



In the matter of:

Complaint No. 11/2024

M/s MT Autocraft (Unit 6), Village Naryal, Parwanoo, HP – 173220

-Complainant

Vs

1. Executive Director (Personal), HPSEB Ltd, Vidyut Bhawan, Shimla-171004.
2. Sr. Executive Engineer, Electrical Division, HPSEBL, Parwanoo Distt Solan. HP-173220.
3. The Assistant Executive Engineer (E), Electrical Sub-Division, HPSEBL, Parwanoo Distt Solan. HP-173220.

- Respondents

Complaint No11/2024 (Registered on 26/12/2024)

(Orders reserved on 22/01/2025, Issued on 03/02/2025)

Counsel for:

The Complainant: Sh. Rakesh Bansal, The Authorized Representative

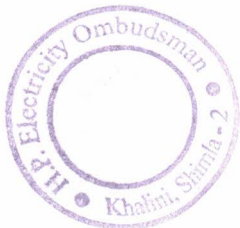
The Respondents: Sh. Kamlesh Saklani, Under Sectt. Law
-Er. Parvinder Singh, AEE, ESD. Parwanoo

CORAM

Er. Deepak Uppal
HP Electricity Ombudsman

Order

1. The case was registered and received on 26/12/2024, filed under Regulation 28(1)(b), of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 against the final Order dated 27/11/2024 passed by the Consumer Grievance Redressal Forum at Kasumpti in Complaint No1421/202405/12.



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2. The case was listed and heard for admission on 30/12/2024 to the extent of initiation of proceedings. After listening to the counsels for both the parties, the Respondent Board was directed to submit reply on or before 15.01.2025 with a copy of reply to the Complainant and rejoinder if any by the Complainant immediately thereafter the submission of the reply by the Respondent Board. The case was listed on 22/01/2024 for final arguments subject to submission of the above documents.
3. The Respondent Board submitted a reply on 14.01.2025 in compliance to this court order dt. 30/12/2024 and subsequently, the Complainant submitted rejoinder-cum-written arguments on dt.22/01/2025 in the court room which was taken on record. The counsel for Respondents and concerned Assistant Engineer appeared in the Court room along with the record and with the mutual consensus of both the parties, the final arguments were conducted on 22.01.2025.
4. The authorized representative for the Complainant addressed the grievances. The deliberations made by the Assistant Engineer and participation in discussions were appreciable. Both Ld. Counsel for Respondent Board (Under Sectt. Law) and authorized representative for the Complainant advanced their arguments to the brim and after hearing both the parties at length, the arguments were concluded and order reserved.

A-Brief Facts of the Case:

1. M/s MT Autocraft Bearing Consumer ID 200010000102 is a Large Industrial Power Supply (LIPS) Consumer of Respondent HPSEBL.
2. It is observed from the contents of submissions that the Complainant is aggrieved from Respondents being silent on the issue of rebate on approved energy charges provided to existing/new industries on expansion/ undergoing expansion in terms of Tariff Orders passed by Hon'ble Commission.



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3. The detailed analytical facts of the case stand placed under the heading “**The Complainant’s Submission**”, hence for the sake of brevity, the same are confined to the relevant one and not reiterated.

B-The Complainant’s Submission:

PROLOGUE/ BACKGROUND:

The Complainant submits that MT Autocraft (Unit 6), is filing the said complaint through Sh. Anil Sehgal, authorized representative of the firm, who has been authorized vide resolution to sign, institute, verify swear affidavits, suits, complaints, appeal and other proceedings to protect the interest of MT Autocraft (Unit 6) and to engage counsel(s)/Advocate (s)/ representatives (s). The complainant firm is filing the said complaint under Regulation Nos. 28(1)(b) of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulation 2013 as the complainant is not satisfied by the orders dated 27.11.2024 passed by the Ld. Forum. The complainant/applicant company is a consumer under the Electricity Act, 2003 i.e. Section 2 sub-Section 15 and the respondents are distribution licensee under Section 2 sub-section 17 of the Electricity Act, 2003. The complainant company is also a consumer under Section 3 (d) of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulation 2013. The respondents/non-applicants have failed to adhere to the provisions of tariff orders notified from time to time by the Himachal Pradesh Electricity Regulatory Commission under the Electricity Act, 2003 and have stopped allowing any further the legitimate rebate on energy charges for the period notified in the tariff orders. The complainant approached the Consumer Grievances Redressal Forum of HPSEBL, for redressal of his grievance, who, in the end of the proceeding dismissed the complaint without any relief to the complainant.



