## HIMACHAL PRADESH ELECTRICITY OMBUDSMAN SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

## In the matter of:

Complaint No. 23/2023

M/S Him Chem Ltd., Village Khera, P.O. Baddi, Nalagarh Road, Nalagarh (H.P), Distt. Solan, H.P -174101

-Complainant

Vs

- 1. Executive Director (Personal), HPSEB Ltd, Vidyut Bhawan, Shimla-171004
- 2. The Sr. Executive Engineer, Electrical Division, HPSEBL, Nalagarh, (H.P)- 174101
- 3. The Assistant Executive Engineer (E), Electrical Sub-Division, HPSEBL, Nalagarh, District Solan, H.P.- 174101

-Respondents

- 4. Complaint No. 23/2023 (Registered on 22/11/2023)
- 5. (Orders reserved on 09.01.2024, Issued on 18/01/2024)

### **Counsel for:**

The Complainant: Sh. S

Sh. Sanjay Verma, Advocate

The Respondents:

Sh. Rajesh Kashyap, Advocate

**CORAM** 

Er. Deepak Uppal

**HP Electricity Ombudsman** 





# HIMACHAL PRADESH ELECTRICITY OMBUDSMAN SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

#### **Order**

- 1. The case was received & registered on 22/11/2023, under provisions of Section 42(6) of the Electricity Act, 2003 against the final Orders dt.03/11/2023 passed by the Consumer Grievance Redressal Forum (CGRF) Kasumpti, Shimla, in Complaint No. 1432/202308/27 dt.22.08.2023 and subsequent copies of the Complaint had also been served by post on 22/11/2023 by the Complainant to the respective Respondents.
- 2. The Complainant further prayed for granting Interim directions under Regulation 36 of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013, to restrain the Respondents from disconnecting the electricity supply by taking any coercive action till the Pendency of the Representation in the interest of justice.
- 3. Prayer granted through interim order dt. 23/11/2023 and in terms of powers conferred under the provisions of said Regulation 36 read with Regulation 33 (2) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013, the Respondents were directed not to disconnect electricity connection of the Complainant's premises during the pendency of the present Complaint with this Appellate Forum.
- **4.** The Complainant had also submitted proof of having deposited more than 50% of the disputed amount with the Respondents as required under the provisions of Regulation 33 (1) (g) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013. The matter was listed for admission hearing on dated 30/11/2023.
- **5.** The matter was heard and after listening both the parties, admitted for further initiation of proceedings. The Respondent Board was directed to submit reply duly supported by attested affidavit within two weeks' time and subsequent rejoinder by the complainant thereof. The matter listed for hearing on dated 18/12/2023.
- 6. The matter was heard. The Respondent Board did not submit the reply within two weeks' time as directed vide this court order dated 30/11/2023. However, during adjudication, both counsel for Respondent and complainant in the open court arrived at mutual Consensus that the reply submitted by the Respondent Board as well as subsequent rejoinder by the Complainant before Consumer Grievance Redressal Forum at Kasumpti in Complaint no. 1432/202308/27, order dated 03/11/2023 may be considered for further proceedings in the said matter. This court agreed and both the counsels submitted written statements respectively on the above accord and the statements were taken on record for proceedings thereafter. For the sake of reference, the statements are reproduced as under:



Curred



SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002 Phone: 0177-2624525, email: <a href="mailto:ombudsmanelectricity.2014@gmail.com">ombudsmanelectricity.2014@gmail.com</a>

### A. Statement By the Respondent:

"M/S Himchem V/S HPSEBL.
Statement of Rajesh Kashyap Advocate.
Counsel for Respondent Board.

W/Oath 18/12/2023

Stated that the reply filed by Respondent Board before CGRF be treated as reply in present representation filed by the petitioner in the original Complainant No.1432/202308/27 dt. 03/11/2023.

Sd/-( Rajesh Kashyap Advocate)"

### B. Statement By the Complainant:

"M/S Himchem V/S HPSERL.

Statement of Sahil Thakur Advocate appearing vice to Advocate Shalini Thakur on behalf of Petitioner M/s Him Chem Ltd.

W/Oath 18/12/2023

Stated that since the Respondent i.e The Executive Director has adopted the reply field by them before the Ld. CGRF, thus we would be adopting the rejoinder field before the Ld. CGRF in Case bearing No. Complainant No. 1432/202308/27 dt. 03-11-2023."

Sd/-

Sahil Thakur

HIM/448/2018

Ro& AC

Ombuq!

18/12/2023"

- 7. After listening to both the parties, the matter was listed for final Arguments on 27/12/2023.
- **8.** The matter was heard. The final arguments could not be conducted as per schedule as the counsel for complainant prayed for some more time for final arguments. Prayers granted. The officer concerned appearing as Respondent, addressed in details on the issue of temporary revision of Contract demand in terms with 2<sup>nd</sup> Amendment of clause No. 3.10 (a) of the Supply Code. The concerned officers also argued partially on his appearance as Respondent in this court and the same was also taken on record during the course of hearing on dated 27/12/2023. After listening to both the parties, this court further adjourned the matter to 09/01/2024 for final arguments.
- **9.** Case called, the matter was heard. The counsel for Complainant read out the grievances and also submitted written arguments. Both counsel for Complainant and Respondent advanced

Curren



### SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

their arguments. The counsel for Respondent confined his contentions for arguments in line with the earlier reply submitted by the Respondent Board before Consumer Grievance Redressal Forum at Kasumpti in the said matter. This court agreed in line with the above statements submitted by the respective counsels during hearing on 18.12.2023. The arguments were heard and concluded. Orders reserved. Thus concluded within the ambit of stipulated time as per the prevalent provisions. Hence, no delay.

### A-Brief Facts of the Case:

- 1. The Complainant M/s Him Chem Private Ltd, Village Khera, Baddi Nalagarh, Tehsil Nalagarh (HP) 174101, have filed complaint under the provisions of Section 42(6) of the Electricity Act, 2003 against the final Orders passed by the Consumer Grievance Redressal Forum (CGRF) Kasumpti, Shimla, on dated 03/11/2023 in Complaint No. 1432/202308/27 dt.22.08.2023.
- 2. The Complainant bearing consumer ID 100012000865, is a Large Industrial Power Supply (LIPS Two Part) category consumer of the Respondent HPSEBL
- 3. On 18.07.2022, the Respondent served upon the Complainant impugned Demand Notice amounting to Rs 29,22,000/- on account of arrears arising due to non-charging of original contract demand (in kVA) in electricity bills from April 2021 to March 2022.
- 4. The sanctioned or permanent or original Contract Demand of the Complainant is 2500 kVA. Further, the Complainant availed approved Temporary Contract Demand in October 2020 against payment receipt dated 26.09.2020.
- The instant matter is regarding raising of impugned monetary demand dated 18.07.2022 by the Respondent HPSEBL to the Complainant for the period from April 2021 to March 2022. This was raised pursuant to the clause 3.10 of the HP Electricity Supply Code (Second Amendment) Regulations, 2018, notified by the HP Electricity Regulatory Commission (or the HPERC) on 31.07.2018 and became effective from 01.04.2019 (here-in-after referred to as Supply Code 2nd Amendment, 2018 or Supply Code 2nd Amendment).

#### **B-The Complainant's Submission:**

- 1. The Complainant submits representation under Section-42(6) of the Electricity Act,2003 against the impugned order dt. 03.11.2023 passed by the Consumer Grievance Redressal Forum in Complainant Titled M/S Him Chem Ltd Vs Himachal Pradesh Tate Electricity Board Ltd.& Others.
- **2.** The Complainant submits that the Petitioner is a Private Limited Company having its registered office at Nalagarh and falls within the ambit of Consumer Section 2(15) under the Electricity Act, 2003 bearing Consumer Id 100012000865.
- 3. The Complainant submits that the present petitioner is challenging the Impugned order dt. 03-11-2023 passed by the Consumer Grievance Redressal Forum in Complaint No. 1432/202308/27 in Complaint titled as M/s Him Chem Pvt. Ltd vs. Himachal Pradesh State Electricity Board & Others under Section 42(6) the Electricity Act, 2003. Copy of the impugned order is annexed as **Annexure P-1** for the kind perusal of this Ld. Court.
- **4.** The Complainant submits that the brief facts of the matter leading to filling of present representation are that: -

