Regulation 17.3 of the Supply Code-2014 is not sustainable.*

From the above analysis, it is concluded that the interest, on the Security (Consumption) and Security (Meter), allowed is in accordance with the applicable regulations and the relief of penal interest claimed in the present Appeal is without merit.

**5. Decision:**

**As a sequel of above discussions, the order dated 27.06.2018 of the Forum in Case No. CG-155 of 2018 is upheld.**

**6.** The Appeal is disposed off accordingly.

**7.** In case, the Petitioner or the Respondent (Distribution Licensee) is not satisfied with the above decision, it is at liberty to seek appropriate remedy against this order from the appropriate Bodies in accordance with Regulation 3.28 of the Punjab State Electricity Regulatory Commission (Forum and Ombudsman) Regulations – 2016.

(VIRINDER SINGH)

November 15, 2018 LokPal (Ombudsman)

S.A.S. Nagar (Mohali) Electricity, Punjab.