



HIMACHAL PRADESH ELECTRICITY OMBUDSMAN
SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002
Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

In the matter of:

M/S Sunoxx International, VPO Panjhera, Tehsil Nalagarh, Distt Solan, HP-174101
- Complainant

Vs

1. Executive Director (Personal), HPSEB Ltd, Vidyut Bhawan, Shimla-171004
 2. The Assistant Executive Engineer (E), Electrical Sub-Division No. 2, HPSEBL, Nalagarh, District Solan HP-174101
 3. Sr Executive Engineer, Electrical Division, HPSEBL, Nalagarh, HP-174101
- Respondents**

Complaint No.: 31/2020, Registered on 22/08/2020
(Decided on 28/10/2020)

CORAM

K L Gupta
HP Electricity Ombudsman
Counsel for:

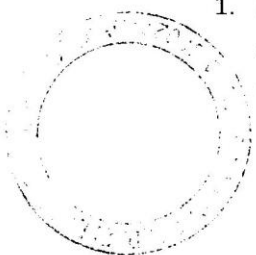
Complainant: Sh. Rakesh Bansal
Respondent: Mr Anil Kumar God, Advocate

Order

The case was received and registered on 22/08/2020. The case was listed for admission hearing on 11/09/2020 with directions to file the reply by 11/09/2020. Reply submitted during hearing. Rejoinder was to be filed by 03/10/2020 which was filed on 30/09/2020. The case was listed for final arguments on 09/10/2020. Written arguments were sought by 17/10/2020 and orders were reserved. Hence the delay.

A – Brief Facts of the Case:

1. M/S Sunoxx International, VPO Panjhera, Tehsil Nalagarh, Distt Solan, HP-174101 has filed an application through Sh. H. R. Suman (hereinafter referred to as 'The Complainant') under regulation 28 (c) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 for non-implementation of the Consumer Grievances Redressal Forum passed on dated 15/07/2020 in Complaint No. 1432/4/19/064, dated 17/12/2019 and to modify the same



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to the extent of interest on Security Deposit of Rs 25,00,000/- for part period and also for full amount instead of interest on Rs 6,00,000/- only alongwith penal interest on delayed payments.

B - The Complainant's submissions:

1. The Complainant submits that this representation is being filed in accordance with the HPERC (CGRF & Ombudsman) Regulations, 2013 as the Applicant/ Complainant is aggrieved by the orders dated 15/07/2020 passed by the Ld. Forum in the Complaint No. 1432/4/19/064 titled as Sunoxx International v. HPSEBL and others, whereby the Consumer Grievance Redressal Forum of HPSEBL directed that *"to pay the interest for the period 2010 to 2015-16 after adjusting the interest already paid w.e.f. 2010 to 2Q11, as per detail submitted in reply to the Complaint by the Respondents."* The Complainant submits that he is not satisfied by the orders passed by the Forum as some of the issues raised by the Complainant have been left unaddressed in the orders. All the issues in detail have been discussed further in this representation. In addition, the Respondents have not implemented the orders of the Forum to the extent of refund ordered by the Forum within the stipulated period of 21 days generally provided in the regulations for compliance of such orders.
2. The Complainant submits that he applied for a power connection for 6000 kW with 2500 kVA of Contract Demand in the year 2010. The connection was sanctioned in favour of the Complainant, wherein a 66 kV service line was to be erected for providing the connection.
3. He submits that the Respondents recovered security of Rs. 25.00 lakhs from the Complainant towards his application, the detail of which is given below:

18/02/2010	R. No. 0245985	Rs. 6.00 lakhs
01/04/2010	R. No. 0169766	Rs. 19.00 lakhs
4. The Complainant submits that his power connection at 66 kV was released on 11/04/2018. Meanwhile, the Complainant also availed interim connections at 11 kV and a temporary connection, for which the security deposits were separately paid. The present representation only deals with interest on security for 66 kV connection and security paid in respect of this connection.
5. The Complainant submits that after the release of power connection at 66 kV voltage, for the first time received interest on security in the bill issued for the consumption month of June, 2019 for Rs. 39480/- out of which TDS was deducted for the financial year 2018-19. This interest was only paid on the amount of Rs. 6.00 lakhs of security initially paid as the same was also reflected in the bill. The Respondents ignored the payment of interest on the security deposit of Rs. 19.00 lakhs in the said year. The Complainant was never paid interest on security of 25 lakhs for the previous years from 08/02/2010 to 31/03/2018. The

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Complainant approached CGRF for claim of interest and penal interest on late payment of interest by the Respondents.