Curral

Page 4 of 29



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

- **a.** that a complaint was filed under regulations 16, 17 and 18 of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 by the Complainant M/s Him Chem Private Limited, bearing Consumer ID 100012000865, which is a large Industrial Power Supply (LIPS Two Part) category consumer of the Respondent HPSEBL.
- b. that on 18-07-2022, the respondent HPSEBL served upon the Complainant impugned demand notice amounting to Rs. 29,22,000/- (Annexure P-2) on account of arrears arising due to non-charging of original contract demand (in kVA) in electricity bills from April 2021 to March 2022. The sanctioned or permanent or original Contract demand of the Complainant is 2500 kVA. Further, the complainant was approved Temporary Contract Demand in October 2020 against payment receipt dated 26-09-2020. The petitioner had filed reply. Copy of reply is annexed as Annexure P-3.
- c. that the Ld. Consumer Grievance Redressal Forum vide Impugned order dt. 03-11-2023 dismissed the complaint filed by the Complainant. Copy of the impugned order is annexed as **Annexure P-1** for the kind perusal of this Ld. Court.
- 5. The Complainant submits that the present petitioner is challenging the Impugned order Annexure P-1 on the following amongst other grounds:
  - i. That the Ld. Forum has failed to appreciate the facts and law in the right perspective.
  - ii. That the Ld. Forum has failed to appreciate the contentions raised by the complainant and has not even cared to even discuss the issues laid by the complainant and has thus passed a non-speaking order.
  - iii. That the Ld. Forum failed to appreciate that the case of the Petitioner deals with the temporary reduction carried out after 01-04-2019 and on which the amended rules were clearly applicable. The temporary reduction in the case of petitioner was applied and affected sometime around October 2020, which continued to the financial year 2021-22.
  - **iv.** That the Ld. Forum failed to appreciate that the demand notice was based on the basis of case titled as M/s Mohan Meakin Ltd., whereas this case is not applicable to the petitioner, the facts as well the law both were different.
  - **v.** That the Ld. Forum has failed to appreciate that it is the laxity, carelessness on the part of respondent who should have raised the bill during the complete financial year 2021-22 on the demand which was temporality reduced in the financial year 2020-21.
  - vi. That nothing in the amendment of clause 3.10, prevents for the reduced demand to continue during the next financial year i.e., 2021-22 in continuity for the initial period of six months i.e., April, 21 to Sep, 21 as the amendment only provides for billing of demand charges on sanctioned contract demand for at least six months in a financial year. The requirement of the said amendment standards complied if the billing for period Oct, 21 to Mar,22 is carried out on sanctioned contract demand. It was the responsibility of the respondent to raise the correct bills during these six months, which have not been discharged by respondent because of which the need to recover arrears have arisen, and to which the justifiable amount of Rs. 14.24 Lakhs have already been earlier agreed by the complainant.
  - vii. That the benefit of six months' temporary reduction in the financial year 2021-22, which is a bona-fide right of the petitioner under the amended rules cannot be stolen over by the respondent. Had the office of respondent issued a bill on the basis of sanctioned contract demand in the month of April, 2021, the complainant would have immediately applied for another temporary reduction for the six months in the FY 2021-22. The



Currel

#### SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

negligence and after thought of the respondent cannot be allowed to steal away the bona fide right for the FY 2021-22. The complainant is availing this benefit regularly.

viii. That the Respondent vide letter dt. 08-11-2023 issued a notice to the petitioner that in view of final order passed by CGRF, it is directed by the forum that the amount of less contract demand charges levied in energy bill of Him Chem Pvt. Ltd. has to be paid by the petitioner within 10 days and therefore requested the present petitioner to deposit the balance amount within stipulated time period to avoid the disconnection of power supply. Copy of the notice is annexed as **Annexure P-4** for the kind perusal of this Ld. Court.

#### **PRAYER**

- **6.** The Complainant prays most respectfully as under:
  - a. That the present representation may kindly be allowed and the Impugned order dt. 03-11-2023 Annexure P-1 passed by the CGRF & Demand Notice Annexure P-2 may kindly be set-aside.
  - b. Any other order which this Ld. Court may deem fit & proper may kindly be passed in the favour of the petitioner.
- 7. The Complainant also submits an Application for Inerim Directions Under Regulations 36 of 2013 and prays as under:
  - a. That the main matter is pending for adjudication before this Ld. Court.
  - b. That the main matter pertains to the demand notice of Rs. 29,22,000 by the respondent, the Petitioner had already deposited more than half amount of the demand notice but despite this the respondent had issued Annexure P-4 raising demand to deposit the balance amount otherwise coercive action will be taken against the Applicant.
  - c. That the applicant has good case on merit and is likely to succeed as the impugned order is non- speaking order and none of the submission of the applicant is considered by the Ld. Forum.
  - d. It is therefore most respectfully prayed that the present application be allowed and respondent be restrained to take any coercive action against the applicant in the interest justice till the pendency of the application and operation of impugned notice Annexure P-1 may kindly stayed in the interest of justice and fair play.

#### **C-The Respondent's Submission:**

In consonance with above statements, the reply that stands submitted by the Respondent Board before Consumer Grievance Redressal Forum in Complaint no. 1432/202308/27dt. 22/08/2023 and order passed on dt. 03/11/2023 is taken on record for reference and reproduced as under.

#### **Preliminary Submissions:**

- 1. The Respondent Submits that the Complainant firm by means of the Present petition has inter-alia prayed for the following relief:
  - "To quash the demand notice for an amounts of Rs 1498000/"-
- 2. The Respondent Submits that the Complainant firm is a consumer of electricity with the replying respondent under Elect. Sub-Division, No.2 under Electrical Division, HPSEB Ltd. Nalagarh against A/C No. 100012000865. The Complainant firm is an industrial consumer. Further it is humbly submitted that the complainant has applied for temporary reduction of load in the year 2020 and same has been effected w.e.f. Oct. 2020 as per



Curral



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

clause 3.10 of Himachal Pradesh Electricity supply code (2<sup>nd</sup> amendment) Regulation. 2018.

3. The Respondent Submits that HP supply Code (Second Amendment) was notified on 31/07/2018 and the amendment in para 3.10 came into force w.e.f. 01/04/2019. The amendment in clause 3.10 read as under: -

Amendment in para 3.10: - for the sign '," occurring after clause (a) of para 3.10 of the said code, the sign "," shall be substituted and thereafter the following provisos shall be inserted. Namely: -

"Provided that the consumer shall not be eligible for temporary revision of contract demand to a value other than the full sanctioned contract demand for a total period of more than six months in one financial year:

Provided further that in case involving part period of a year e.g. if a consumer takes the connection, or the consumer gets his permanent sanctioned contract demand revised, during the middle of a year, the adjustments shall be made on pro-rata basis.

Note; the distribution Licensee shall, immediately after the publication of the HP Elect. Supply Code (Second amendment) Regulation, 2018, in the Rajpatra, HP, issued suitable detailed procedural instructions within the frame work of above provisions to its field units for the smooth implementation of aforesaid provisions w.e.f. 01/04/2019".

**4.** The Respondent Submits that as per the amendment it is clearly mentioned that the consumer is not eligible for temporary revision of its contract demand more than six months in one financial year, hence the demand notice was served as per HP Elect. Supply code (Second Amendment), 2018.

#### On Merits: -

- **5.** 8
  - 9.1 The Respondent Submits that the contents of these paras are admitted up to the extent that respondents are distribution licensee under section 2 sub-section 17 of Elect. Act., 2003 and complainant company is a consumer under section 3(b) of the HPERC and Ombudsman Regulation, 2013. But it is specifically denied that respondents have failed to adhere to the provisions of Elect. Supply Code, 2009 notified by HPERC. The demand notice was served as per Elect. Supply Code (2<sup>nd</sup> amendments) Regulation, 2018.
- **6.** 8.2 The Respondent Submits that the contents of the para are matter of record hence needs no reply on the behalf of Respondents.
- **7.** 8.3.1 The Respondent Submits that the contents of the para are false, incorrect, wrong and hence denied. As per the Elect. Supply code (2<sup>nd</sup> Amendment) Regulations, 2018, the complainant is not eligible for billing on temporary revision in continuity with the previous year.
- 8.3.1.1 The Respondent Submits that the contents of the para are false, incorrect, wrong and hence denied. It is specifically denied that the respondents have wrongly interpreted the meaning of the amended para 3.10 after 2<sup>nd</sup> Amendment. But is humbly submitted that the amendment of para came into force w.e.f. 01/04/2019 clearly depicts that the consumer

Kindin Kindin

Crewal



### SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

is not eligible for temporary revision of its contract demand more than six months in one financial year. Therefore, the present petition deserves only dismissal.

- 9. 8.3.2
  - 8.3.2.1 The Respondent Submits that the contents of the para are admitted partially being matter of record. But it is humbly submitted that consumer was well aware of the regulation that the temporary revision of contract demand is only for six months. But the complainant had enjoyed the luxury of reduced contract demand in spite of aware regarding amendments of the regulation. The complainant has not approached this forum with clean hand. The temporary revision is only for six months in one financial year and after that it cannot be continued automatically in next financial year. Therefore, the present complaint deserves only dismissal.
- **10.** 8.3.2.2 The Respondent Submits that the contents of the para are false, incorrect, wrong and hence denied. The complainant is liable to pay the entire amount as the demand notice was served as per the HP Elect. Supply Code (2<sup>nd</sup> Amendment) Regulations, 2018.
- 11. 8.3.2.3 The Respondent Submits that the contents of the para are matter of record. In reply it is submitted that in all the cases mentioned by the complainant was on reduced contract demand at the time of applicability of the amendments hence the benefits are given to the said consumers. But in the instant case the complainant has temporary revised its contract demand after the applicability date i.e. 01/04/2019 and well aware that the temporary revisions is only for six months. It is pertinent to mentioned here that prior to approval of any amendment in HPERC Supply Code, all the stake holders, various industrial association are invited in the public hearing by Hon'ble HPERC. Objections on amendments are also sought from general public or various stakeholder by informing through newspapers publications etc. so as such ignorance/non-awareness to the amendments in existing provisions does not entitle the complainant for exemption from its liability. It is further relevant to submit here that this Ld. Forum has in catena of cases pleased to uphold the demand notice served by the respondent/HPSEBL pursuance to the clause 3.10 of the Supply Code, hence the present complaint is squarely covered and as such the complainant is liable to pay the demand charges.
- 12. The Respondent Submits that in view of submission made herein above it is most respectfully prayed that the complaint filed by the complainant may kindly be dismissed with cost.

# D- <u>The Complainant's Additional Submissions through Rejoinder:( Submitted before Consumer Grievance Redressal Forum at Kasumpti)</u>

In line with above statement of counsel for Complainant, the rejoinder that stands submitted by the Complainant before Consumer Grievance Redressal Forum at Kasumpti, is reproduced for reference and record.

The Complainant submits rejoinder to the reply as under:

1. The Complainant submits that at the outset I repeat, reiterate and confirm all the statements and averments made by the complainant company in the complaint. I deny all the statements and averments made in the said reply unless and until the same are specifically admitted by



Crehan



SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

the complainant company. The objections raised by the respondent in their reply are lacking merit.

