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

**ELECTRICITY, PUNJAB,**

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

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

**APPEAL NO. 41/2020**

**Date of Registration : 31.08.2020**

**Date of Hearing : 18.09.2020 and 05.10.2020**

**Date of Order : 14.10.2020**

**Before:**

**Er. Gurinder Jit Singh,**

**Lokpal (Ombudsman), Electricity, Punjab**.

**In the Matter of:**

Kiran Gupta

Hotel Kiran, Opposite Godawari Motors,

Ferozepur Road, Ludhiana.

**Contract Account Number: 3002864236**

...Appellant

Versus

Senior Executive Engineer,

DS Aggar Nagar Division (Spl.),

PSPCL, Ludhiana. ...Respondent

**Present For:**

Appellant : Sh. S.K.Gupta,

Appellant’s Representative (AR).

Respondent: 1. Er. Parminder Singh,

Senior Executive Engineer,

DS Aggar Nagar Division (Spl.), PSPCL, Ludhiana.

2. Er. Gurpreet Singh,

Asstt. Executive Engineer/Commercial.

DS Aggar Nagar Division (Spl.), PSPCL, Ludhiana.

3. Sh. Kashmir Singh,

Revenue Accountant.

Before me for consideration is an Appeal preferred by the Appellant against the order dated 23.07.2020 of the Consumer Grievances Redressal Forum (Forum), Ludhiana in Case No. CGL-113 of 2020, deciding that:

*“The security amounting to Rs. 96,570/- as agreed by both parties be refunded along with interest upto date of payment under Reg. 17.1 to 17.3 of Supply Code-2007 w.e.f. 01.01.2008 and under Reg. 17.1 and 17.2 of Supply Code-2014 w.e.f. 01.01.2015 on ACD and Meter Security, with amendments, if any, be given to Petitioner after getting it pre-audited. However, no penal interest is allowed as per Reg. 17.4 of Supply Code-2007 and 17.3 of Supply Code-2014.”*

**2*.* Registration of the Appeal**

A scrutiny of the Appeal and related documents revealed that the Appeal was received in this Court on 31.08.2020 i.e. within one month of receipt of the decision dated 23.07.2020 of the CGRF, Ludhiana in Case No.CGL-113 of 2020 by the Appellant. Thus the Appeal was within limitation period. The Appellant was not required to deposit the requisite 40% of the disputed amount for filing the Appeal in this Court as the Appeal related to refund of ACD/Security (Consumption) and Security (Meter). Accordingly, the Appeal was registered and a copy of the same was sent to the Addl. Superintending Engineer/DS Aggar Nagar Division (Spl.), PSPCL, Ludhiana for furnishing written reply/parawise comments and also to the office of the CGRF, Ludhiana for sending the case file under intimation to the Appellant vide this office letter nos. 786-788/OEP/A-41/2020 dated 31.08.2020.

**3.** **Proceedings**

(i) With a view to adjudicate the dispute, a hearing was fixed in this Court on 18.09.2020 at 11.45AM and intimation to this effect was sent to both the sides vide letter numbers 855-56/OEP/A-41/2020 dated 14.09.2020 (sent by email). As scheduled, the hearing was held on 18.09.2020 in this Court on the said date and time. Copies of the minutes of the proceedings were sent to the Appellant and the Respondent vide this office letter numbers 878-79/OEP/A-41/2020 dated 18.09.2020.In the said hearing, both the sides agreed to hold a meeting in the Divisional Office at Ludhiana on 21.09.2020 at 11 AM so as to reconcile mutually the calculations of interest on Securities of the Appellant. They were also directed to apprise this Court, about the outcome of review/ reconcilation of these figures, in the next hearing on 05.10.2020 at 12.00 Noon.

(ii) As scheduled, another hearing was held in this Court on 05.10.2020 at 12.00 Noon. Copies of the proceedings were sent to both the sides vide this office letter numbers 933-34/OEP/A-41/2020 dated 06.10.2020.

**4. Submissions made by the Appellant and the Respondent**:

With a view to adjudicate the dispute, it is necessary to go through written submissions made in the Appeal by the Appellant and reply of the Respondent as well as oral submissions made by their respective representatives along with material brought on record by both the sides.

