

**COURT OF THE LOK PAL (OMBUDSMAN),
ELECTRICITY, PUNJAB,
PLOT NO. A-2, INDUSTRIAL AREA, PHASE-1,
S.A.S. NAGAR (MOHALI).**

APPEAL NO. 09/2021

Date of Registration : 09.02.2021
Date of Hearing : 12.03.2021 and 17.03.2021
Date of Order : 22.03.2021

Before:

**Er. Gurinder Jit Singh,
Lokpal (Ombudsman), Electricity, Punjab.**

In the Matter of:

S.S. Industries,
Hassan Wala Road, Jalalabad -152024,
Distt. Fazilka,
Contract Account Number: 3000855882

...Appellant

Versus

Senior Executive Engineer,
DS Division,
PSPCL, Jalalabad.

...Respondent

Present For:

Appellant: Sh. Ashok Dhawan,
Appellant's Representative.

Respondent : 1. Er. Phuman Singh,
Senior Executive Engineer,
DS Division,
PSPCL, Jalalabad.

2. Er. Surinderpaul Singh,
Assistant Engineer,
City Sub Division,
PSPCL, Jalalabad.

Before me for consideration is an Appeal preferred by the Appellant against the decision dated 14.01.2021 of the Consumer Grievances Redressal Forum (Forum), Patiala in Case No. CGP-298 of 2020, deciding that:

“The account of the petitioner be overhauled for the month of 05/2018 as per provision of Tariff Order 2018-19 circulated vide PSPCL CC No. 23/2018 and excess amount be refunded without any interest after pre-audit.

The account of the petitioner for the month January, 2018 to March, 2018 be overhauled as per provision of Tariff order for the years 2017-18 circulated vide Commercial Circular no. 12/2018 dated 23.02.2018 and recovery/ refund be effected after pre audit.

The ACD account of M/s. S.S. Industries be updated from the date of clubbing of connection and upto date interest on ACD as per rates of respective years be paid as per Supply Code-2014 Regulation clause 17.1.”

2. Registration of the Appeal

A scrutiny of the Appeal and related documents revealed that the Appeal was received in this Court on 09.02.2021 i.e. within thirty days of receipt of the decision dated 14.01.2021 of the CGRF, Patiala in Case No. CGP-298 of 2020 by the Appellant. The Appellant was not required to deposit the

requisite 40% of the disputed amount which related to refund of excess billed amount and additional interest on security. Therefore, the Appeal was registered and copy of the same was sent to the Senior Executive Engineer/DS Division, PSPCL, Jalalabad for sending written reply/parawise comments with a copy to the office of the CGRF, Patiala under intimation to the Appellant vide letter nos. 153-155/OEP/A-09/2021 dated 09.02.2021.

3. Proceedings

- (i) With a view to adjudicate the dispute, a hearing was fixed in this Court on 12.03.2021 at 12.30 PM and an intimation to this effect was sent to both the sides vide letter nos. 227-28/OEP/A-09/2021 dated 26.02.2021. As scheduled, the hearing was held 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 letter nos. 298-99/OEP/A-09/2021 dated 12.03.2021 whereby, they were directed to attend another hearing in this Court on 17.03.2021 at 02.00 PM.
- (ii) The hearing held on 17.03.2021 was attended by both the sides. Deliberations were held and the order was reserved.

Copies of proceedings were sent to both the parties vide letter nos. 323-24/OEP/A-09/2021 dated 17.03.2021.