6. The Complainant submits that he Respondents confused the CGRF citing the payment of interest of other connections of the Complainant, one of which was a temporary connection and the other which was a permanent connection at 11 kV voltage. The interest payment in those connections were separately payable on the respective securities deposited for those connections and the interest on security of such connections is not a part of the present dispute.
7. The Complainant further submits that the CGRF passed orders dated 15/07/2020, which were dispatched by the CGRF on 21/07/2020 and was received by the Complainant on 24/07/2020. The HPERC (CGRF and Ombudsman) Regulations, 2013 allow a time period of one month for filing representation before Hon'ble Ombudsman. Hence the present representation is filed well within the time frame allowed under the regulations. A period of 30 days after the expiry of the time provided for compliance is provided for filing a grievance involving the **implementation of the orders passed by CGRF**. While the Complainant is seeking further relief from the Hon'ble Ombudsman, at the same time the implementation of the orders of the CGRF is also being sought to the extent of relief already ordered in favour of the Complainant.
8. **Non-implementation of Forum's Orders:** The Complainant submits that he is aggrieved with the fact that the orders passed by the *Applicant (Must be in favour of Applicant)* has still not been implemented by the Respondents, while the time period of 21 days provided vide Regulation 27 of the HPERC (Consumer Grievances Redressal and Ombudsman) Regulations 2013 has already expired. The implementation of the order was to be carried out by 12/08/2020, providing grace period for the postage delays. The Respondents neither challenged nor communicated to the Applicant any intention of agitating the matter in any further court of law or any other remedy available to them. **Regulation 28 (c) of the HPERC (CGRF and Ombudsman) Regulations, 2013 provides for filing of representations before the Ombudsman if the Complainant is aggrieved by non-implementation of the Forum's order.**
9. **Non-payment of interest on 25 lakhs security:** The Complainant submits that he was entitled for interest on the security deposited by him with the Respondents as per HPERC (Security Deposit) Regulations, 2005 as amended from time to time. Regulation 7 provides of these regulations provide for payment of interest on security deposit if the amount of such interest is more than Rs. 100. The Respondents have defaulted in payment of interest as per schedule given in the regulations. The relevant Regulation is reproduced below:

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"Regulation 7: Interest on security deposit payable by the licensee.- (1) Subject to the provisions of sub-section (2) of section 47 of the Act, the licensee shall, with effect from the month succeeding the date on which the security amount is deposited, pay simple interest on security deposit of a the Consumer at the Bank Rate (as on 1st April of every year) as notified by the Reserve Bank of India or such higher rate as may be fixed by the Commission from time to time and the amount of interest payable shall be rounded off to the nearest rupee.

(2) Where either the security deposit is less than rupees 100 or a connection is disconnected within one year after giving the supply, no interest shall be payable thereon.

(3) The interest accruing to the credit of the Consumer shall be adjusted annually against the amounts outstanding from the Consumer to the licensee as on 30th June of every financial year and the amounts becoming due from the Consumer to the licensee immediately thereafter

(4) The licensee shall duly show the amounts becoming due to the Consumer towards interest on the security deposit in the bills raised on the Consumer and due after 30th June.

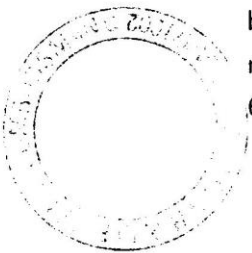
(5) The distribution licensee shall maintain for accrual of interest on security deposit of the Consumers a separate head of account.

(6) The licensee shall pay penal interest on the interest payable at twice the rate specified under sub-regulation (1) for the delay in making the adjustments for interest on security deposit beyond a period of 30 days after the date as specified in sub-regulation (3). This penal interest shall not be a pass through to the Consumers in the licensee's Annual Revenue Requirement."

10. The Complainant submits that the Respondents have contravened the provisions of the HPERC (Security Deposit) Regulations, 2005 and have not paid interest to the Complainant for the period 18/02/2010 up to 31/03/2018. Not a single penny was paid towards interest during this period and remains unpaid even up to this date.

11. The Complainant submits that the Respondents have paid interest only on 6.00 lakhs of security out of 25 lakhs deposited by the Complainant and interest of Rs. 39,480/- was paid/adjusted in the bill for the consumption month of June, 2019.