1. **Submissions of the Appellant**
2. **Submissions made in the Appeal**

The Appellant made the following submissions in the Appeal, received in this Court on 31.08.2020, for consideration:

1. The Appellant was having a NRS category connection, bearing Account No. 3002864236, with sanctioned load (SL) as 81 kW installed at its site office at Hotel Kiran, Opposite Godawari Motors, Ferozepur Road, Ludhiana.
2. The Appellant had deposited ACD/ Security (Consumption) and Security (Meter) amounting to ₹ 96,570/- but the same was not updated in her bills, due to which,she was not getting any interest on the said amount.
3. The connection of the Appellant was disconnected vide PDCO No. 100005177184 dated 28.12.2017 effected on 29.12.2017. The Respondent was requested vide letters dated 29.12.2017, 09.01.2018, 18.06.2018 and 26.12.2018 but neither the ACD/Security (Consumption) and Security (Meter) were refunded nor interest was given to the Appellant.
4. The main grievance of the Appellant against the Respondent was that she was not paid interest on ACD/Security (Consumption) and Security (Meter) and also that the Respondent hadnot implemented the order dated 23.07.2020 of the Forum within stipulated period of 21 days as per directions given in its decision.
5. The interest on ACD/Security (Consumption) and Security (Meter) had not been calculated as per provisions of Electricity Supply Code, applicable from time to time.
6. The Appellant was entitled to get interest from 2003 since the Electricity Act, 2003 came into force in the said year. The Act stipulated for payment of interest on the securities deposited by the consumers with the licensee. Therefore, the Appellant was entitled to interest with effect from 01.04.2003.
7. The Forum passed the order dated 23.07.2020 to pay interest under Regulation 17.1 to 17.3 of Supply Code-2007 and under Regulation 17.1 to 17.2 of Supply Code-2014. But the provisions for payment of penal interest were conveniently skipped by the Forum. The Appellant demanded invocation of penal interest provisions under Regulation 17.4 of Supply Code-2007 and under Regulation 17.3 of Supply Code-2014 as the Distribution Licensee had failed to pay interest on securities, from the date, interest was payable.
8. The Forum had passed the order on 23.07.2020 for payment of securities and interest thereon within 21 days as per Regulation 2.41 of the PSERC (Forum and Ombudsman) Regulations, 2016. However, till date, the Appellant had not received any amount or communication. The Ombudsman is requested to take stern action against the erring officers for contempt of Forum’s order.
9. **Submissions during Hearing**
10. During the hearing on 18.09.2020, the Appellant’s Representative pointed out discrepancies in the amounts of interest worked out on Securities by the Respondent at normal rate of interest as per applicable Supply Code Regulations. Accordingly, the representatives of both the sides, on being directed, agreed to reconcile mutually the figures of interest on 21.09.2020 at 11 A.M. in the office of the Sr. Xen, DS Aggar Nagar Division, PSPCL, Ludhiana. At the end of deliberations, it was conveyed to the representatives of both sides that next hearing in this case will be held in this Court on 05.10.2020 at 12.00 Noon when the points of difference, if any relating to calculations/payment of interest at normal rates alongwith the issue of claim of the Appellant for payment of penal interest will be deliberated. Copies of minutes of the hearing were sent to the Appellant and the Respondent vide this office letter nos. 878-79/A-41/2020 dated 18.09.2020.
11. In the hearing on 05.10.2020, the Appellant’s Representative was given the Abstract of amount refundable to the Appellant by the AEE/Commercial, DS Aggar Nagar Division (Spl.), Ludhiana. The Appellant’s Representative was apprised that the amount of interest due on Securities had been worked out in terms of provisions contained in Regulation 17.1 to 17.3 of Supply Code-2007 amended vide Regulation 17.1 to 17. 2 of Supply Code-2014. The Appellant Representative expressed certain reservations about the calculations of the refundable amount worked out by the Respondent/rates of interest applicable from time to time. In view of the above, the representatives of both the Appellant and Respondent were directed to submit their written briefs to this Court vide e-mail by 08.10.2020 positively.
12. **Submissions of the Respondent**
13. **Submissions made in the Written Reply**