4. Submissions made by the Appellant and the Respondent

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

(A) Submissions of the Appellant

(a) Submissions made in the Appeal

The Appellant made the following submissions in its Appeal for consideration of this Court:

- (i) The Appellant was having a Large Supply Category Connection, bearing Account No. 3000855882 with sanctioned load of 950 kW and CD as 980 kVA.
- (ii) There were two large supply connections in the premises of the Appellant, namely M/s. S.S. Industries bearing account no. 3000855882 and M/s. Chander Agro Industries, bearing account no. 3000855887. The second connection was also a Large Supply Category connection and it was a sister concern of the Appellant's unit, M/s. S.S. Industries,

Jalalabad. These two connections were got clubbed in the name of M/s. S.S. Industries (Appellant) in the year 2016. However, ACD and AACD which was lying outstanding in the account of M/s. Chander Agro Industries at the time of clubbing was not transferred to account of M/s. S.S. Industries under Security (Consumption). As a result, the Appellant was not able to get interest for the years 2014-15 and 2016-17 till date. Besides, the Security (Consumption) and Security (Meter) deposited in the account of the Appellant unit M/s. S.S. Industries was not properly updated. Therefore, the Appellant suffered on account of loss of interest as admissible under Regulation 17 of Supply Code-2014. However, the Forum ordered to pay the upto date interest but nothing was mentioned to pay or not to pay the interest on interest as the same was also admissible under Regulation 17.4 of the Supply Code-2007 and Regulation 17.3 of the Supply Code-2014. A sum of ₹ 3,32,875/- was due on this account.

- (iii) The Appellant had requested to consider the following provisions as per Supply Code-2014:

***“17. INTEREST ON SECURITY (CONSUMPTION)
AND SECURITY (METER)***

17.1 [The distribution licensee shall pay interest on Security (consumption) and Security (meter) at the (SBI Base) 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.

17.3 1 [In the event of delay in effecting adjustments due to the consumer as per regulation 17.2, the distribution licensee shall for the actual period of delay pay interest at (twice the SBI) Bank Rate (as on 1st April of each year) as notified by RBI plus 4%.]"

- (iv) It was crystal clear that the Respondent never issued any such instructions for the consumer to give application before credit of interest. Rather, it was very clear that in case of delay in payment of interest at such rate of interest plus additional interest was payable. So, non consideration of additional interest without assigning any reason by the Forum was not justified.

- (v) The instructions regarding updation of ACD/AACD/ Security meter and payment of interest was not being implemented properly by the Respondent. Therefore, to mitigate the difficulty being experienced by the consumers, a letter was issued by the office of Chief Engineer/Commercial vide Memo No. 1038/43 dated 15.05.2019 to complete the work of updation and payment of interest within 3 months of its issue. The Chief Engineer/Commercial issued Memo No. 49/54 dated 08.01.2020 wherein it had been clearly admitted that instructions issued, vide Memo No. 1038/43 dated 15.05.2019, had not been complied with and therefore, an additional period of another 3 months was given to complete the task and also to tender a certificate in this regard by the concerned offices of the Respondent. Nothing was heard again with the result that the Appellant was compelled to file a Petition in the Forum on 02.03.2020. The petition was filed within limitation.
- (vi) The Forum allowed relief on other issues but the issue regarding payment of interest on interest was left unheard and also the payment on account of interest for late refund of bills.

- (vii) It was not mandatory to give an application to allow the interest as the whole procedure was automatic.
- (viii) When each year during the month of April, interest was allowed, no application was given to allow interest as it was posted in the account of the Consumer automatically as per procedure mentioned in the rules and regulations.
- (ix) As per Section 47 of the Electricity Act-2003, it was the duty of licensee to pay interest as under:

“47. (1) Subject to the provisions of this section, a distribution licensee may require any person, who requires a supply of electricity in pursuance of section 43, to give him reasonable security, as determined by regulations, for the payment to him of all monies which may become due to him –

- (a) in respect of the electricity supplied to such persons; or*
- (b) where any electric line or electrical plant or electric meter is to be provided for supplying electricity to person, in respect of the provision of such line or plant or meter, and if that person fails to give such security, the distribution licensee may, if he thinks fit, refuse to give the supply or to provide the line or plant or meter for the period during which the failure continues.*

(2) Where any person has not given such security as is mentioned in subsection (1) or the security given by any person has become invalid or insufficient, the distribution licensee may, by notice, require that person, within thirty days after the service of the notice, to give him reasonable security for the payment of all monies which may become due to him in respect of the supply of electricity or provision of such line or plant or meter.