12. The Complainant further submits that the security paid by the Complainant has still not been update in the billing software system of the Respondents even upto this date as even now the electricity bills issued by the Respondents are showing the security deposit as Rs. 6.00 lakhs.



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13. He submits that the Respondents have again paid interest on security of Rs. 6.00 lakhs only instead of Rs. 25.00 lakhs for the FY 2019-20, as an amount of Rs. 34,200/- have been credited in the bill issued for consumption month of July, 2020 including TDS.
14. The Complainant submits that he is entitled for payment of interest which has been paid short for the entire period up till 31/03/2020 on a total security amount of 25.00 lakhs deposited by the Complainant on the year 2010. The interest claims of the Complaint on account of shortfall works out to Rs. 16,97,270/-.
15. The Complainant submits that he is also eligible for penal interest on delayed payment of interest up till the actual date of payment of interest as per Regulation 7(6) of the HPERC (Security Deposit) Regulations, 2005. The regulation provides for penal interest at twice the rate on interest if the payment is delayed beyond a period of 30 days. The Complainant had prayed for this relief in the Complaint, which has been totally ignored by the CGRF while passing orders.
16. **Prayer:** The Complainant prays a) to modify the orders passed by the CGRF suitably as per submissions above or issue fresh orders super ceding the orders passed by the CGRF in the interest of justice; b) to direct the Respondent to implement the orders to the extent of relief directed by the CGRF within the time period allowed in the HPERC (CGRF & Ombudsman) Regulations, 2013 while the proceedings are pending before the Hon'ble Ombudsman, and if not complied or if complied with delay, to report the matter of non-compliance of the orders as well as in terms of delay, to the Himachal Pradesh Electricity Regulatory Commission; c) to order payment of interest short paid on security that was payable under the HPERC (Security Deposit) Regulations, 2005, and has been calculated at Rs. 16,97,270/- up to this date; d) to direct the Respondents to pay penal interest as per HPERC (Security Deposit) Regulations, 2005 on delay of the payment of interest, the delay still being continued, up to the actual date of refund. Such interest has been calculated to Rs. 14,60,240/- up to this date; e) to condone the delay, if any, in the filing of this representation, due to uncertain travel conditions prevailing in the country due to onset of the pandemic Covid 19, which has resulted in the curbs on travelling, that resulted in delay in signing of the representation as well as the late dispatch of orders by the Consumer Grievances Redressal Forum; f) cost of Complaint to an extent of Rs. 2,00,000/-; g) call for the record of the case and h) any other or further orders which this Hon'ble Ombudsman may deem fit and proper, in the facts and circumstances of the case may kindly be passed in favour of the Complainant Company and against the Respondents/distribution licensees.

C – The Respondents' submissions:

1. The Respondents submits that first & foremost this is to bring to the kind consideration that an appeal has already been filed in HP High Court through standing counsel Sh. Tara Singh Chauhan against the orders of CGRF dated 15/07/20 as directed vide SE (Operation)

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Circle letter No. 4292-93 Dt 31/08/20. It has been gathered from standing counsel that an application in this regard has already been moved in High Court which is in scrutiny and is expected to be admitted shortly. There is being slight delay in admitting the cases in High Court due to COVID issues.

2. The Respondents submitted that the Consumer had applied for 66 kV connection for 6000 KW with 2500 kVA of Contract Demand in the year 2010. For the connection to be released to the Consumer, 66 kV transmission line was to be constructed. As the Respondent was not having enough fund in any scheme for such construction, Consumer had agreed to construct the line on self-execution basis. The load sanction was released vide office orders issued by Chief Engineer (Op.) South, Shimla – 4 bearing No. CEO/M&C-42 (Sunox)/2010-9321-22 dated 31/08/2010. The load sanction had the pre-requisite condition for Consumer to bear the cost of 66 kV dedicated feeder along with other accessories. The Consumer deposited a security amount of Rs. 25,00,000/- only for the above connection in Feb, 2010 and April, 2010. Meanwhile the Consumer had applied for release of 600 kW/ 600 kVA of connection at 11 kV till the completion of 66 kV line. 11 kV connection was an interim arrangement at different supply voltage level. The connection of the Consumer was delayed because Complainant was not able to construct the 66 kV line due to land disputes for construction of towers. It is quite evident from the course of action taken by the Complainant that they had received 11 kV connection from the Respondent and their work was being very well managed at their premises by that supply. They were not in hurry to finish the construction of the 66 kV line as they were building their business which apparently takes time to flourish. Consumer made no efforts to fast forward the construction of 66 kV line which eventually got erected in 2018. The delay in the construction the line was entirely on the part of the Consumer. As per Clause No. 7 (4) of HPERC (Security Deposit) Regulation, 2005; **'the licensee shall duly show the amounts becoming due to the Consumer towards interest on the security deposited in the bill raised on the Consumer and due after 30th June.'** Since connection was not released to the Consumer and he was registered on the HPSEBL billing system, monthly bills even on the chargeable contract demand were not issued as no such mechanism existed ten years back or even today. Also, it appears that Complainant had full knowledge of the interest on the security deposits and even then he intentionally did not ask the Respondent to settle the same and waited till the connection was released because it was a known fact that Complainant was at fault for not constructing the 66 kV line in time.
3. The Respondents submits that the Complainant has requested interest from Feb, 2010 till March, 2018 which itself is deviating from the scope of Regulation 7 of HPERC (Security Deposit) Regulation, 2005 which clearly states that interest shall be paid with effect from the month succeeding the date on which the security amount is deposited which is in April, 2010 when Consumer made final payment of Rs. 19,00,000/- towards the security.