The Respondent, in its written reply received vide email dated 15.09.2020, made the following submissions for consideration of this Court:

1. The interest on ACD/ Security (Consumption) and Security (Meter) was calculated by the Respondent in accordance with the provisions contained in Supply Code applicable from time to time.
2. The Appellant was entitled to get interest from 01.01.2008 till the date of payment as per applicable Supply Code Regulations and not from the year 2003.
3. The penal interest was not payable to the Appellant in view of decision of the CGRF, Ludhiana who decided the case on merits and in accordance with the decision in Appeal No. 45/2018 of the Court of Ombudsman, Electricity disallowing penal interest under Regulation 17.4 of Supply Code-2007 and 17.3 of Supply Code-2014.
4. The Account of the Appellant was scrutinized threadbare with a view to implement the decision of the Forum by the Respondent. During this process, certain discrepancies were found in the calculation of refund/payment admissible as compared to the amount mentioned in the decision. Also, certain issues were flagged by the Audit Wing due to which, the refund was not posted/credited in the account of the Appellant.
5. The admissible interest on ACD/Security (Consumption) and Security (Meter) had been recalculated but the Appellant had approached this Court before the decision of the Forum could be implemented. Now, the decision of this Court in this Appeal shall be implemented.
6. **Submission during Hearing**

During hearing, the Respondent reiterated the submissions already made in its written reply. Since the Appellant’s Representative pointed out discrepancies in the rates of interest (at normal rates) on Securities applied by the Respondent in its calculations, the representatives of both the sides agreed, on being directed, to mutually review and reconcile the rates/figures in a meeting to be held on 21.09.2020 at 12.00 Noon in office of Sr. Xen, DS Aggar Nagar Division, Ludhiana. They were also directed to apprise this Court about the outcome of their meeting on 05.10.2020 at 11 A.M.

(ii) In the hearing held in this Court on 05.10.2020, AEE/Commercial, DS Aggar Nagar Division (Spl.), PSPCL, Ludhiana (appearing on behalf of Sr. Xen) gave an abstract of amount refundable with full details to the Appellant’s Representative. The said AEE/Commercial apprised the Appellant’s Representative that the amount of interest on Securities had been worked out in terms of provisions contained in Regulation 17.1 to 17.3 of Supply Code-2007 amended vide Regulation 17.1to 17.2 of Supply Code-2014.The Appellant Representative expressed certain reservations about the calculations of the refundable amount worked out by the Respondent/rates of interest applicable from time to time. In view of the above, the representatives of both the Appellant and Respondent were directed to submit their written briefs to this Court by e-mail by 08.10.2020 positively.

**5.** **Analysis and Findings**

The issues requiring adjudication are the legitimacy of

1. Refund of Security (Consumption) and Security (Meter) along with normal interest as per applicable regulations.
2. Payment of Penal interest on Security (Consumption) and Security (Meter) as per applicable regulations.

*My findings on the above issues deliberated and analyzed are as under:*

**Issue (i)**

1. This issue relates to refund of Security (Consumption) and Security (Meter) amounting to ₹ 96,570/- along with interest till the date of payment as per applicable Supply Code Regulations. The Appellant had a NRS Category connection with sanctioned load of 81 kW. The Appellant had deposited ACD/Security (Consumption) and Security (Meter) amounting to ₹ 96,570/- comprising ₹ 34,300/- deposited on 02.01.2004, ₹ 4,000/- deposited on 02.01.2004, ₹ 15,040/- deposited on 26.06.2008 and ₹ 43,230/- deposited on 28.02.2013. The Appellant’s Representative stated that the aforementioned amounts were not updated in the bills of the Appellant due to which, she did not get interest thereon. The Appellant’s Representative submitted that the main grievance of the Appellant against the Respondent was that she was not paid interest on ACD/Security (Consumption) and Security (Meter) and also that the Respondent had not implemented the order dated 23.07.2020 of the Forum within stipulated period of 21 days as per directions given in its decision. The interest on ACD/ Security (Consumption) and Security (Meter) had not been calculated as per provisions of Electricity Supply Code, applicable from time to time. The Appellant was entitled to get interest from 2003 since the Electricity Act, 2003 came into force in the said year. The Act stipulated for payment of interest on the securities deposited by the consumers with the Licensee. Therefore, the Appellant was entitled to interest from 01.04.2003.