**2.** The Complainant submits that Para- wise comments to the reply filed by the Respondent are as under:

#### **Preliminary Objections:**

- 1) That the contents of this Para are in nowhere in contradiction to what the complainant has submitted in the instant complaint and are only a matter of record.
- 2) That the contents of this para are matter of record and only covers the contents of the 2<sup>nd</sup> Amendment of the Supply Code,2009 in respect of clause 3.10 related to the temporary reduction of contract demand, the same contents have also been reproduced in the complaint filed by the complainant. It is also agreed that the complainant is eligible for benefits of the temporary reduction for a maximum of six months in a financial year. The complainant in the instant complaint has only demanded relief of six months in the financial year 2021-22, which is admissible under the amended clause 3.10 of the Supply Code.2009

#### Reply on merits:

- Para 8.1 That the respondent is denying his non-adherence to the provision of the Supply Code, 2009. The clear proof of non-adherence is on record when the complainant during the period October.2021 to June, 2022, continued to bill on the temporarily reduced contract demand, which was in contravention of the clause 3.10 of the Supply Code, which stood amended in July,2018 Even after the lapse of three years, the respondent was not aware of the 2<sup>nd</sup> amendment, and thereafter the issuance of delayed demand notice is the primary reason for this dispute to arise. The respondent laid back attitude is clearly responsible for the dispute to have arisen and also the wrong billing carried out by them has resulted in financial losses to the utility as a whole. Had the respondents issued a bill on the basis of sanctioned contract demand of the lapse of six months in the financial year 2021-22, the complainant would not have to suffer any further as he would have taken steps to reduce his contract demand permanently in the month of November, 2021.
- Para 8.3.1: That the respondents has simply denied and made a statement on record that the 2<sup>nd</sup> Amendment in clause 3.10 does not allow the billing on revised contract demand in continuity over to the next financial year. Plain reading of the amended provision, makes it clear that the said insertions of the provision only restricts the eligibility of temporary reduction of six months in a financial year. It is merely an interpretation on the part of the respondent that the temporary reduction cannot be allowed to continue to the next financial year. Whereas there is nothing in the amendment that bars the benefit spread over two year, provided the maximum in a financial year is only six months. Even the Ld. Ombudsman in several cases, has allowed the continuity of the temporary reduction to continue during the period 01/04/2019 to 30/09/2019, even though such applications for temporary reductions were filed many year ago. The detail of such cases have been mentioned by the complainant in the complaint.

Para 8.3.2.1 That the respondent in this para is in some manner trying to say that it was the consumers (complainants) fault that a faulty billing was carried out by the respondents. How can be respondents make a statement that the consumer was well aware of the



Conhal



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

amendment even after three years of its notification and it is only them to be blamed for all this mess that has been created for the complainant as well as many other consumers in the state. The complainant objects to the term 'luxury' used in this para of reply, as the same is not in good taste and is derogatory in the nature. This luxury (in terms of the respondent) to the consumers was allowed by the Hon'ble HPERC under the powers conferred to it under the Electricity Act, 2003. The respondent is trying to state as if the Hon'ble Commission had allowed the luxury of temporary reduction to the consumers. It is further stated that the complainant is not asking for relief of more than six months in a year.

**Para 8.3.2.2:** That the complainant maintains the contents of this para of the complaint, while the respondent is wrong is stating that the entire amount of demand notice extending over the period of full year is claimable from the complainant.

**Para 8.3.2.3:** That the present case also is similar in terms of continuation of the temporary reduction carried out in the prior year(s) as was decided by Ombudsman in previous cases mentioned in the complaint. The complainant is asking for relief to an extent that can be allowed under the amended provisions only.

3. In view of above, the complainant prays that the present complaint be allowed.

#### E- The Complainant's written Arguments:

The Complainant submitted written arguments on the date of final arguments on dt. 09.01.2024 which were taken on record for further analysis and are also reproduced as under:

1. The Complainant submits that Petitioner is challenging the Impugned order dt. 03-11-2023 passed by the Consumer Grievance Redressal Forum in Complaint No. 1432/202308/27 whereby the complaint filed by the Petitioner in which the complainant challenge to the demand notice dated 18-07-2022 amounting to Rs. 29,22,000/- (Annexure P-2) on account of arrears arising due to non-charging of original contract demand (in kVA) in electricity bills from April 2021 to March 2022 was dismissed.

#### SHORT POINT OF ARGUMENTS

- 1. The Complainant submits that amendment only provides for billing of demand charges on sanctioned contract demand for at least six months in a financial year. The requirement of the said amendment standards complied if the billing for period Oct, 21 to Mar,22 is carried out on sanctioned contract demand. It was the responsibility of the respondent to raise the correct bills during these six months, which have not been discharged by respondent because of which the need to recover arrears have arisen, and to which the justifiable amount of Rs. 14.24 Lakhs have already been earlier agreed by the complainant.
- 2. The Complainant submits that the present demand notice is not notice pursuance to clause 3.10 of the Supply Code thus not squarely covered.
- 3. The Complainant submits that 3.10 of the Supply Code nowhere provides that the temporary revision will not automatically will be continued for next financial year, the amendment only speaks that the temporary revision is only for six months in one financial year, therefore as justifiable amount of Rs 14,24,000 had already been deposited this further demand is wrong and illegal and not justifiable.



Conney



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

- 4. The Complainant submits that a perusal of the impugned order would go to show that no reasoning has been given and order has been passed in a slip shod manner. Hence the impugned order deserves to be quashed and set aside."
- 5. The Complainant submits that it is further submitted that the regular bills are raised by the respondent which were duly paid by the Petitioner and not only paid the amount but also paid the extra amount for extra load thus the mistake is committed by the respondent and now they are shifting their onus of mistake to the Petitioner.
- 6. The Complainant submits that the calculation of amount of Rs 29,22,000 is not correct and justifiable.

## F- The Respondent's written Arguments:

The Respondent did not submit any written arguments but preferred oral arguments.

## G- The Arguments of both during proceedings:

The arguments were conducted partially on dt.27.12.2023 and finally on 09.01.2024. The counsel for Complainant read out the grievances and also submitted written arguments. Both counsel for Complainant and Respondent advanced their arguments. The counsel for Respondent confined his contentions for arguments in line with the earlier reply submitted by the Respondent Board before Consumer Grievance Redressal Forum at Kasumpti in the said matter. This court agreed in line with the above statements submitted by the respective counsels during hearing on 18.12.2023. The arguments were heard and concluded.

#### H-Consumer Grievance Redressal Forum Order No. 1432/202308/27

### BRIEF FACTS OF THE CASE -

- 1. Complaint has been filed under regulations 16, 17 and 18 of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013;
- 2. The Complainant M/s Him Chem Private Ltd, Village Khera, Baddi Nalagarh, Tehsil Nalagarh (HP) 174101, bearing consumer ID 100012000865, is a Large Industrial Power Supply (LIPS Two Part) category consumer of the Respondent HPSEBL;
- On 18.07.2022, the Respondent served upon the Complainant impugned Demand Notice amounting to Rs 29,22,000/= (Annexure C2) on account of arrears arising due to non-charging of original contract demand (in kVA) in electricity bills from April 2021 to March 2022;
- 4. The sanctioned or permanent or original Contract Demand of the Complainant is 2500 kVA. Further, the Complainant was approved Temporary Contract Demand in October 2020 against payment receipt dated 26.09.2020 (Annexure C1);
- 5. The instant matter is regarding raising of ibid impugned monetary demand dated 18.07.2022 (Annexure C2) by the Respondent HPSEBL to the Complainant for the period from April 2021 to March 2022. This was raised pursuant to Code 3.10 of the HP Electricity Supply Code (Second Amendment) Regulations, 2018, which was notified by the HP Electricity Regulatory Commission (or the HPERC) on 31.07.2018 and which became effective from 01.04.2019 (here-in-after referred to as Supply Code 2nd Amendment, 2018 or Supply Code 2nd Amendment).
- 6. The Complainant has argued on record that it is eligible for Temporary revision of Contract Demand for 6 months in the financial year 2021-22, to be continued from previous year and that the Respondent has wrongly interpreted the ibid Code 3.10 of the Supply Code 2nd Amendment;



Conval



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

- 7. The Complainant has further argued on record that it was the delayed action of the Respondent to raise arrears on 18.07.2022, which mislead the Complainant, else the Complainant would have taken corrective action; \
- 8. The Complainant has sought relief in terms of quashing of Demand Notice dated 18.07.2022 (Annexure C2);
- 9. On the other hand, the Respondent HPSEBL in its Reply has submitted that the impugned monetary demand has been raised in accordance with the ibid Code 3.10 Supply Code 2nd Amendment, 2018. The temporary revision is only for 6 months in a financial year. The Complainant did not apply for Temporary Contract Demand in the financial year 2021-22 and thus the Complainant is not eligible for automatic billing on Temporary Contract Demand in continuity with previous financial year. The Forum in catena of cases has upheld the demands raised by the Respondent pursuant to ibid Code 3.10 and thus the Complainant is liable to pay the demand charges;
- 10. The Respondent has further submitted that the Forum has already decided similar issues in its previous Orders and that the ibid 2nd Amendment to Supply Code was done by the Hon'ble HPERC after previous publication, calling objections from stake holders and after public hearing and thus the Complainant is not entitled to exemptions based upon its ignorance. Thus the complaint be dismissed.