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Also, the end period should be May, 2017 as whole of Rs. 25,00,000/- were adjusted against court case security in May, 2017.

4. The Respondents submits that the complete amount of Rs. 25,00,000/- deposited as security as claimed consists of Rs. 6,00,000/- cash on dated 17/05/17 and Rs 19,00,000/- as bank guarantee dated in 10/04/2018. Interest is not payable on BG and on cash it has been paid.
5. The Respondents submits that interest has been paid on Rs. 6,00,000/- only because from July, 2017 onwards this amount is in custody of HPSEBL as security. Also, interest on BG is not payable. In the instant case CGRF had ordered that interest be paid as per HPERC Security Regulations and has not mentioned any amount that is payable. Since the Complainant became Consumer only in April 18, the same is payable from then since previously no bills were issued and as per these regulations the interest credit was to be reflected in June months bills each year. Also delay in release of connection was on Consumer end and HPSEBL cannot be held liable for delay and penalty levied on this account.
6. The Respondents further submits that the Complainant has requested for penal interest when he is not even eligible for simple interest as he had claimed his security of Rs. 25,00,000/- only against the court case and deposited Rs. 6,00,000/- only as new security under HPSEBL in July, 2017 before the time when he was not a Consumer.
7. The Respondents thus prayed that the Complaint filed by the Complainant may kindly be dismissed with cost.

D – The Complainant's additional submissions through rejoinder:

1. The Complainant repeated, reiterated and confirmed all the statements and averments made by him in the Complaint. He denied all the statements and averments made in the said reply unless and until the same are specifically admitted by the Complainant Company. The objections raised by the Respondents are lacking merit.
2. The Complainant submits that the Respondent has submitted that they have assailed the orders passed by CGRF in the Complaint before the Hon'ble High Court of Himachal Pradesh. However, the Respondent has not attached any evidence to the fact that such filing is in process. Nor has the Respondent attached any interim stay issued by any court of law, which may restrict the Ld. Ombudsman to proceed in the matter. However, the letter No. 4292-93 dated 31/08/2020 nowhere talks of the matter being assailed in the High Court. However, it is a simple direction the XEN concerned that the matter be

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contested before the Electricity Ombudsman. It appears that that the reply to this para is a mis-statement on the part of the Respondents.

3. The Complainant submits that he has raised the issue of non-implementation of the relief ordered by the Forum whereas the reply appears to be irrelevant. Whereas, The Respondents on the other hand have replied to a different para, it seems. However, it is once again re-confirmed that no part of this para is foregone as no part of the orders have been complied so far.
4. The Complainant submits that the deposit of security have no concern, with the delay in construction of line in any manner. The interest on security have been fixed by the Himachal Pradesh Electricity regulatory Commission at a very low rate and no Consumer would want to deposit extra security with the Respondents for the purpose of earning interest. The Consumers would prefer to keep such deposits in the form of fixed deposit in banks, which too offer similar or better rates of interest. The main purpose of security deposit is to protect the payment of bills issued by the utility. The amount collected in the form of security by the Respondents is put to use by them and is a low-cost fund available to the Licensee, while simultaneously it protects the utility from billing debtors. The main point of concern that has been raised by the Respondents is that the interest on security had to be paid through adjustment in the bills, but there is no disagreement on the part that the interest was not payable at all. The issue raised by the Respondents are related to the internal working system, which as per them is to be blamed for delay in payment if interest on security. The regulation does not debar a Consumer from payment of interest on security, till the time of release of power connection.
5. The Complainant submits that the Respondents have countered that since the security of Rs. 25.00 lakhs was adjusted in the month of May-2017, the same can be accepted subject to their issuance of a proper adjustment document and receipt showing the adjustment in the disputed amount. The Respondents, to our knowledge had not adjusted the said amount of Rs. 25.00 lakhs. However, if such documents are provided to the Complainant, the Complainant is agreed to exclude the claim period starting from May, 2017 to 31/03/2018.
6. The Complainant submits that the reply of the Respondents accepted to the extent that interest is not payable on the security deposit in the shape of bank guarantee, w.e.f. the date of the bank guarantee. The claim remains only upto the April, 2017 as per submissions in the said para. The security in the shape of bank guarantee should also be reflected in the billing system and the bills issued to the Complainant.
7. The Complainant submits that subject to the proper documentation, if provided by the Respondents in respect of adjustment of Rs. 25.00 lakhs in the month of May, 2017, the