A perusal of the above submissions made in the Appeal revealed that no document/copy of representation, if any, made by the Appellant to the Respondent requesting for updating the Securities in her Contract Account was neither submitted with the Appeal nor any reference to the same was given in the Appeal. Moreover,

copies of request letters dated 29.12.2017, 09.01.2018 and 18.06.2018, stated in this Appeal to have been sent to the Respondent for refund of Securities with interest, have not been given/provided as evidence to this Court.

1. In the hearing held on 18.09.2020 to adjudicate the present dispute, the Appellant’s Representative pointed out discrepancies in the amounts of interest worked out on Securities by the Respondent at normal rate (s) of interest as per Supply Code Regulations. Accordingly, the Representatives of both the sides, on being directed, agreed to reconcile mutually the figures of interest on 21.09.2020 at 11 A.M. in the office of the Sr. Xen, DS Aggar Nagar Division, PSPCL, Ludhiana. Both the sides were informed that next hearing in this case will be held in this Court on 05.10.2020 at 12.00 Noon when the points of difference, if any, relating to calculations/refund of interest at normal rates alongwith the issue of claim of the Appellant for payment of penal interest will be deliberated.
2. In compliance to directions given by this Court on 18.09.2020, both the sides attended this Court on 05.10.2020 when AEE/Commercial, DS Aggar Nagar Division (Spl.), PSPCL, Ludhiana gave the copy of Abstract of the amount refundable to the Appellant’s Representative as well as to this Court. The Respondent apprised the Appellant’s Representative that the aforesaid calculations were got pre audited in compliance to order dated 23.07.2020 of the Forum. The Appellant’s Representative was also apprised that the amount of interest due on Securities had been worked out in terms of provisions contained in Regulation 17.1 to 17.3 of Supply Code-2007 amended vide Regulation 17.1& 17.2 of Supply Code-2014.But, the Appellant’s Representative expressed certain reservations about the calculations of the refundable amount worked out by the Respondent/rates of interest applicable from time to time. Accordingly, the representatives of both the Appellant and Respondent were directed to submit their written briefs to this Court through e-mail by 08.10.2020 positively for consideration.
3. In compliance to the directions given in the hearing on 05.10.2020, the Respondent sent vide letter no. 3824 dated 08.10.2020 (by e-mail) with a copy to the Appellant, the requisite details tabulated as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **Details of Amount Payable on Account of ACD & Interest to Smt. Kiran Gupta (3002864236) as per CGRF decision dated 23.07.2020 in Case No. 113/2020** | | | |
| **Details** | **ACD** | **Interest** | **Total** |
| Amount Refundable as on 29.12.2017 | 96570 | 79671(-)  8597(already)=71074 | 168503 |
| Interest 30.12.2017 to 15.01.2018 @ 6.50 % | 96570 | 292 |  |
| Total | 96570 | 72225 | 168761 |
| Installment Tariff Revision 15.01.2018 |  | (-) 3882 |  |
| Balance Refundable as on 15.01.2018 | 96570 | 68343 | 164879 |
| Interest 15.01.2018 to 15.02.2018 @ 6.50 % | 96570 | 523 |  |
|  |  | 68866 |  |
| Installment due as on 15.02.2018 | 96570 | (-) 3882 |  |
|  | 96570 | 64984 | 161520 |
| Interest 15.02.2018 to 15.03.2018 @ 6.50 % | 96570 | 523 |  |
|  |  | 65507 |  |
| Installment due as on 15.03.2018 | 96570 | (-) 3882 |  |
|  | 96570 | 61625 | 158161 |
| Interest 15.03.2018 to 16.04.2018 @ 6.25 % | 96570 | 503 |  |
|  |  | 62128 |  |
| Installment due as on 16.04.2018 | 96570 | (-) 3882 |  |
|  | 96570 | 58246 | 154782 |
| Installment due as on 16.05.2018 | 96570 | (-) 3882 |  |
|  |  | 54364 |  |
| Amount transferred to SK Gupta A/c 3002864252 on dated 14.06.2018 |  | (-) 19333 |  |
|  |  | 35031 |  |
| Installment due as on 16.06.2018 | 96570 | (-) 3887 |  |
|  |  | 31144 |  |
| Interest on ACD 17.04.2018 to 18.02.2019 (307 days) payable @ 6.25 % | 96570 | 5077 |  |
|  | 96570 | 36221 | 132641 |
| Amount transferred to SK Gupta A/c 3002864252 on dated 01.02.2019 |  | (-) 13047 |  |
|  |  | 23174 |  |
| Amount Adjusted as on 18.02.2019 in the account of Mr. S.K. Gupta (3002864252) | 42216 | 23174 | 65390 |
| Balance ACD Refundable as on 18.02.2019 | 54354 | 0 | 54320 |
| Interest payable from 18.02.2019 to 30.09.2020 (589 days) @ 6.25 % | 54354 | 5482 | 57734 |
| Amount Refundable upto 30.09.2020 | 54320 | 5482 | 59836 |