(3) If the person referred to in sub-section (2) fails to give such security, the distribution licensee may, if he thinks fit, discontinue the supply of electricity for the period during which the failure continues.

(4) 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.

(5) A distribution licensee shall not be entitled to require security in pursuance of clause (a) of sub-section (1) if the person requiring the supply is prepared to take the supply through a pre-payment meter.”

- (x) It was unjustified to withheld interest if it was not paid due to negligence of an employee of the Respondent. The money got devalued from time to time and it was almost doubled in 6-7 years period. It was not justified at all to withhold the amount by the Respondent on the ground that no application was submitted by the Appellant, No circular, no regulation either in Supply Code or in the Electricity Act or ESIM had made any provision for the request to be tendered by the Appellant for allowing interest.
- (xi) The Forum, vide its order dated 14.01.2021, had allowed the refund of wrong bills for the month of 05/2018 for ₹ 2,75,473/- and for the month of 03/2018 for ₹ 1,07,172/- but for want of non representation by way of an application, interest admissible under Regulation 35.1.3 of the Supply Code-2014 was declined.
- (xii) It was universal principle of natural justice that when undue amount was kept pending or got excess deposited, the requisite interest became chargeable. It was wrong to state that a Large Supply Consumer should himself check the correctness of the bill and also that all details were given on the bills. It was the duty of the Revenue Accountant to send a correct bill after receipt from the CBC and in this case, no

proper detail was given on the original bill. For example, amount of subsidy allowed by the Govt. of Punjab was not mentioned on the bill for the month of 05/2018 and the sundry amount was as mentioned on the bill for the month of 03/2018 was ₹ 70,272/- only and actual amount was ₹ 1,07,172/- and further amount of more than ₹ 10,000/- was to be charged through a separate supplementary bill alongwith a notice as per ESIM Instruction 93.1. But, the amount was clubbed with regular bills and no details were mentioned on the bill for the month of 03/2018. To deny the amount of interest merely for a piece of paper was not justified at all as it was not required under any law of land or no such rule exists in PSPCL to submit an application as prerequisite to claim any interest.

- (xiii) The Appellant was running a General Industry and as per Commercial Circular No. 12/2018, it was clearly described that rate of General Industry w.e.f. 01.01.2018 would be ₹ 5/- per unit and accordingly, difference of overall rate and rate per unit was payable by the Govt. of Punjab. The question to charge difference of overall rate was not chargeable to the Appellant. The Forum had ordered to refund ₹ 1,07,172/- by overhauling the accounts of the

Appellant but the Respondent had refused to refund the amount for want of clarity whereas everything was clear in the order.

- (xiv) The Appellant claimed interest due on account of refund under Regulation 35.1.3 of Supply Code-2014 as per following details:

| Year | Interest | Unpaid Amount (₹) | Interest (₹) |
|-------------------|----------|-------------------|--------------|
| 2017-18 | 11.10 | 1,07,172 | 0 |
| 2018-19 | 10.70 | 2,75,473+1,07,172 | 40,943 |
| 2019-20 | 11.05 | 3,82,645 | 42,282 |
| 2020-21 (11 M) | 10.15 | 3,82,645 | 35,602 |
| | | | 1,18,827 |

- (xv) In view of the above, it was requested to consider the Appeal sympathetically.

(b) Submissions in the Rejoinder to Reply of the Respondent

In the rejoinder to written reply of the Respondent, the Appellant's Representative made the following submissions vide e-mail dated 11.03.2021:

- (i) As per decision of the Forum, a sum of ₹ 2,75,473/- was refundable/adjustable to a/c no. 3000855882, within 21 days but the implementation was still awaited as the requisite amount has not been credited to the account of the Appellant.