#### ORDER:

- 11. Forum has examined the relevant provisions of the Electricity Act, 2003, various relevant Regulations framed by the HP Electricity Regulatory Commission (or the HPERC) including relevant provisions of HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 and the HP Electricity Supply Code, 2009 (or the Supply Code, 2009 or the Supply Code) including amendments thereto, record and facts along-with pleadings of the parties. We have heard the parties at length. The considered opinion of the Forum has been gathered after examining and analysing fair facts, evidences and correspondence placed on record and arguments adduced by both the parties;
- 12. At the outset, this Forum finds that the only moot issue that has come up before it for determination, is whether the Complainant is or is not automatically entitled to benefit of Temporary Contract Demand for a period of six (6) months, existing in a previous financial year continued into the subsequent financial year, without a fresh re-application for the same?
- 13. It is without any dispute that financial year is from 01st April to 31st March in each year;
- 14. The Forum, before proceeding with the grievance of the Complainant, considers it necessary and expedient to refer to certain relevant amendments to the HP Electricity Supply Code, 2009 enacted by the HP Electricity Regulatory Commission (or the HPERC). The Supply Code, 2009 was notified by the HPERC on 26th May, 2009. Later Amendments were carried out from time to time. We mainly refer to amendments pertinent in the instant matter with regard to 'Temporary' revision of Contract Demand. The said amendments were first introduced by the HP Electricity Regulatory Commission (or the HPERC) vide Himachal Pradesh Electricity Supply Code (First Amendment) Regulations, 2014 notified on 11th June, 2014. In this amendment Code 3.10 was first inserted. Thereafter, amendment to this Code 3.10



Crown



### SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

was carried out by the HPERC vide the Himachal Pradesh Electricity Supply Code (Second Amendment) Regulations, 2018 notified on 31.07.2018. For the sake of clarity, relevant extracts of these amendments are reproduced here-in-under:-

(A) Himachal Pradesh Electricity Supply Code (First Amendment) Regulations, 2014 dated 11.06.2014 –

#### Quote

10. Insertion of para 3.10.- In the said Code, the following para 3.10 shall be inserted; namely:-

"3.10 Temporary revision of contract demand. –

The consumers to whom two-part tariff is applicable shall be entitled to revise their contract demand within the total sanctioned contract demand without surrendering their lien of the total sanctioned contract demand, subject to the following condition- 10

- (a) that the consumer shall not reduce the contract demand to lesser than 50% of the total sanctioned contract demand subject to a further condition that the contract demand shall not be reduced below the lowest limit of contract demand as per the tariff category (or any subcategory thereof) applicable to him;
- (b) that the consumer shall not be entitled to revise the contract demand more than twice a year subject to the condition that the time gap between two successive revisions shall not be less than 3 months;
- (c) that the consumer shall give a notice of at least one month to the licensee before revising the contract demand under this mechanism. Even though the consumer shall not be required to obtain any sanction from the licensee for change in contract demand under this mechanism, he, so as to avoid the disputes, shall ensure that the notice(s) for such revision are duly served by him upon the licensee through registered post or through courier service or is delivered by hand against signed receipt therefor;
- (d) that in cases where the contract demand is reduced under this mechanism, such reduced contract demand shall be applicable for billing purposes; and
- (e) that in cases where the consumer gets his contract demand reduced permanently, the limit under clause (a) shall be considered with respect to such reduced contract demand, but such reduction shall not be considered to have been made under this mechanism and the time gap of 3 months as per clause (b) shall be reckoned from the date from which the demand was last revised under this mechanism.

Illustration.- If a consumer who is having sanctioned contract demand of 10 MVA temporarily revises the contract demand to 6 MVA w.e.f. 01.08.2014 under this mechanism but gets his sanctioned contract demand permanently reduced to 8 MVA w.e.f. 01.09.2014, he shall have to pay charges based on 6 MVA contract demand till 31.10.2014 (i.e. till the expiry of 3 months period from the date at which the contract demand was last revised i.e. from 01.08.2014). However, if the contract demand is to be reduced permanently to lesser than 6 MVA (say 4 MVA as on 01.09.2014), the demand charges would have been based on a contract demand of 4 MVA during the period upto 31.10.2014."

#### **Un-Quote**

(B) Himachal Pradesh Electricity Supply Code (Second Amendment) Regulations, 2018 dated 31.07.2018-

Quote



Consol



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

1. Amendment of para 3.10:- For the sign ";" occurring after clause (a) of para 3.10 of the said Code, the sign ":" shall be substituted and thereafter the following provisos shall be inserted, namely:-

"Provided that the consumer shall not be eligible for temporary revision of contract demand to a value other than the full sanctioned contract demand for a total period of more than six months in one financial year: Provided further that in cases involving part period of a year e.g. if a consumer takes the connection, or the consumer gets his permanent sanctioned contract demand revised, during the middle of a year, the adjustments shall be made on pro-rata basis.

Note: The Distribution Licensee shall, immediately after the publication of the Himachal Pradesh Electricity Supply Code (Second Amendment) Regulations, 2018, in the Rajpatra, Himachal Pradesh, issue suitable detailed procedural instructions within the framework of the above provisions to its field units for the smooth implementation of aforesaid provisions w.e.f 01.04.2019."

Un-Quote

- 15. On examination of the ibid HP Supply Code, 2009, the Forum finds that the concept of Temporary Contract Demand was first introduced by way of first (1st) amendment to Supply Code vide HP Electricity Supply Code (First Amendment) Regulations, 2014, notified by the HP Electricity Regulatory Commission on 11.06.2014. Thus, it becomes evident that before the notification of this amendment, the Contract Demand and its revisions were of Permanent nature;
- 16. Before proceeding to determine the grievance raised by the Complainant, this Forum considers it pertinent to briefly delve into the working of the Contract Demand (in KVA/ or MVA)-
- 17. It is apparent that the Contract Demand is a provision of the Electricity Supply Code and the Tariff Orders. It is a Demand (in KVA/ or MVA) contracted by the consumer at the time of its original application for connection, which is also subjected to permissible revisions during the life of the connection, strictly in accordance with the provisions of the Supply Code, 2009. This Contract Demand is applied for, by the consumer and sanctioned by the licensee, inter-alia with the underlying purposes of determining the Standard Supply Voltages at the time of connection, for billing of the consumer etc. The original Contract Demand is of 'Permanent' nature and the subsequent revisions at the option of the consumer may be of 'Permanent' or of 'Temporary' nature which are also regulated in accordance with the provisions of the Supply Code. This Contract Demand (in KVA or MVA) serves as a reference vis-àvis the actual maximum Demand (in KVA or MVA) recorded on the meter during the times of electricity consumption. When the Supply Code regulates the revision of Contract Demand (in kVA or MVA), the concerned consumer is expected to keep a strict vigil on its electricity consumption patterns by managing the peaks of its maximum Demands (in KVA or MVA), simultaneously also keeping a vigil and managing / revising its Contract Demand (in kVA or MVA) from time-to-time, so as to keep both in synchronization and consequently the optimization of its electricity
- 18. The Supply Code First (1st) Amendment dated 11.06.2014, stipulated various conditions for Temporary revision of Contract Demand (in KVA or MVA) and these were first introduced here by insertion of Code '3.10 Temporary revision of contract



Curral



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

demand'. This Code was later amended vide Supply Code amendment dated 31.07.2018, when certain Provisos were added to it. This First (1st) amendment, 2014 provided for permissible number of revisions in a year as two (2) with gap between successive revisions as three (3) months;

- 19. The subsequent amendment of Supply Code (ie Supply Code 2nd Amendment) notified on 31.07.2018 introduced certain 'Provisos' to Code 3.10. The Provisos specifically provided for total period of Temporary contract demand (in KVA or MVA) as six (6) months in a 'Financial Year'. This 2nd amendment came into force from 01.04.2019;
- 20. On further perusal of the ibid Supply Code 2nd Amendment, the Forum finds that, in the said proviso / amendment to the ibid 'Temporary revision of contract demand', the word or expression 'financial year' is key and is therefore of significance in context of the instant complaint. It is undisputed that the financial year starts from 01st of April and ends on 31st of March. Accordingly, it becomes clear from the said amendments that on 31st March of each financial year, the 'Temporary Contract Demand', as existing previously shall expire. From the 1st of April of the subsequent financial year, the Contract Demand would get reset to the Permanent Contract Demand (in KVA or MVA) unless subsequently a fresh Temporary Contract Demand is re-applied by the consumer. It thus becomes the right of the Complainant to decide the period of six (6) months in a financial year when the Complainant would temporarily (Temporary Contract Demand) desire a revision in its Contract Demand (kVA or MVA);
- 21. Therefore, in our considered view, a consumer would be required to apply afresh for re-revision of his Temporary Contract Demand (in KVA or MVA) in any new financial year, else the previously existing Temporary Contract Demand (sanctioned or deemed Complaint No 1432/202308/27 sanctioned) shall automatically get dissolved and cease to remain effective and thus the last sanctioned Permanent Contract Demand (in KVA or MVA) shall automatically stand and become effective;
- 22. From the foregoing implications of express provisions of 'Code 3.10 Temporary revision of contract demand' (or Temporary Contract Demand) (in KVA or MVA) as prescribed in the Supply Code 2nd Amendment, 2018, this Forum holds and safely concludes that from 01.04.2019, i.e when the financial year starts or whenever any financial year starts, then any monetary demand (in Rs) raised by the Respondent HPSEBL based on a Temporary Contract Demand (in KVA or MVA) existing prior to 01.04.2019, can only be with regard to electricity consumption done prior to 01.04.2019. For electricity consumption occurring after 01.04.2019, such monetary demand (in Rs) shall necessarily have to be based on Temporary Contract Demand (in KVA or MVA), if such is applied or reapplied after 01.04.2019 by the consumer. In absence of such application or re-application, this monetary demand shall automatically get based upon Permanent Sanctioned Contract Demand which was last applied. This process shall follow for each / new financial year;
- This Forum, in the facts and circumstances of the case, safely sums up that any Temporary Revision of Contract Demand (in kVA or MVA) that may have existed in the past before 01.04.2019 shall cease to remain effective beyond 01.04.2019. Therefore, the consumer shall have to apply afresh every financial year for a 'Temporary Contract Demand' beyond 01.04.2019 or after the start of any financial