1. In response to e-mail dated 08.10.2020, the Appellant’s Representative sent an e-mail dated 09.10.2020 stating as under:

The CGRF had instructed very categorically to the Respondent to pay Securities amounting to ₹ 96,570/- plus interest of ₹ 98,676/- = ₹1,95,266/- within 21 days. However the Respondent had failed to carry out the instructions issued by the Forum.

As per instructions from the Ombudsman, both the parties sat together. However, no conclusion on the issue of interest could be reached.

The Respondent failed to follow the Supply Code and circulars issued by PSPCL.

The Respondent may be directed on the issue of interest rates so that the matter could be resolved.

With regard to revised tariff, it was pointed out that charging of the revised calculation of tariff amounting to ₹ 23,297/- was totally denied and was not the responsibility of the Appellant. The Appellant had written on 18.12.2017 for issue of full and final bill and the same was paid on 28.12.2017. Claiming of this amount after a gap of 3 years was totally illegal and responsibility of the erring officer (s) must be fixed.

The contention regarding payment of ₹ 19,333 by the Respondent to the Appellant was wrong. The Respondent had given a credit of ₹18,133/- vide bill dated 20.06.2018. Considering the negligent and casual behaviour of the officials of PSPCL, it is requested that the calculations made by the Respondent with regard to payment of Securities and interest thereon must be shown to the Appellant or prepared in the presence of the Ombudsman.

The Respondent may be instructed that any payment due must be made by cheque on account of Security, interest or any other dues.

The erring officials must be punished for their lack of duty and causing inconvenience to a Senior Citizen. The trauma caused by such indecent officers to public leaves a permanent dent on the image of the organization. The Appellant has gone through mental agony and trauma due to indifferent attitude of officers in their comfortable and plushy offices. The Appellant had suffered monetary losses as well as inconvenience of coming all the way to Mohali from Ludhiana at the age of 78 years. Penalty must be imposed to set an example for others.

1. With a view to adjudicate this issue, it is worthwhile to go through previsions contained in Section 47 (4) of the Electricity Act, 2003 which reads as under:

“*The distribution licensee shall pay interest equivalent to the bank rate or more, as may be specified by the concerned State Commission, on the security referred to in sub-section (1) and refund such security on the request of the person who gave such security.”*

1. As required under Electricity Act-2003, PSERC was formed with a view to look after and manage the electricity regulatory affairs of the State of Punjab. Subsequently, PSERC notified the Supply Code-2007 making the same applicable from 01.01.2008. The provisions contained in Regulation 17.1 to 17.3, relevant in the present dispute, are reproduced below:

*“17.1 The Licensee will pay interest on Security (consumption) at the SBI’s Long Term PLR prevalent on first of April of the relevant year, provided that the Commission may at any time by notification in official Gazette of the State specify a higher rate of interest.*

*17.2 The Licensee will indicate the amount becoming due to a consumer towards interest on the Security (consumption) in the first bill raised after thirtieth of April every year.*

* 1. *The interest will be credited to the account of a consumer annually on first day of April each year and will be adjusted on first May of every year against the outstanding dues and/or any amount becoming due to the Licensee thereafter.”*