- (ii) As per reply submitted by the office of Sr. Xen, Jalalabad, a sum of ₹ 1,07,172/- was charged on account of difference of subsidized rate per unit ₹ 5/- and Maximum overall rate ₹ 6.55 per unit as per CC No. 12/2018. Being General industry, ₹ 5/- per unit plus Fixed Charges were only chargeable and the same was charged in the bills for the month 1/2018 and 2/2018 and nothing more was chargeable. As per para no. 2 of the CC No. 12/2018, this amount on account of difference of rate per unit and MOR was payable by the Government of Punjab which was approximately ₹ 50/- Crores. So, it was very much clear that the amount of ₹ 1,07,172/- was wrongly charged and recovered. The Forum had also decided this issue in favour of the Appellant, but the amount had not been refunded and the decision was not implemented.
- (iii) After clubbing of account nos. 3000855882 and 3000855887 as account no. 3000855882 on 01.10.2016, the ACD/Security for ₹ 6,87,906/- was not transferred to account no. 3000855882, hence, loss of interest for ₹ 2,78,638/- (as per calculation sheet attached as CP-20) and ₹ 2,03,658/- as per CP-21= Total ₹ 4,82,296/-. Subsequently, as per Sr. Xen,

Jalalabad's memo no. 358 dated 25.02.2021 vide which case was sent to AO Field, Faridkot for audit, only a sum of ₹ 4,07,052/- on account of interest was referred to audit. Hence, the Appellant would suffer a loss of ₹ 75,244/- without giving any reason for the same. Besides this, nothing had been mentioned nor any reply had been given against the interest on interest for ₹ 4,22,727/- plus ₹ 3,92,244/- as admissible as per Regulation No. 17.3 of the Supply Code-2014. It was again requested to decide the case in favour of the Appellant.

(c) Submission during hearing

- (i) During hearing on 12.03.2021, the Appellant's Representative reiterated the submissions made in the Appeal and pointed out the discrepancies. The Respondent was advised to sort out the billing dispute of ₹ 1,07,172/- (03/2018) in consultation with the office of the Chief Engineer/Commercial, PSPCL, Patiala which had issued CC No. 12/2018. The Appellant's Representative, on being specifically asked, stated that he was satisfied with the compliance done by the Respondent on all the issues except the one mentioned at Serial No. 2 above. He was, then,

apprised that this issue was to be looked into and settled by the Respondent (PSPCL) as per CC No. 12/2018.

- (ii) During hearing on 17.03.2021 in this Court, the Appellant's Representative confirmed that he had attended the meeting in the office of the Respondent on 15.03.2021 as per directions of this court on 12.03.2021. He admitted that he had perused the memo no. 2070 dated 16.03.2021 of Sr. Xen/DS Division, Jalalabad giving the details of deliberations held to sort out the disputed issues. On being specifically asked during hearing, he stated that he was satisfied with reposition of all the issues except the dispute of ₹ 1,07,172/- charged in the bill issued in 03/2018. He was, then, apprised by the Court that this issue was to be looked into and settled by the Respondent (PSPCL) as per CC No. 12/2018.

(B) Submissions by the Respondent

(a) Submissions in written reply

The Respondent submitted the following written reply for consideration of this Court:

- (i) The bill for the month of 05/2018 was issued at ₹ 5.81/- per Unit by the CBC, Bhatinda. However, the bill for the month of 04/2018 and 06/2018 were issued at the subsidized rate of ₹ 5/- per Unit plus fixed charges but the bill for the month of

05/2018 was not issued at ₹ 5/- per Unit. Therefore, the difference of tariff was liable to refund as per CC No. 12/2018. However, the Appellant had not given any request in the office of AE, City, Jalalabad for the correction of bill for the month of 05/2018.

- (ii) A sum of ₹ 1,07,172/- was charged by CBC, Bhatinda as amount M.O.R (Maximum Overall Rate) as per CC No. 12/2018.
- (iii) Regarding the non-payment of Interest as per Regulation 17 of Supply Code, there was some difference of security as per bill and actual amount deposited by the Appellant on account of Security. The difference of Security was to be updated in SAP system and the case for updation of Security/ACD will be forwarded to CBC, Bhatinda after the process of Pre-Audit was completed by AO Field, Faridkot.
- (iv) This was a clubbing case of LS connections i.e. M/s S.S. Industries bearing A/c no. 3000855882 (LS-56) and M/s. Chander Agro Udyog bearing A/c. 3000855887 (LS-61). Both these LS connections were clubbed on 21.10.2016. During this process, the connection of M/s Chander Agro Udyog bearing A/c. 3000855887 (LS-61) was closed in SAP system and the security of this connection was not reflected

to the name of M/s. S.S. Industries bearing A/c no. 3000855882 (LS-56). The issue regarding non updation of security and interest of security was settled in favour of the Appellant. Beside this, a bill for the month of 05/2018 which was wrongly prepared has also been allowed to the Appellant.