Curral



SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

year thereafter, if he so requires and in absence of such revision or re-application, the only Contract Demand that automatically survives in accordance with the Supply Code 2nd Amendment is the 'Permanent Contract Demand' (in kVA or MVA) on the basis of which further billing can be done or any Complaint No 1432/202308/27 monetary demand can be raised by the distribution licensee. When concerned consumer does not apply afresh or does not revise his Contract Demand after 01.04.2019 or after the start of any financial year, then any Temporary revision of Contract Demand or 'Temporary Contract Demand' (in KVA or MVA) existing before 01.04.2019 or in a previous financial year, such shall deem to get reset while sanctioned 'Permanent Contract Demand' (in KVA or MVA) shall automatically stand from this date onwards, till such time a fresh application for Temporary revision of contract demand or 'Temporary Contract Demand' (in KVA or MVA) is received from consumer and/or sanctioned by the Respondent. This process shall follow for each financial year beyond 01.04.2019 and accordingly all matters of electricity billing shall be dealt vis-à-vis this 'Permanent Contract Demand' (in KVA or MVA) under such a condition;

- Now coming to the instant complaint, it is observed by this Forum that the 24. Complainant had temporarily revised its Contract Demand to 1800 kVA (Temporary Contract Demand) in October 2020 i.e in the financial year 2020-21 and thereafter, it had failed to revise or apply afresh for the 'Temporary Contract Demand' (in KVA or MVA) even after the start of the new financial year 2021-22. Consequently, the Respondent HPSEBL raised the impugned monetary demand to the Complainant vide Annexure C2 on account of Supply Code 2nd Amendment, 2018 for the complete financial year 2021-22 based on the Permanent (or sanctioned or original) Contract Demand as provided in the amended Supply Code 2nd Amendment. Therefore, the plea of the Complainant that it is eligible for Temporary revision of Contract Demand for 6 months in the financial year 2021-22, to be continued from previous year and that the Respondent has wrongly interpreted the ibid Code 3.10 of the Supply Code 2nd Amendment, is wrong, far- Complaint No 1432/202308/27 fetched and not tenable in face of express provisions of the Supply Code 2nd Amendment ibid. The contention of the Complainant is out-rightly rejected by the Forum as being grossly misplaced and wrong and thus the Complainant cannot be allowed benefit of Temporary Contract Demand to run into the next financial year without a reapplication for the same, so as to be in consonance with the Supply Code 2nd Amendment:
- 25. In accordance with the Supply Code 2nd Amendment, the end of the financial year is signified by the date of 31st March of the year and this is not denied by the Complainant. On this end date the 'Temporary Contract Demand' as existing, shall deem to expire or cease to exist. Thus, from the start of the next financial year i.e 01st April, which is also not denied by the Complainant, the Complainant shall be expected to apply afresh for the Temporary Contract Demand (in KVA or MVA), if it so intends and desires. It is the choice of the Complainant to select the six (6) months of Temporary Contract Demand, either continuous or in the case of continual, then its period and duration, in the respective financial year. In the instant complaint, the Complainant had failed to apply afresh for the 'Temporary Contract Demand' from 01.04.2021 onwards, ie the start of financial year 2021-22 and thus was liable to be



Eureal



### SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

billed on the basis of sanctioned Permanent Contract Demand from 01.04.2021 onwards;

- 26. Therefore, it can be safely concluded by the Forum, that it is Complainant's own fault of not re-applying for a fresh 'Temporary Contract Demand beyond 01.04.2021 ie after the start of the financial year. Because the Complainant failed to re-apply afresh for Temporary Contract Demand beyond 01.04.2021 or after the start of the financial year thus, any benefit of six months as is being argued by the Complainant, cannot and shall not become available to the Complainant in the year 2021-22. Thus, the submissions and Complaint No 1432/202308/27 arguments on record made by the Complainant is found to be grossly misplaced and wrong. The Forum is in agreement with the Respondent that the temporary revision is only for 6 months in a financial year and that the Complainant did not apply for Temporary Contract Demand in the financial year 2021-22 and thus the Complainant is not eligible for automatic billing on Temporary Contract Demand in continuity with previous financial year in accordance with provisions of ibid Code 3.10;
- The Forum also finds the contention of Complainant as being argumentative that, 27. had the Respondent not delayed the impugned monetary demand, it would have taken corrective measures in time. It is a settled proposition that ignorance of law is no excuse. The fact is undisputed that change of law through amendments is done after following due process. The instant 2nd Amendment, 2018 to Supply Code has been effected by the HPERC after inviting public/ objections etc from all stake holders. The said amendments after enactment were notified and published in official gazette for the knowledge of public/stake holders at large. It is safely presumed and expected that all stake holders / public including the Complainant are well aware of the said amendment. In the instant matter it is Complainant's own fault of not re-applying for a fresh 'Temporary Contract Demand beyond 01.04.2021 ie after the start of the financial year. The contention and plea of the Complainant to this effect is patently wrong, misplaced, naive, flimsy and devoid of any substance and not tenable in facts and circumstances narrated above and is accordingly rejected. The Forum is in agreement with the submissions made by the Respondent in this regard;
- 28. The Forum finds that the Complainant has irrationally argued on untenable propositions and placed forth self-contradictory arguments that the six months period has been allowed in a Complaint No 1432/202308/27 subsequent financial year by the Supply Code 2nd Amendment Regulations, 2018 notified on 31.07.2018, even without a fresh reapplication on its part for the Temporary Contract Demand in the subsequent financial year;
- On the anvil of foregoing discussions, this Forum also does not find force in the arguments of the Complainant that benefit of Temporary Contract Demand (in kVA or MVA) of previous financial year can be continued into the next financial year which entails that there is no necessity for re-applying for fresh Temporary Contract Demand in the subsequent Financial Year. From the foregoing discussions and express provisions of the Regulations, it is amply clear that on 01st April of a financial year, ie. at the start of the new financial year, any Temporary Contract Demand of a previous year ceases to remain effective. The Complainant, if it had so desired, may have re-applied for a fresh Temporary Contract Demand in the subsequent financial year, which the Complainant failed to do. The absence of re-



Enthal



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

application for a fresh Temporary Contract Demand causes the Permanent Sanctioned Contract Demand to automatically become the basis for future billing of the Complainant by the Respondent, which has correctly been done by the Respondent in accordance with the provisions of Supply Code 2nd Amendment. Thus, no fault is seen in the action of the Respondent to raise monetary demand in accordance with the Regulations / Code. The Forum holds that the Respondent is correct in its interpretation of ibid Code 3.10 of the Supply Code 2nd Amendment;

- 30. This Forum also observes that the Complainant has failed to set-up the legal basis of his arguments in the complaint. The Complainant has at the same time misconceived and mis-appreciated the ibid Supply Code 2nd Amendment notified on 31.07.2018 to wrongly mean that it allows the benefit of six (6) months of Temporary Complaint No 1432/202308/27 Contract Demand of a previous financial year to be continued in the subsequent financial year;
- 31. It is evident from the observations made here-in-above, that the instant grievance pertains to non-re-application /non-revision of Contract Demand (in kVA or MVA) on Temporary basis i.e Temporary Reduction of Contract Demand, after 01.04.2021 by the Complainant. This resulted in Permanent Contract Demand (in kVA or MVA) automatically becoming the basis for raising of impugned monetary demand by the Respondent HPSEBL in accordance with the amended provisions of the Regulations / Code notified on 31.07.2018, effective 01.04.2019 by the Ld HP Electricity Regulatory Commission (or the HPERC);
- 32. Monetary demands based upon Statutes, Regulations/ Codes notified by the HPERC and on Tariff Orders passed by the Ld HPERC, cannot be held to be illegal. Thus, on this score alone the complaint deserves to be dismissed, being argumentative and without any legal basis, as it cannot be held that the Respondent misinterpreted and wrongly applied the Regulations notified by the Ld HPERC;
- 33. In view of the foregoing discussions, the Forum in unambiguous terms holds that the Complainant is not entitled to benefit of Temporary Contract Demand of six (6) months in the subsequent financial years as is being sought by it, for the sole reason that the Complainant had failed to re-apply for fresh Temporary Contract Demand ie revise it at the start of financial year 2021-22 or later as necessitated by the provision of Supply Code. The Forum does not find any illegality in the Demand Notice dated 18.07.2022 (Annexure C2) raised by the Respondent HPSEBL which this Forum finds as having been issued in terms of the amended provisions of the Supply Code, 2009 i.e Code 3.10 notified on 01.07.2018;
- 34. The Demand Notice (Annexure C2) for Rs 29,22,000/= raised by the Respondent HPSEBL, is held by this Forum to be legal and in accordance with the Supply Code notified by the HP Electricity Regulatory Commission. This Demand Notice (Annexure C2) for Rs 29,22,000/= is accordingly upheld. The Complainant is directed to pay the same, complete, within 10 days from this Order.
- **35.** The complaint is decided on merits in favour of the Respondent HPSEBL and is accordingly disposed as Dismissed.
- **36.** Parties are left to bear their own costs.
- **37.** Order is announced before the parties present today on 03.11.2023 at Shimla in open Forum.