1. Supply Code-2007 was amended and substituted by Supply Code-2014 and made applicable from 01.01.2015. The provisions relevant in the matter are contained in Regulation 17.1 and 17.2 of Supply Code-2014 and are reproduced below:

*“17.1 The distribution licensee shall pay interest on Security (consumption) and Security (meter) at the Bank Rate (as on 1st April of the year for which interest is payable) as notified by RBI.*

*17.2 The interest on Security (consumption) and Security (meter) shall be credited to the account of a consumer annually on first day of April each year and shall be adjusted/paid in first bill raised after first April every year against the outstanding dues and/or any amount becoming due to the distribution licensee thereafter.”*

i) From a perusal of the above provisions of Section 47 of the Electricity Act -2003, it is evident that interest on Securities got deposited from the consumers was to be allowed at the rates as specified by the State Commission and also that refund of such Security will be given to the person who gave such Security. Accordingly, PSERC notified the Supply Code -2007 (applicable from 01.01.2008) amended vide Supply Code-2014 (applicable from 01.01.2015) consistent with the provisions of ElectricityAct-2003. As a result, interest on ACD/Security (Consumption) and Security (Meter) was to be calculated/allowed as per Supply Code Regulations and was to be credited to the Accounts of the respective consumers from 01.01.2008 onwards.

I observe that the Appellant had deposited ACD amounting to ₹34,300/- on 02.01.2004, Meter Security of ₹ 4,000/- on 02.01.2004 and Security (Consumption) of ₹ 15,040/- on 26.06.2008. It is not understood as to how the Appellant had staked her claim, for interest from 01.04.2003, on the ACD/Security (Consumption) and Security (Meter) which were deposited on 02.01.2004/26.06.2008 i.e. after the notification of Electricity Act-2003/Supply Code-2007 applicable from 01.01.2008. I have also noted the contention of the Respondent in its written reply, oral submissions in this Court and also vide e-mail dated 08.10.2020 that the order dated 23.07.2020 of the Forum directing the Respondent to refund Securities and interest due thereon was subject to pre-audit. The Respondent stated that Internal Audit pointed out certain discrepancies in the calculations and the same were to be looked into in consultation with records which were quite old. Accordingly, the Forum was apprised by the Respondent vide its letter no. 3214 dated 20.08.2020 about delay in implementation of order dated 23.07.2020.While the discrepancies were being looked into, the Appellant preferred an Appeal in this Court on 31.08.2020. Accordingly, the Respondent considered it necessary to await the decision in the present case.

So far as the plea of the Appellant’s Representative for taking action against the Respondent for contempt of Forum’s Order dated 23.07.2020, due to its non- implementation with in stipulated period as required under Regulation 2.41 of PSERC (Forum and Ombudsman) Regulations, 2016 is concerned, the appropriate remedy was to approach PSERC for this purpose. The Court of the Ombudsman, Electricity does not have the jurisdiction to take action against the Respondent in this regard.

1. The Appellant’s Representative was apprised during hearing on 05.10.2020 about the details of adjustments of pending dues and amounts of Securities transferred to other accounts (of Sh. S.K. Gupta–Appellant’s Representative), as per request dated 09.01.2018 relating to Contract Account No. 3002864236 of the Appellant. Though the Appellant’s Representative was convinced during the said hearing, he contested the action of the Respondent, vide e-mail dated 09.10.2020, by stating that claiming the amounts involved after a lapse of three years was illegal.

I observe that the Appellant’s Representative has not stated that the amounts proposed to be adjusted from the securities refundable to the Appellant were incorrect. He has only challenged the legality of recovery at this stage.

I am of the view that outstanding dues or other amounts recoverable relating to a particular Contract Account must invariably be adjusted in the amounts of Securities becoming payable at the time of closure of that account. The plea of the Appellant’s Representative is without merit and does not carry conviction.

1. After going through the oral and written submissions and evidence brought on record by both the sides, I am of the view that ACD /Security (Consumption) and Security (Meter) should be refunded to the Appellant with interest thereon till the date of payment in terms of provisions contained in Section 47 (4) of the Electricity Act-2003 read with Regulation 17.1.to 17.3 of Supply Code-2007 amended vide Regulation 17.1 to 17.2 of Supply Code-2014. The amendments issued by PSERC from time to time relating to above mentioned regulations of Supply Codes shall also be kept in view while working out the interest payable to the Appellant.