- (v) Now issue regarding charges of ₹ 1,07,172/- on account of difference of M.O.R. and general rate for the month of 01/2018 and 02/2018, an arrear during the month of 03/2018 was pending. In addition to this, the issue regarding interest on interest of unupdated Security amount was also pending.
- (vi) M/s S.S. Industries bearing A/c no. 3000855882 (LS-56) and M/s. Chander Agro Udyog bearing A/c. 3000855887 (LS-61) were located in the same premises at Hissan wala Road, Jalalabad. So, these two number LS connections were clubbed on 21.10.2016 but at the time of clubbing, the security of M/s Chander Agro Udyog bearing A/c. 3000855887 (LS-61) was not transferred/reflected in SAP system to the account of M/s. S.S. Industries bearing A/c no. 3000855882 (LS-56). As a result, amount of security could not be credited/reflected to the account of M/s. S.S. Industries A/c 3000855882 (LS-56). Due to discrepancy in

transferring security amount of M/s Chander Agro Udyog to M/s. S.S. Industries, the interest on security amount could not be reflected in the account of M/s S.S. Industries. However, interest on Security amount of Chander Agro was regularly credited to its Contract Account by CBC, Bhatinda to this date.

- (vii) However, the Forum ordered to pay the interest up to date which was under process regarding Audit as per direction of the Forum and will be allowed in the due course. This issue had been rightly decided by the Forum. The issue regarding non updation of Security and interest on security was settled in favour of the Appellant. Moreover, the Appellant had not given any application regarding this matter in the office of AE City, Jalalabad.
- (viii) In regard to excess bill for the month of 03/2018 for ₹1,07,172/-, it was pointed out that the bills of Large Supply connections were prepared in the office of Executive Engineer, CBC, Bhatinda and the account of the Appellant was overhauled by CBC, Bhatinda for the period 01/2018 to 03/2018 and a sum of ₹ 1,07,172/- charged in 03/2018 on account of M.O.R. (Maximum Over All Rate) as per

CC 12/2018. The Forum had not clearly decided whether the amount was chargeable or refundable.

(b) Submission during hearing

- (i) During hearing on 12.03.2021, the Respondent reiterated the submissions made in the written reply. Since the Appellant's Representative pointed out discrepancies in over hauling its account for the months of 01/2018 & 02/2018 and non updation of Security, the Respondent was directed to hold a meeting with the Appellant's Representative on 15.03.2021 in its office to reconcile the same. He was also directed to attend this Court on 17.03.2021 and apprise this Court accordingly in the hearing fixed for 17.03.2021 at 02.00 PM.
- (ii) During hearing on 17.03.2021, the Sr. Xen/DS, PSPCL, Jalalabad submitted letter no. 2070 dated 16.03.2021 stating as under:

“As per the directions given in the proceeding dated 12/03/2021, the matter was deliberated with the Petitioner. The reply of the dispute is submitted below.

Para no 1: The bill for the M/O 5/2018 for Rs 2,75,473/-

As per Decision by Honorable CGRF, a sum of Rs. 275473/- is refunded to the petitioner vide SCA No. 305/297/R-127 (Annexure-A) and the same is effected in SAP-system (Annexure-B).

Para no 2: Excess bill for the month of 3/2018. forRs. 107172/-

As per guidance honorable Ombudsman the Petitioner and Respondent deliberated on this issue but could not find the common ground of settlement as Petitioner emphasised that any amount under MOR is Payable by Punjab Govt. according to CC 12/2018 and not by the Consumer.