Crehry



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

**38.** Certified copies of this Order be supplied to the parties. The complaint along with this Order be consigned to record room for safe custody

## I-Analysis of the Complaint:

- **1.** The case file bearing Complaint No. 1432/202308/27 dt.22.08.2023 and orders passed on dt.03/11/2023 by the Consumer Grievance Redressal Forum (CGRF) Kasumpti, Shimla-171009 have been requisitioned and gone through.
- 2. The statements given by both the counsels for consideration of contents of reply submitted by the Respondent Board and Rejoinder submitted by the Complainant before CGRF in the said matter while pleadings as well as issuance of final order by this Appellate Forum, were also recorded and taken on record.
- **3.** For the sake of clarity, in consonance with above, both reply and rejoinder taken from the record of CGRF were also reproduced in this order to facilitate legitimate justice.
- **4.** The submissions made by both the parties during arguments have also been incorporated in this order to have composite view of the entire case.
- 5. The documents on record, arguments made by both the parties have also been gone through.
- **6.** The relevant Acts, Supply Codes, Manual of Instructions Part-1 and relevant supply conditions have been referred to for the sake of clarity.
- 7. The Complainant M/s Him Chem Private Ltd, Village Khera, Baddi Nalagarh, Tehsil Nalagarh (HP) 174101, have filed complainant on dated 22/11/2023 with this Appellate Forum under the provisions of Section 42(6) of the Electricity Act, 2003 against the final Order dt.03/11/2023 passed by the Consumer Grievance Redressal Forum (CGRF) Kasumpti, Shimla, in Complaint No. 1432/202308/27 dt.22.08.2023.
- **8.** The Complainant bearing consumer ID 100012000865, is a Large Industrial Power Supply (LIPS Two Part) category consumer of the Respondent HPSEBL
- **9.** On 18.07.2022, the Respondent served upon the Complainant impugned Demand Notice amounting to Rs 29,22,000/- on account of arrears arising due to non-charging of original contract demand (in kVA) in electricity bills from April 2021 to March 2022.
- 10. The sanctioned or permanent or original Contract Demand of the Complainant is 2500 kVA. Further, the Complainant had temporarily revised its Contract Demand to 1800 kVA (Temporary Contract Demand) in October 2020 i.e in the financial year 2020-21 against payment receipt dated 26.09.2020
- 11. This Appellate Forum observes that the instant matter is regarding raising of impugned monetary demand dated 18.07.2022 by the Respondent HPSEBL to the Complainant for the period from April 2021 to March 2022 in the FY-2021-22. This was raised pursuant to the clause 3.10 of the HP Electricity Supply Code (Second Amendment) Regulations, 2018, notified by the HP Electricity Regulatory Commission (or the HPERC) on 31.07.2018 and became effective from 01.04.2019 (here-in-after referred to as Supply Code 2nd Amendment, 2018 or Supply Code (2nd Amendment).
- **12.** The Complainant submits that on 18-07-2022, the respondent HPSEBL served upon the Complainant impugned demand notice amounting to Rs. 29,22,000/- (Annexure P-2) on account of arrears arising due to non-charging of original contract demand (in kVA) in electricity bills from April 2021 to March 2022.
- 13. The Complainant submits that nothing in the amendment of clause 3.10, prevents for the reduced demand to continue during the next financial year i.e., 2021-22 in continuity for the initial period of six months i.e., April, 21 to Sep, 21 as the amendment only provides for



Curral



# HIMACHAL PRADESH ELECTRICITY OMBUDSMAN SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

billing of demand charges on sanctioned contract demand for at least six months in a financial year. The requirement of the said amendment standards complied if the billing for period Oct, 21 to Mar,22 is carried out on sanctioned contract demand.

- 14. On the other hand, the Respondent HPSEBL in its reply has submitted that the impugned monetary demand has been raised in accordance with the ibid Code 3.10 Supply Code 2nd Amendment, 2018. The temporary revision is only for 6 months in a financial year. The Complainant did not apply for Temporary Contract Demand in the financial year 2021-22 and thus the Complainant is not eligible for automatic billing on Temporary Contract Demand in continuity with previous financial year.
- **15.** The Respondent also submits that in the instant case the complainant has temporary revised its contract demand after the applicability date i.e. 01/04/2019 and well aware that the temporary revisions is only for six months.
- **16.** The Respondent submits that the impugned monetary demand has been raised in accordance with the clause 3.10 of the Supply Code 2nd Amendment, 2018. The temporary revision is only for 6 months in a financial year. The Complainant did not apply for Temporary Contract Demand afresh in the financial year 2021-22 and thus the Complainant is not eligible for automatic billing on Temporary Contract Demand in continuity with previous financial year.
- 17. After going through the said averments of the Complainant in details as well as contentions in depth, written Arguments submitted by the Complainant, reply by the Respondents submitted before CGRF and Rejoinder by the Complainant before CGRF, opinion of CGRF in order dt.03/11/2023 and relevant clauses of supply code along with letter dt. 25.10.2018 of Chief Engineer (Commercial) Shimla on the Internal Procedural Instructions issued after the notification of the Supply Code 2nd amendment of clause 3.10(a) this Appellate Forum, in the considered opinion deduces that the Complainant has misconceived the essence of amended clause 3.10(a) of the supply code and could not fetch the exact contentions behind the 2<sup>nd</sup> amendment when read in conjunction with operative part of 1<sup>st</sup> amendment & the procedural instructions issued vide Chief Engineer (Comm.) letter dt.25.10.2018.
- **18.** While analysing the main moto behind the 2nd amendment of clause 3.10(a), this Appellate Forum first focuses on the specific directions and for the sake of legitimate lending of the contentions arising on account of misinterpretation, reproduces the relevant clauses as under:
- A. Himachal Pradesh Electricity Supply Code (First Amendment) Regulations, 2014 dated 11.06.2014 –
- 10. Insertion of para 3.10.- In the said Code, the following para 3.10 shall be inserted; namely: -
  - **"3.10 Temporary revision of contract demand**: The consumers to whom two-part tariff is applicable shall be entitled to revise their contract demand within the total sanctioned contract demand without surrendering their lien of the total sanctioned contract demand, subject to the following condition-
    - (a) that the consumer shall not reduce the contract demand to lesser than 50% of the total sanctioned contract demand subject to a further condition that the contract demand shall not be reduced below the lowest limit of contract demand as per the tariff category (or any sub-category thereof) applicable to him:





## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

- (b) that the consumer shall not be entitled to revise the contract demand more than twice a year subject to the condition that the time gap between two successive revisions shall not be less than 3 months;
- that the consumer shall give a notice of at least one month to the licensee before revising the contract demand under this mechanism. Even though the consumer shall not be required to obtain any sanction from the licensee for change in contract demand under this mechanism, he, so as to avoid the disputes, shall ensure that the notice(s) for such revision are duly served by him upon the licensee through registered post or through courier service or is delivered by hand against signed receipt therefor;
- (d) that in cases where the contract demand is reduced under this mechanism, such reduced contract demand shall be applicable for billing purposes; and
- (e) that in cases where the consumer gets his contract demand reduced permanently, the limit under clause (a) shall be considered with respect to such reduced contract demand, but such reduction shall not be considered to have been made under this mechanism and the time gap of 3 months as per clause (b) shall be reckoned from the date from which the demand was last revised under this mechanism.
- B. Himachal Pradesh Electricity Supply Code (Second Amendment) Regulations, 2018 dated 31.07.2018 –

clause 3.10. The following provisions under second amendment were inserted:

"Provided that the consumer shall not be eligible for temporary revision of contract demand to a value other than the full sanctioned contract demand for a total period of more than six months in one financial year:

Provided further that in cases involving part period of a year e.g. if a consumer takes the connection, or the consumer gets his permanent sanctioned contract demand revised, during the middle of a year, the adjustments shall be made on prorata basis.

- C. Relevant to the instant case, Para 3 (c) of internal procedural instructions issued by the Chief Engineer (Comm.) on dt. 25.10.2018 after the notification of the 2nd amendment, is also reproduced as under:
- 6. After three months, consumer shall have following three options:

"3(c) In this case consumer shall have the option to continue with revised CD for a maximum period of 3 months i.e. 4th, 5th and 6th month. As per revised clause 3.10(a), if a consumer does not revise CD then after 6th month the billing shall be done on the basis of Original Sanctioned Contract Demand only.

In case consumer wishes to revise CD in 4<sup>th</sup> or 5<sup>th</sup> month he may do so but the said revision as per revised clause 3.10(a) shall be for two months in case CD is revised in 4<sup>th</sup> month and one-month in case revision is being done in 5<sup>th</sup> month, considering 1-month notice period for revision of CD. At the end of which billing shall be done on the basis of original Sanctioned Contract Demand only."