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Complainant drops his claim of interest as per Regulation 7(1) after April, 2017. So, the relevant contents of this para of the Complaint may please be ignored.

8. The Complainant submits that the Respondent has made a U-turn, even denying the interest on security as per Regulation 7(1), while earlier they were only contesting for the period for which the interest was to be paid. The Respondents could have avoided delay in payment of interest, by issuance of cheques in favour of the Complainant or crediting such amount in the other power connections in the name of the Complainant in which the electricity bills were being issued. This could have been done on year to year basis, but the Respondent remained silent to take advantage of the position. The Complainant is entitled for penal interest for delay in payment of interest payable as per regulation 7 of the HPERC (Security Deposit) Regulations, 2005. The Complainant is also entitled for penal interest on delayed payment of interest as per Regulation 7(6) of the HPERC (Security Deposit) Regulations, 2005 since the interest payments have not been done by the time defined in the regulations.
9. The Complainant further submits that to sum up his claim, the following issues remain to be settled in respect of the Complaint filed before the Ld. Ombudsman:
 - a) Non-implementation of relief ordered by the CGRF as so far no -compliance has been carried out. Consequently the delay in compliance is clearly established;
 - b) Interest due to the Complainant as per Regulation 7(1) which was ordered to be paid up to financial year 2015-16 by the Forum, the period needs to be modified upto April, 2017 as the adjustment of security amount was carried out in May, 2017;
 - c) Proper documentation of the adjustment of the security in other court case must be provided to the Complainant for his records and to avoid future confusion;
 - d) Penal interest as per Regulation 7(6) on the interest worked out as per Regulations 7(1) determined to be payable to the Complainant.
10. The Complainant further prays that relief to the extent not settled in the proceedings may kindly, be ordered in favour of the Complainant in the interest of justice.

E.- Written arguments by the Complainant:

1. **Non-implementation of Forum's Orders:** The Respondents have so far not complied with any part of the relief ordered by the CGRF and hence it is proven beyond doubt that there is a serious non-compliance on the part of the Respondents. As there is no court order restraining the Respondents from complying with the orders any plea for assailing the

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order cannot be accepted and there is no sufficient reason to stop the action for non-compliance as per Act and Regulations.

2. **Non-payment of interest on 25 lakhs security:** The complainant was entitled for interest on the security deposited by him with the Respondents as per HPERC (Security Deposit) Regulations, 2005 as amended from time to time on year to year basis. The CGRF has ordered payment of such interest only upto the financial year 2015-16, whereas the security of the complainant was adjusted in other dues in the month of May, 2017. The complainant is actually entitled to get interest upto April, 2017. This appears to be an error on the part of CGRF, which needs to be corrected by the Ld. Ombudsman while passing directions in the matter of the complaint. Such interest works out to Rs. 14,13,750/- as per revised calculations upto September, 2020. The calculations are placed at Annexure C-7 of this document. The Respondents all the time knew about the other accounts of the complainant and it was possible for them to pay interest on security in other electricity accounts of the complainant as has been done while adjusting the security of permanent connection in the dues of the temporary connection earlier availed by the complainant.
3. **Penal Interest:** The complainant is also eligible for penal interest on delayed payment of interest up till the actual date of payment of interest as per Regulation 7(6) of the HPERC (Security Deposit) Regulations, 2005. The regulation provides for penal interest on interest at twice the rate on interest if the payment is delayed beyond a period of 30 days. There is no reason why the complainant should not be paid penal interest for the period of delay in the payment of interest. The revised amount of penal interest has been worked out to Rs. 14,61,664/- upto September 2020 by the complainant and is placed at Annexure C7. The delay in execution / erection of 66 kV line cannot be justified as a valid reason for non-payment of interest in time.
4. The Complainant once again prayed that the relief may be granted as prayed in the main complaint/ representation, by considering the revised values of interest and the penal interest reflected in Annexure C-7 of the written arguments.