It is also submitted that we have no basis or understanding of this amount calculated by I.T. cell Patiala and charged by C.B.C., Bathinda. We tried to calculate on the basis of MOR logic provided to us by C.B.C., Bathinda but failed consistently to reflect the same amount.

Para no 3: Updation of Security and Non Payment of Interest

A. It is submitted that we could not transfer the security amount of Rs. 6,87,906/- (Annexure-C) due to some

error in SAP system. To resolve this issue, we have mailed to helpdesk and are hopeful of a solution very soon.

B. The updation of security amount of Rs. 3,79,500/- (Annexure-C) is under process and will be done shortly.

C. It is submitted that the Amount of Interest and TDS collected on it is discussed with the Petitioner and are satisfied with it.

(1) 3000855882 (M/S S.S Ind) Calculation Sheet (Annexure-D)

(2) 3000855887 (M/S Chander Agro Udyog) Calculation Sheet (Annexure-E)”

At the end of deliberations, the Respondent was advised to sort out the pending dispute of ₹ 1,07,172/- (03/2018) as per CC No. 12/2018.

5. Analysis and Findings

The issues requiring adjudication are the legitimacy of

- (i) non refund of difference of Tariff wrongly charged in the bill for the month of 5/2018.
- (ii) non refund of ₹ 1,07,172/- on account of difference of Maximum Overall Rate (MOR) and General Rate due to wrong charging in the bill issued in 03/2008 for the months of 01/2018 to 02/2018.
- (iii) difference in the calculations on overhauling the account of Security (due to clubbing of two connections on 21.10.2016) and interest as per Regulation 17.1 of Supply Code-2014.
- (iv) not allowing additional interest/interest on interest as per provisions of Regulation 17.3 of Supply Code-2014.

My findings on the points emerged, deliberated and analysed are as under:

Issue (i)

- (a) The Appellant's Counsel, in its rejoinder to the written reply of the Respondent, stated that as per decision of the Forum, a sum of ₹ 2,75,473/- was refundable/adjustable to a/c no. 3000855882, within 21 days but the implementation was still

awaited as the requisite amount had not been credited to the account of the Appellant.

- (b) Sr. Xen, DS Division, Jalalabad, vide Memo No. 2070 dated 16.03.2021, stated that refund of ₹ 2,75,473/- was given to the Appellant vide SCA No. 305/297/R-127 and the same was effected in SAP system.
- (c) The aforesaid letter containing the details of refund alongwith the supporting documents was given to the Appellant's Representative who, on being asked during hearing dated 17.03.2021, confirmed the same.
- (d) This issue stands resolved to the satisfaction of the Appellant and is disposed off accordingly.

Issue (ii)

- (a) The Appellant's Representative stated in its rejoinder to written reply of the Respondent that as per reply submitted by the office of Sr. Xen, Jalalabad, a sum of ₹ 1,07,172/- was charged on account of difference of subsidized rate per unit of ₹ 5/- and Maximum overall rate of ₹ 6.55 per unit as per CC No. 12/2018. Being General industry, ₹ 5/- per unit plus Fixed Charges were only chargeable and the same was charged in the bills for the month 01/2018 and 02/2018 and nothing more was chargeable. As per para no. 2 of the

CC No. 12/2018, this amount on account of difference of rate per unit and MOR was payable by the Government of Punjab which was approximately ₹ 50/- Crores. So, it was very much clear that the amount of ₹ 1,07,172/- was wrongly charged and recovered. The Forum had also decided this issue in favour of the Appellant, but the amount had not been refunded and the decision was not implemented.

- (b) The Respondent, vide its Memo No. 2070 dated 16.03.2021 and also during hearing on 17.03.2021, stated as under:

“As per guidance honorable Ombudsman the Petitioner and Respondent deliberated on this issue but could not find the common ground of settlement as Petitioner emphasised that any amount under MOR is Payable by Punjab Govt. according to CC 12/2018 and not by the Consumer.

It is also submitted that we have no basis or understanding of this amount calculated by I.T. cell, Patiala and charged by C.B.C., Bathinda. We tried to calculate on the basis of MOR logic provided to us by C.B.C., Bathinda but failed consistently to reflect the same amount.”