19. In due cognizance to the clause 3.10 (a) Supply Code (First Amendment) Regulations, 2014 dated 11.06.2014, (Second Amendment) Regulations, 2018 dated 31.07.2018 read with



Currel



#### SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

procedural instruction 3(c) issued by Chief Engineer Commercial vide letter dt. 25.10.2018 after the notification of the 2nd amendment, effected from 01.04.2019 onwards, this Appellate Forum on the contentions of the Complainant read with reply of the Respondent and Rejoinder by the Complainant before CGRF in order dt.03/11/2023 in the said matter, delves as under:

- a. The analysis of clause 3.10(b) of Supply Code (First Amendment) Regulations, 2014 dated 11.06.2014 and insertion of clause 3.10(a) Supply Code (Second Amendment) Regulations, 2018 dated 31.07.2018 in totality, provides very clear mandate that under the ambit of 1st amendment there was no embargo of "Financial Year" and the revision was just confined to twice in a year subject to a gap of three months which could have been continued even after the expiry of the year and hence there was no indicative directions of automatic switching on to sanctioned contract demand after the expiry of previous Financial Year whereas after the notification of 2<sup>nd</sup> amendment dt. 31.07.18 and its applicability with effect from 1.04.2019 has changed the scenario of revision wherein the temporary revision is not allowed for more than total six months in one Financial Year which further indicates that after the expiry of the Financial Year or the period of temporary revision of contract demand of six months availed, the temporary revision shall automatically switch on to the Sanctioned Contract Demand if not applied afresh as in the absence of such fresh application the only alternative left is the adoption/availability of "Sanctioned Contract Demand" and nothing else.
- b. The Complainant submits that the complainant is eligible for billing based on temporary revision for six months in continuity. The analysis on this contention reveals that the Complainant has misconstrued the true meaning of 2<sup>nd</sup> amendment which categorically envisages that the consumer shall not be eligible for temporary revision of Contract Demand to a value other than the full sanctioned contract demand for a total period of more than six months in one financial year. The word full Sanctioned Demand means without sacrificing the lien of Sanctioned Contract Demand. Here, the quote "total period of more than six months in one financial year" has the hidden meaning which is quite apparent when clause 3.10 of (Second Amendment) Regulations, 2018 dated 31.07.2018 read with clause 3.10 (b) of (First Amendment) Regulations, 2014 dated 11.06.2014, clearly provides that one cannot revise Contract Demand for a total period of more than six months in one financial year with revision twice a year subject to the condition that the time gap between two successive revisions shall not be less than 3 months
- c. While doing analysis this Appellate Forum is of the considered opinion that the above preposition if read in the regime of 2<sup>nd</sup> amendment, is quite indicative that a fresh application is required after the expiry of requisite period the consumer availed as temporary revision of contract demand and in the event of no notice/application, construes automatic reset of Sanctioned Contract demand as the consumer cannot avail that facility for more than six months in one Financial Year and any number of months left after the expiry of Financial Year shall not be spilled over to next Financial Year as differential months.
- **d.** This analysis further infers contrary and misconceived contentions of the Complainant on eligibility for billing, based on temporary revision for six months in continuity, that as an illustration in case the Complainant avails revision only for the



Curral



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

last four months of the preceding Financial Year, this will not make him eligible for availing benefit of remaining two months by spilling over to the next Financial year, as the (Second Amendment) Regulations, 2018 of clause 3.10 under any circumstances, restricts/confines benefit of revision specifically to the Financial Year in which such revision was resorted to. Hence, the averments made are not viable in the instant case.

- The Complainant's apprehension on the findings of Forum on wrong interpretation of the meaning of amended para 3.10 after the 2nd Amendment that there is no mention of filing fresh application each year in the said amendment, nor is it anywhere written in the amendment that it will be applicable to past revisions which were being continued, is again misconstrued by the Complainant as they are referring the respective amendments in isolation whereas, this Appellate Forum is of the considered opinion that if the clause 3.10 (a) Supply Code (First Amendment) Regulations, 2014 dated 11.06.2014, (Second Amendment) Regulations, 2018 dated 31.07.2018 and the procedural instruction 3(c) issued by Chief Engineer Commercial vide letter dt. 25.10.2018 after the notification of the 2nd amendment to be effective from 01.04.2019 onward are read in totality, clearly reveals that all revisions confine only to the preceding Financial Year and after the expiry of the option for the months availed in that Financial Year if one intends to continue with the same revision or further revision, a fresh Application shall be entertained only if a few months remain balance out of six months in that Financial or otherwise, henceforth, the billing shall start with the original sanctioned Contract Demand as per provisions, unless the fresh application is submitted in the next Financial Year for availing any revision on Contract Demand intended to.
- f. After going through the procedural instruction No.3 imparted by CE (Comm.) vide above referred letter dt. 25.10.2018, it is clearly mentioned that after three months, consumer can exercise three options, where 3(c) is relevant in the instant case and transparently provides that the consumer has option to continue with revised CD for a maximum period of 3 months i.e. 4th, 5th and 6th month. As per revised clause 3.10(a), if a consumer does not revise CD then after 6th month the billing shall be done on the basis of Original Sanctioned Contract Demand only. This analysis provides apparently that the consumer has option to continue with the revised CD demand only for three months after first three months in that Financial year but not in continuation as contented by the Complainant.
- **g.** In case consumer wishes to revise CD in 4<sup>th</sup> or 5<sup>th</sup> month he may do so but the said revision as per revised clause 3.10(a) shall be for two months in case CD is revised in 4<sup>th</sup> month and one-month in case revision is being done in 5<sup>th</sup> month, considering 1-month notice period for revision of CD. At the end of which billing shall be done on the basis of original Sanctioned Contract Demand only.
- h. After above analysis on these averments, it is amply clear without any doubt that these three months (option 4th, 5th and 6th month) are out of total six months of the option in respective. Financial Years and does not allow to carryover to next Financial Year or continue in the same Financial Year once all six months get exhausted, even if months remain balance in that Financial year, as contended by the Complainant, rather automatically switches on to the sanctioned Contract demand as



Carrel



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

per  $2^{nd}$  amendment after expiry of the period of total six months in that Financial Year if not applied afresh .

- i. This Appellate Forum appreciates the detailed and concise analysis by CGRF on the interpretation of clause 3.10 of the 2<sup>nd</sup> amendment of the Supply Code and the same may also be considered as a part and parcel of the findings.
- j. This Appellate Forum after above analysis in an elaborate form also delved on the contentions of the Complainant in isolation and asserts that in consonance with above provisions, the Complainant due to misconception on interpretation of clause 3.10(a) in 2<sup>nd</sup> Amendment of the Supply code as well as procedural instruction issued by Chief Engineer Commercial vide letter dt. 25.10.2018, could not exercise the said provisions in prudent manners. However, such misconceptions have no excuse, when all Amendments are issued by the Hon'ble Commission after taking the detailed views of the stake holders. This Appellate Forum agrees with the findings of CGRF on this account and the same may also be considered as part and parcel of the analysis of this Appellate Forum.
- **k.** While scrutiny of the averments in the process of analysis, this Appellate Forum observed that the Complainant applied for temporary revision of Contract Demand to the extent of 1800 KVA in October,2020 and continued with same assumptions and did not apply afresh for continuity in FY-2021-22 even after the notification of clause 3.10 (Second Amendment) Regulations, 2018 dated 31.07.2018 of Supply Code effected from 01.04.2019 which is Financial Year specific and resulted into contrary landing of averments against the spirit of the said amendment, inspite of the fact that the views of stake holders are solicited before the notification of any new Regulations/Amendments by the Hon'ble Commission and ignorance does not hold good and construes untenable contentions. Hence, the demand note raised by the Respondent Board is well in line with the 2<sup>nd</sup> amendment of clause 3.10(a) of the supply Code and this Appellate agrees with the findings of CGRF in this regard and may be considered as a part and parcel of the findings.
- 1. This Appellate Forum further infers from the record that The Hon'ble Commission under Notification dt.31.07.2018 while publishing the 2<sup>nd</sup> amendment of clause 3.10(a) of the Supply code has categorically mentioned and relevant extract is reproduced as under:

"AND WHEREAS with a view to rationalize the provisions contained in the said Code the Distribution Licensee (HPSEBL), the Parwanoo Industries Association and Divisional Commissioner Shimla Division, have proposed certain amendments; "AND WHEREAS accordingly, the Commission------

A notice for inviting suggestions and objections from the public and stakeholders was published in the leading newspapers viz. "The Amar Ujala" and "Hindustan Times" on 4<sup>th</sup> Feb. 2018 and also hosted it on the Commission's website."

"AND WHEREAS in response to above public notice, the Commission received response from various stakeholders vis-à-vis the comments/ recommendations of the Supply Code Review Panel, which have been duly considered by the Commission while finalizing these Regulations;"



Currel



### SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

- **m.** This Appellate Forum after going through the above mandates of Hon'ble Commission conceives very clear understanding that all concerned are made aware of the changings while new amendments are under way of notification. Hence, being innocent on this issue is no excuse and new implementations are to be adhered to as and when they become operative or raised. Moreover, justice cannot overrule the universal conception of interpretation of Regulations by just assuming meaning of relevant clauses in its own rhythm confining to self-benefit only.
- n. This Appellate Forum after analysing the facts of the case directs that due cognizance warrants on each end whether Complainant or Respondents while interpretation of new amendments take their way for implementation as it has been observed that neither of the parties bothered to show their awareness for implementation of clause 3.10 (a) Supply Code (Second Amendment) Regulations, 2018 and the procedural instructions issued by Chief Engineer Commercial vide letter dt. 25.10.2018 on this account. However, within the ambit of misconceptions, the course of justice cannot be ignored /injured.
- **o.** After going in depth, the contentions of both Complainant and Respondent in the instant case, this Appellate Forum clearly deduces that on the surmises of their submissions, reply as well as rejoinder as submitted with CGRF that both are in harmony with each other in principle to the extent that the 2<sup>nd</sup> amendment of clause 3.10(a) of the supply Code is applicable w.e.f 01.04.2019.
- **p.** This Appellate Forum affirms that every case is governed under its own merits and statute and hence explores issues as under.

#### J- Issues in Hand:

#### Issue No.1:

Whether the Complainant is eligible for billing based on temporary revision for six months in the next Financial Year in continuity?

#### Issue No.2:

Whether the temporary revised Contract Demand automatically switches on to the Sanctioned Contract Demand as per 2<sup>nd</sup> amendment after the expiry of the period of total six months in that Financial Year?

#### **Issue No.3:**

Whether the Complainant has to submit fresh application after the expiry of each Financial Year.?