F – Written arguments by the Respondents:

1. The Respondents have not submitted any written arguments in the case.

G – CGRF Order:

1. We have carefully examined the case file, relevant provisions of law/rules/regulations. It is evident from record and pleading of the parties that the security amount of Rs.25 Lakhs paid in the year 2010 by the complainant as security deposit in respect of connection, the load of which was initially sanctioned at 11KV for 6000KW of load till the completion of

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the 66KV line. The complainant has not commented on the interest payments on security as claimed by the respondent board in reply to para 8 (2) of the complaint and submitted the year wise detail of interest paid with effect from 2010 to 2015-16. The total interest paid as per above submission of the respondents comes to Rs. 1,98,883/-. The fact is also not denied by the complainant that the security amount of Rs.25 Lakhs paid in the year 2010, was later adjusted in the amounts due towards court amount to be paid for filing appeal under section 127 of the Electricity Act, 2003, in the year 2017. Thus, the security amount of Rs.25 Lakhs stood adjusted in May, 2017 which is not denied by the complainant. However, the issue of interest not paid on it from 2010 to 2017 remains to be answered by the respondents, as per averments made by the complainant. Now we refer to the relevant provisions of Regulations and law on the issue of payment of interest on the security amount. Section 47(4) of the Electricity Act, 2003 is reproduced below:-

“(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.”

Further regulations 7 para 3 provide for as under “the interest accruing to the credit of the consumer shall be adjusted annually against the amount outstanding from consumer to the licensee as on 30th June of every financial year and the amounts becoming due from the consumer to the licensee immediately thereafter and para 4 as the licensee shall duly show the amounts becoming due to the consumer towards interest on the security deposit in the bills raised on the consumer and the due after 30th June”.

2. The above provisions of section 47 (4) of Electricity Act, 2003 clearly provide for payment of 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. The Regulation referred above, also states that the interest accruing to the credit of the consumer shall be adjusted annually against the amount outstanding from consumer to the licensee as on 30th June of every financial year. The regulation also provide that the amounts becoming due from the consumer to the licensee immediately thereafter and as the licensee shall duly show the amounts becoming due to the consumer towards interest on the security deposit in the bills raised on the consumer and the due after 30th June”.
3. The documents on record and the pleadings of the parties makes it evident that the complainant's permanent connection was released on 01.06.2017. The arrears of interest on security of complainant were not paid by the respondents in the bills issued to the complainant thereafter. The Respondents in reply admitted and submitted that the energy bills were not being issued to the consumer, as the power connection was not released, thus they could not credit the interest of security in the bills.

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4. In view of the observations made herein above, the Respondents though have adjusted the security deposited by the complainant in the year 2010, as per consumer request in May, 2017, which is not denied by the complainant. The fact is also established that interest payable on account of delay for the said period, is to be paid as per above referred provisions of law and HPERC (Security Deposit), Regulations, 2005. Therefore, the complaint is disposed of in aforesaid terms and respondents are directed to pay the interest for the period 2010 to 2015-16 after adjusting the interest already paid w.e.f. 2010 to 2011, as per detail submitted in reply to the complaint by the Respondents; in accordance with the provisions of law and HPERC Regulations on the matter referred herein above. Parties are left to bear their own costs. Announced before the parties present at Kasumpti (Shimla) on 15/07/2020.

H – Analysis of the Complaint:

1. The case file at Consumer Grievances Redressal Forum have also been requisitioned and gone through.
2. The Complainant was sanctioned a Connected Load of 6000 kW with 2500 kVA Contract Demand in 2010 as per his submissions and a 66 kV transmission line was to be erected by him. The firm intimated his readiness to take connection on 02/04/2018 which was released on 11/04/2018.
3. The Complainant submitted Advance Consumption Deposit (Security Deposit) against this connection in two installments of Rs 6,00,000/- on 18/02/2010 and Rs 19,00,000/- on 01/04/2010 totaling Rs 25,00,000/- at the time of sanction of his load.
4. The contention of the Complainant is that he has been deprived of the interest on security deposit w.e. from February 2010 on Rs 25,00,000/-.
5. On his request, a security deposit of Rs 29,50,196/- was adjusted by the Respondents in May 2017 against 1/3rd amount of Assessment for Rs 1,65,35,470/- amounting to Rs 55,11,823/- to be deposited by him in separate case under Section 126 of Electricity Act, 2003 of which Rs 25,00,000/- was the amount deposited in two instalments in February and April 2010.
6. The Complainant also deposited Rs 6,00,000/- towards security deposit in May 2017 alongwith a Bank Guarantee of Rs 19,00,000/- (*Documents not available on record*) totaling Rs 25,00,000/- before release of his connection on 66 kV on 11/04/2018.
7. He has been getting the interest on security deposit of Rs 6,00,000/- in energy bills for FY 18 in June 2019 for Rs 39,480/- and for FY 19 Rs 34,200/- in July 2020.



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8. Since the additional Security Deposit for Rs 19,00,000/- was in the shape of Bank Guarantee, the interest on same was not payable and this fact have also been acknowledged by the Complainant in his additional submissions in rejoinder dated 30/09/2020 reproduced at para D-6 above. His only contention now is that the Security deposit in the shape of Bank Guarantee should also be reflected in the billing system and the bills issued to him.
9. His contention that he should be given interest on Rs 25,00,000/- after May 2017 doesn't appears to be in order since the same stands adjusted in different case under Section 126 towards 1/3rd amount and he agrees for same for exclusion subject to production of document for same. The document written by the Complainant citing the adjustment of his security deposit towards 1/3rd amount specifically mentioned at point No. 3 is available in reply of Respondents in case file of CGRF in Complaint No. 1432/4/19/064, acknowledged by the Respondent No. 2 on 18/05/2017.
10. Now the question remains for the interest on security deposit for period 2010 to May 2017 when the said amount stands adjusted against other case under Section 126 towards 1/3rd amount.
11. The Complainant filed the case at Consumer Grievances Redressal Forum vide Complaint No. 1432/4/19/064, dated 17/12/2019. Nature of relief sought by him at the Forum was to pay interest on the security deposit, pay penal interest under Regulation 7 (6) and interest as per Regulation 8 (1) of the Himachal Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2005.
12. The Forum passed orders on 15/07/2020 wherein they ordered Respondents to pay interest for the period 2010 to 2015-2016 after adjusting the interest already paid w.e. from 2010 to 2011 in accordance with provisions of law and HPERC regulations. The Forum neither decided on the penal interest part as per provisions under Regulation 7 (6) for delay in providing interest on security deposit between 2010 till May 2017 (After adjusting interest paid for 2010 and 2011) nor touched interest part under Regulation 8 (1) of Himachal Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2005 nor they explained the non-grant of interest for FY 17.
13. Now touching the provisions of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 under which this Complaint has been filed. The Complainant has mentioned Regulation 16, 17 and 18 of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 which pertains to filing of Complaint at Consumer Grievances Redressal Forum and does not pertains to provisions under which



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he has to file his Complaint at Electricity Ombudsman. Only at one place he has mentioned Regulation 28 (c) for non-compliance of CGRF orders reproduced at para B-8 above.

14. The Complainant has also requested for interest on Rs 25,00,000/- for period 18/02/2010 up to 31/03/2018 (Later dropped his claim up to May 2017 on proof of documentation for adjustment in May 2017 towards 1/3rd amount in different case). He has also prayed for modifying the orders of the Consumer Grievances Redressal Forum suitably besides implementation of orders of the Forum to the extent of relief as directed and on non-compliance, report the same to the Commission, pay interest short payed and calculated at Rs 16,97,270/- with penal interest of Rs 14,60,240/-.
15. Now for his claim for interest on security deposit up to adjustment made in May 2017 since 2010, the Forum has provided interest on security deposit since 2010 till FY 2016 i.e. March 2016 after adjustment of interest for 2010 to 2011, appears to be against the security deposit of other connection which was temporary. The Forum has not ordered interest on security deposit for FY 17 for reasons known to them since they have nowhere mentioned the reasons for disallowance of same in their orders dated 15/07/2020.
16. The Complainant has nowhere in his complaint mentioned that he has filed the same under Regulation 28 (1) (b) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 being unsatisfied by the orders of the Forum.
17. The Complainant has neither filed this Complaint under provisions of Regulation 28 (1) (b) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 nor have preferred a review under provisions of Regulation 26 (7) of the said regulations for so called mistake in Forum's orders wherein they have not touched the issue of Penal Interest under Regulation 7 (6) and interest on unpaid amount under provisions of Regulation 8 (1) of Himachal Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2005..
18. Since the Complainant has filed his Complaint under 28 (1) (c) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013, there is no reason for this office to go beyond the provisions of said regulation. The Complainant should have filed the review if aggrieved by the Orders of the Forum and Electricity Ombudsman can't take issues which have neither been decided by the lower authority nor mentioned nor any review sought by the Complainant.
19. The Respondents in their reply dated 11/09/2020 submitted that they have already filed an appeal at Hon'ble HP High Court as directed by SE Operation Circle letter dated