- (c) The Respondent was advised during hearing on 17.03.2021 to sort out the billing dispute of ₹ 1,07,172/- (03/2018) in consultation with the office of the Chief Engineer/Commercial, PSPCL, Patiala which had issued CC No. 12/2018. The Appellant's Representative was, then, apprised that this issue was to be looked into and settled by the Respondent (PSPCL) as per CC No. 12/2018.
- (d) Further, the amount chargeable to Punjab Govt. as per CC No. 12/2018 is not required to be recovered from the Appellant. The Appellant is satisfied with the orders of the Forum on this issue. In view of the above, this issue is disposed of accordingly.

Issue (iii)

- (a) The Appellant's Representative stated in its rejoinder to the written reply that after clubbing of account nos. 3000855882 and 3000855887 as account no. 3000855882 on 21.10.2016, the ACD/Security for ₹ 6,87,906/- was not transferred to account no. 3000855882, hence, loss of interest occurred for ₹ 2,78,638/- (as per calculation sheet attached as CP-20) and ₹ 2,03,658/- (as per CP-21). Total estimated loss worked out as ₹ 4,82,296/-. Subsequently, as per Sr. Xen, Jalalabad's

memo no. 358 dated 25.02.2021 vide which case was sent to AO Field, Faridkot for audit, only a sum of ₹ 4,07,052/- on account of interest was referred to audit. Hence, the Appellant would suffer a loss of ₹ 75,244/- without giving any reason for the same.

- (b) The Respondent, vide memo no. 2070 dated 16.03.2021 stated that it could not transfer the security amount of ₹ 6,87,906/- due to some error in SAP system & to resolve this issue, an e-mail had been sent to helpdesk. The Respondent was hopeful of a solution very soon. The updation of security amount of ₹ 3,79,500/- was under process and will be done shortly. It was added that the Amount of Interest and TDS collected on it was discussed with the Appellant who was satisfied with the same.
- (c) The Appellant's Representative to whom a copy of the letter no. 2070 dated 16.03.2021 was given by the Respondent did not raise any objection on the action taken/compliance done by the Respondent in this regard.
- (d) This issue is disposed off accordingly.

Issue (iv)

- (a) The Appellant's Representative in its rejoinder to the written reply of the Respondent, submitted that nothing had been

mentioned nor any reply was given by the Respondent against the interest on interest for ₹ 4,22,727/- plus ₹ 3,92,244/- as admissible as per Regulation 17.3 of the Supply Code-2014.

- (b) A perusal of the observations of the Forum in its decision dated 14.01.2021 reveals that this issue did not find mention therein. Besides, the Respondent also did not mention anything in this regard in its written reply and also in memo no. 2070 dated 16.03.2021 issued after holding a meeting with the Appellant's Representative in compliance to directions given during hearing dated 12.03.2021.
- (c) The Appellant's Representative, on being asked specifically during hearing on 17.03.2021, stated that he was satisfied with the compliance done by the Respondent on all the issues raised by him except Issue (ii) relating to disputed amount of ₹ 1,07,172/- for 03/2018.
- (d) The Appellant was a LS 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 ACD/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. 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.

- f) 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 it at the cost of the Respondent (PSPCL). The Appellant might 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 14.01.2021 of the CGRF, Patiala in Case No. CGP-298 of 2020 is upheld. It is also held that the Appellant shall not be entitled to interest on interest on ACD/Security (Consumption) and Security (Meter) for the disputed period owing to its failure to take appropriate remedy at appropriate time.

7. The Appeal is disposed of accordingly.
8. As per provisions contained in Regulation 3.26 of Punjab State Electricity Regulatory Commission (Forum and

Ombudsman) Regulations-2016, the Licensee will comply with the award/ order within 21 days of the date of its receipt.

9. 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.

March 22, 2021
S.A.S. Nagar (Mohali)

(GURINDER JIT SINGH)
Lokpal (Ombudsman)
Electricity, Punjab.