#### K-Findings on the Issues:

#### **Issue No.1:**

- 1. The Complainant submits that the complainant is eligible for billing based on temporary revision for six months in continuity, whereas contrary to the averments, clause 3.10(a) of (Second Amendment) Regulations, 2018 dated 31.07.2018 read with clause 3.10 (b) of (First Amendment) Regulations, 2014 dated 11.06.2014, clearly provides that one cannot revise Contract Demand for a total period of more than six months in one financial year with revision twice in a year subject to the condition that the time gap between two successive revisions shall not be less than 3 months.
- 2. This Appellate Forum while doing findings in consonance with the above provisions asserts that in case the Complainant avails revision only for the last four months of the preceding Financial Year, this will not make him eligible for availing benefit of remaining two months

Enrhal

Page 25 of 29



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

by spilling over to the next Financial year, as clause 3.10(a) of the (Second Amendment) Regulations, 2018 under any circumstances, restricts/confines benefit of revision specifically to that Financial Year in which such revision is sought unless he applies afresh.

- 3. This Appellate Forum while closing findings on this issue concludes that the Complainant has misconstrued the true meaning of 3.10(a) of the supply codes under 2<sup>nd</sup> amendment and could not fetch the exact contentions behind the 2<sup>nd</sup> amendment when read in conjunction with 1<sup>st</sup> amendment & the procedural instructions issued vide Chief Engineer (Comm.) letter dt.25.10.2018.
- **4.** The CGRF in its said order has explicitly touched each aspect in details to arrive at the consensus and this Appellate Forum holds without any doubt that the findings of its order are self-sufficient to understand the crux and for the sake of brevity does not invite any further digging on the instant issue. However, the relevant extract of CGRF findings is also reproduced for reference "This Forum, in the facts and circumstances of the case, safely sums up that any Temporary Revision of Contract Demand (in kVA or MVA) that may have existed in the past before 01.04.2019 shall cease to remain effective beyond 01.04.2019. Therefore, the consumer shall have to apply afresh every financial year for a 'Temporary Contract Demand' beyond 01.04.2019".
- 5. Hence, the surmises of the Complainant on subsequent continuity after expiry of the financial year before or after 1.04.2019, without applying afresh is absurd in nature. This closes the findings on Issue No.1

#### Issue No.2:

- 1. After giving findings on Issue-1, this Appellate Forum observed that in order to arrive at legitimate consensus in Issue-2, the procedural Instructions No.3 imparted through letter dated 25.10.2018 by CE(Comm.) after the notification dt. 31.07.2018 of 2<sup>nd</sup> amendment of clause 3.10 of the supply code effective w.e.f 1.4.2019, plays a vital role which without any doubt provides that after three months, consumer can exercise three options, where 3(c) is relevant in the instant case and transparently provides that the consumer has option to continue with revised CD for a maximum period of 3 months i.e. 4th, 5th and 6th month. As per revised clause 3.10(a), if a consumer does not revise CD then after 6th month in that financial year, the billing shall be done on the basis of Original Sanctioned Contract Demand only.
- 2. The term as mentioned above "<u>if a consumer does not revise CD then after 6th month the billing shall be done on the basis of Original Sanctioned Contract Demand only.</u>", without any doubt further clearly indicates that it is binding for the consumer to revise or revitalize his requisition or otherwise henceforth, the Original Contract Demand shall automatically switch on for billing.
- 3. This Appellate Forum after going through instruction 3(c) of above mentioned CE(Comm.) letter dt.25.10.2018 read with 3.10(a) 2<sup>nd</sup> amendment of the Supply Code which is Financial year specific, gathers opinion that these three months (option 4th, 5th and 6th month) are out of total six months of the option in the respective Financial Years and does not allow to carryover to next Financial Year or continue in the same Financial Year, once all six month get exhausted, even if months remain balance in that Financial year, rather automatically switches on to the sanctioned Contract demand after the expiry of the period of total six months in that Financial Year.
- 4. The above directives pave the way for judicious settlement of the misconceptions that even after lapse of first three months of revision of CD, the consumer has option to continue with

Carrel



## SHARMA SADAN, BEHIND KEONTHAL COMPLEX, SHIMLA-171002

Phone: 0177-2624525, email: ombudsmanelectricity.2014@gmail.com

the same revised CD only upto next three months out of six months but not in continuous succession as contented by the Complainant. This guideline is further indicative to the contention that it is mandatory to submit a fresh application if one intends to continue with the same revised contract demand or otherwise, even after the expiry of six months as specified in the above provisions.

5. Hence, the contentions of Complainant is not tenable in the instant case. This closes the findings on Issue No.2.

#### **Issue No.3:**

- 1. While closing findings on Issue-1&2, this Appellate Forum feels nourished that if the provisions as per the clause 3.10 (a) of Supply Code (First Amendment) Regulations, 2014 dated 11.06.2014, (Second Amendment) Regulations, 2018 dated 31.07.2018 and the procedural instruction 3(c) issued by Chief Engineer Commercial vide letter dt. 25.10.2018 after the notification of the 2nd amendment to be effective from 01.04.2019 onwards, are read in totality, clearly reveals that all revisions confine only to the preceding Financial Year and after the expiry of the options of months availed in a Financial Year before or after 1.04.2019 if one intends to continue with the same revision or further revision in the next Financial Year, a fresh Application shall be entertained only if a few months remain balance out of six months in that Financial or otherwise, henceforth, the billing shall start with the original sanctioned Contract Demand in that Financial Year as per provisions. This clears the contention that fresh application is required.
- 2. In the instant case the Complainant temporarily revised its Contract Demand to 1800 kVA (Temporary Contract Demand) in October 2020 i.e in the financial year 2020-21 and thereafter, it had failed to revise or apply afresh for the 'Temporary Contract Demand' (in KVA or MVA) even after the commencement of the new financial year 2021-22 as such in view of above findings, the action was contrary to the spirit of said amendments and instructions and the demand notice raised by the Respondent Board was well compliant to the prevalent provisions of insertion of 2<sup>nd</sup> amendment of clause 3.10(a) of Supply Code.
- 3. After going through the said averments of the Complainant in details as well as contentions in depth, opinion of CGRF in order dt.03.11.2023 and relevant clauses of supply code along with letter dt. 25.10.2018 of Chief Engineer (Commercial) Shimla on the Internal Procedural Instructions issued after the notification of the 2nd amendment of clause 3.10(a), this Appellate Forum holds that the Complainant has misconceived the essence of hidden meaning of clause 3.10(a) of the supply code both in 1st Amendment relevant operative part as well as 2nd Amendment and could not fetch the exact contentions behind the 2nd amendment when read in conjunction with 1st amendment & the procedural instructions issued vide Chief Engineer (Comm.) letter dt.25.10.2018 as the Complainant is referring all above provisions in isolation.

This closes the findings on Issue-3.

## L-Order:

1. The order passed by the Consumer Grievance Redressal Forum (CGRF) at Kasumpti Shimla on dated 03/11/2023 in Complaint No. 1432/202308/27 dt. 22/08/2023 is upheld.

Curhal



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

- 2. The demand notice raised by the Respondent Board for Rs 29,22,000/- is sustained in principle as the same is held inconsonance with relevant provision of Supply Code clause 3.10 (a) of (Second Amendment) Regulations, 2018 dated 31.07.2018 read with clause 3.10 (b) of (First Amendment) Regulations, 2014 dated 11.06.2014 and procedural instructions issued by the Chief Engineer (Comm.) vide letter dt.25.10.2018. However, in monetary terms before settlement, the Respondent Board is directed to meet with the following directives:
  - a. Constitute a Divisional level committee within 15 days from the date of issuance of this order to ascertain the correctness of the computation of the said amount in view of the fact that against the same demand notice and against A/C No. 100012000865, the Respondent Board mentions amount of Rs. 1498000/- under preliminary submissions of their reply whereas the Complainant mentions Rs 29,22,000/- in their submissions.
  - b. The committee to ensure the presence of representative of the Complainant during the process of scrutiny for prudent settlement of issues without prejudice.
  - c. The committee also to see if any legitimate contentions of the Complainant as per submissions in addition to above remain unattended, if viable.
  - d. The committee to adhere to Supply Code clause 3.10 (a) of (Second Amendment) Regulations, 2018 dated 31.07.2018 read with clause 3.10 (b) of (First Amendment) Regulations, 2014 dated 11.06.2014 with explicit reference to the date of applicability of above Regulations/Amendments, procedural instructions issued by the Chief Engineer(Comm.) vide letter dt.25.10.2018 and the findings of this court on the Issues 1 to 3 above, while examining the revision of Contract Demand during the period of dispute in question.
- 3. The Respondent Board is directed to overhaul the Complainant's account accordingly within 30 days from the date of issuance of this order excluding holidays and due intimation be given to Complainant to avoid further confrontations.



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

- 4. If after overhauling, the amount as raised works out to be same, the said demand notice shall be considered sustained or otherwise quashed and fresh demand notice be raised.
- 5. The complainant is directed to pay the requisite outstanding amount within 15 days excluding holidays from the date of receipt of final intimation of the overhauled account from the Respondent Board to avoid any action thereof.
- 6. Under the powers drawn from the provisions of Regulation 37 (3)(d) (e) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013, both Complainant and Respondent Board are directed to keep awareness for immediate implementation of the ensuing Amendments to be issued by the Hon'ble Commission to avoid litigations and violations in future thereof.
- 7. The Respondent board is further directed not to take any remedial measures before the expiry of above period.
- 8. All stays imposed by this Appellate Forum under Regulation 36 of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 are hereby vacated.
- 9. The parties are left to bear their own costs.
- 10. The Complaint filed by M/S Him Chem Ltd., Village Khera, P.O. Baddi, Nalagarh Road, Nalagarh (H.P), Distt. Solan, H.P -174101 is hereby disposed of.

Given under my hand and seal of this office

Dated:18 /01/2024

Shimla

Electricity Ombudsman