**Issue (ii)**

1. The Appellant’s Representative submitted that the Forum passed the order to pay interest under Regulation 17.1 to 17.3 of Supply Code-2007 and under Regulation 17.1 to 17.2 of Supply Code-2014 whereas the penal provisions were conveniently skipped by the Forum. The Appellant demanded invocation of penal interest provisions under Regulation 17.4 of Supply Code-2007 and under Regulation 17.3 of Supply Code-2014 as the Distribution Licensee had failed to pay interest on Securities deposited by the Appellant.

I find that the Appellant who had deposited the ACD/Security (Consumption) and Security (Meter) never requested the license till the date of disconnection on 29.12.2017, as per material on record, for credit of interest in her account on the 1stApril each year.

I find that the Appellant has not furnished even the copies of request letters, if any, written to the Respondent for refunds of amounts due with interest till the date of payment.

I observe that the Appellant, being a NRS Category Consumer, ought to be vigilant and prompt in bringing to the notice of the Respondent the fact of non- credit of interest on Securities as per applicable regulations.

1. The Appellant was a NRS Category Consumer and received regularly the energy bills issued by PSPCL from time to time. In all these bills issued by the Respondent, amount of Security (Consumption) and Security (Meter) was invariably depicted. The Appellant paid these bills regularly on receipt thereof but did not point out or file a claim/representation to the Respondent about not crediting/adjusting the interest amount on the Security (Consumption) and the Security (Meter) for the disputed period. The Appellant was supposed to point out the missing/incorrect entries of Security

(Consumption) and Security (Meter), if any, in the energy bills. Thus, the Appellant did not take appropriate remedy at appropriate time despite the fact that provisions for allowing interest on Security (Consumption) and Security (Meter) were made in the Supply Code-2007 (applicable from 01.01.2008 to 31.12.2014) amended vide Supply Code-2014 (effective from 01.01.2015). Instead of finding lacunae in the working of the Respondent, the Appellant was expected to be vigilant, update and prompt in discharging its obligation (s). Had the Appellant exercised necessary prudence/vigilance, the present litigation could have been avoided.

I also find that the Respondent defaulted in not allowing the interest on Security (Consumption) and Security (Meter) for the disputed period. The responsibility of erring officials /officers should be fixed by the PSPCL after investigation/ inquiry.

c) It is also observed that the Appellant willfully avoided to represent/file a claim to the Respondent for a considerably long time in the hope that it would, in the event of delay, get interest at comparatively higher rates from PSPCL than that admissible for deposits in the banking institutions. Delay on the part of the Appellant to file the representation for correction/updation of securities should not result in additional income to her at the cost of the Respondent (PSPCL). The Appellant may have expected that in the event of success of its Petition/Appeal in the CGRF/Court of Ombudsman (Electricity), it would get interest at higher rates as per provisions of Regulation 17.4 of Supply Code-2007/Regulation 17.3 of Supply Code-2014.

d) In view of the above, this issue of allowing interest on interest/additional interest/penal interest on the Security (Consumption) and Security (Meter) for the disputed period is decided against the Appellant after due consideration.

**6.** **Decision**

As a sequel of above discussions, the order dated 23.07.2020 of CGRF, Ludhiana in Case No. CGL-113 of 2020 is set aside. It is held that:

1. Security (Consumption) and Security (Meter) alongwith interest thereon(till the date of payment)would be refunded in terms of provisions contained in Section 47 (4) of Electricity Act-2003 read with Regulation 17.1 to 17.3 of Supply Code-2007 and Regulation 17.1 and 17.2 of Supply Code-2014 as applicable from time to time.
2. The claim of the Appellant for grant of interest on interest/additional interest/penal interest on Security (Consumption) and Security (Meter) is devoid of merit, hence, not payable.
3. The Appeal is disposed of accordingly.
4. In case, the Appellant or the Respondent 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.

(GURINDER JIT SINGH)

October 14, 2020 Lokpal (Ombudsman)

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