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31/08/2020 (attached with their reply) does not seem to be true since the letter by SE Operation Circle Solan dated 31/08/2020 only mentions to defend the case before Electricity Ombudsman and to ensure that same doesn't go by default of non-appearance as well as non-submission of reply.

20. The Respondents have nowhere in their reply mentioned about the implementation of the orders of the Forum passed on dated 15/07/2020 in Complaint No. 1432/4/19/064, dated 17/12/2019. They have contended in their reply that since the Complainant became Consumer only in April 2018 and was not entered in to billing system prior to that and no bills were issued to him, the interest on security deposit is payable since when he became Consumer only. This contention of the Respondents is not true since whether he has been entered in to billing system or not but his load was sanctioned in 2010 and the security deposit towards same was done by the Complainant in February and April 2010.

I – Issues in Question: Since the Complainant has neither filed this Complaint under Regulation 28 (1) (b) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 nor have sought review for the new issues at the Forum but agitated now at Electricity Ombudsman, the same are not being taken up as issues and require no modifications of the orders of the Forum dated 15/07/2020 in Complaint No. 1432/4/19/064, dated 17/12/2019. The issues of penal interest under Regulation 7(6) and interest on unpaid amount under regulation 8 (1) of Himachal Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2005 are not being taken up accordingly.

1. **Issue No.1:** Whether the orders passed by the Consumer Grievances Redressal Forum on dated 15/07/2020 in Complaint No. 1432/4/19/064, dated 17/12/2019 require any modifications?
2. **Issue No. 2:** Whether the Respondents have complied with the orders of the Consumer Grievances Redressal Forum passed on dated 15/07/2020 in Complaint No. 1432/4/19/064, dated 17/12/2019 or not?

J – Finding on Issues:

Issue No.1:

1. As is evident from the analysis done above, the orders passed by the Consumer Grievances Redressal Forum on dated 15/07/2020 in Complaint No. 1432/4/19/064, dated 17/12/2019 require no modifications in respect of new issues now brought before Electricity Ombudsman without preferring a review for same first at the Consumer Grievances Redressal Forum and further since the Complainant has filed this Complaint under Regulation 28 (1) (c) of Himachal Pradesh Electricity Regulatory Commission

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(Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 and not under Regulation 28 (1) (b) of the said regulations.

Issue No. 2:

1. As is evident from the analysis done above, the Respondents have neither complied with the orders passed by Consumer Grievances Redressal Forum on dated 15/07/2020 in Complaint No. 1432/4/19/064, dated 17/12/2019 nor have assailed the same before any court for modifications as mentioned in their reply dated 11/09/2020.

K – Order:

1. The orders passed by Consumer Grievances Redressal Forum on dated 15/07/2020 in Complaint No. 1432/4/19/064, dated 17/12/2019 are upheld and require no further modifications.
2. It is a fit case of non-compliance by the Respondents of the orders of the Forum passed on dated 15/07/2020 in Complaint No. 1432/4/19/064, dated 17/12/2019.
3. The Respondents are directed to comply with the orders of the Forum passed on dated 15/07/2020 in Complaint No. 1432/4/19/064, dated 17/12/2019.
4. The Respondents are further directed to report compliance within a period of 15 days from the date of this order failing which the matter shall be reported to the Commission under provisions of Regulation 37 (6) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 for appropriate action by the Commission under the provisions of the Electricity Act, 2003.
5. The Respondents are further directed to reflect the full security deposit amount on the energy bills of the Consumer in two parts, in cash and in Bank Guarantee separately.
6. The Complaint filed by M/S Sunoxx International, VPO Panjhera, Tehsil Nalagarh, Distt Solan, HP-174101 is hereby disposed off.
7. No cost to litigation.

Given under my hand and Seal of the Office.

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28/10/2021
Electricity Ombudsman