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1. Facts of the Case

Date	Event
01.09.2023	<p>The complainant further increased his contract demand from 396 kVA to 450 kVA.</p> <p>The tariff order for the financial year 2023-24 (Annexure C6) also provided for rebate @ 15% to the existing unit for quantum of energy consumption corresponding to proportionate increase in contract demand. Proviso to Para 13 d of the LIPS tariff is reproduced below:</p> <p><i>“Provided that such expansion, if undertaken during 1.07.2019 to 31.05.2020 and/or during 01.06.2021 to 31.03.2023 and/or shall be undergoing expansion on or after 01.04.2023, the Energy Charges shall be 15% lower than the approved Energy Charges for the respective Category for a period of 3 years for quantum of energy consumption corresponding to proportionate increase in Contract Demand.”</i></p> <p>The respondents never provided this rebate even to this date, the amount of which is calculated at Annexure C5 to Rs. 1,62,780.93, for 14 months, while the complainant is eligible for this rebate for a further period of 22 months which are balance out of three years for which the rebate is allowed.</p>





08.02.2024	<p>The complainant further increased the contract demand from 450 to 750 kVA, which too was entitled for rebate for a period of three years upto January, 2027. This expansion of contract demand is also covered under the above said proviso in the foregoing para.</p> <p>The respondents never provided this rebate even to this date, the amount of which is calculated at Annexure C6 to Rs. 3,68,152.28, for 9 months, while the complainant is eligible for this rebate for a further period of 27 months which are balance out of three years for which the rebate is allowed.</p>
28.05.2024	<p>The complainant approached the Consumer Grievances Redressal Forum of HPSEBL for overhauling of his billing account along with interest. The Ld. Forum dismissed the complaint without giving any relief to the complainant.</p>

2. Details of the Grievance:

- 2.1 The Complainant submits that he approached the Ld. Forum with a grievance regarding non-adjustment of rebates applicable on additional consumption and on increase in contract demand as was allowed in the tariff orders from time to time. The rebate/ lower rate of energy charges on expansion in terms of increase in contract demand was applicable on



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consumption proportionate to the increase in contract demand for a period of three years. It is needless to say, that the respondents failed to implement these provisions of the tariff order. It is pertinent to mention over here that such rebates were a part of the notified tariff and was even a pass through in the ARR, which is also allowed to be trued up for any variations in the estimates of the Commission viz a viz the actual realizations.

- 2.2** The Complainant submits that the rebate/ lower rate of energy charges applicable on the basis of increase in contract demand as per relevant provisions cited and narrated in the para “Facts” above are summarized below:

Increase in Contract Demand	Increase in Connected Load	Period of rebate	Amount upto Nov, 24 (Rs.)	Remarks
396 kVA to 450 kVA	Nil	Oct-23 to Sep-26	1,62,780.93	14 months
450 kVA to 750 kVA	450 kW to 850 kW	Mar-24 to Feb-27	3,68,152.28	9 months

Total upto Nov, 24 = Rs. 5,30,933.21

The rebate on the unexpired period out of three years is additional and will be calculated on future consumption basis.

- 2.3** The Complainant submits that the other relief that the complainant had sought was in terms of interest, which too is a consequential relief, to be



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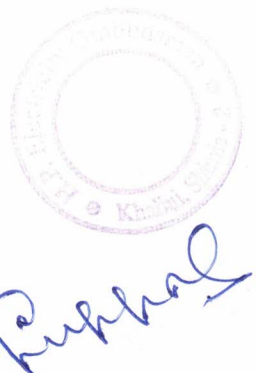


granted, if and only if, the principal relief qua inquiry of the shortcoming related to the premature withdrawal of rebate was granted by the Forum.

3. Grounds/ Contentions of the Complainant:

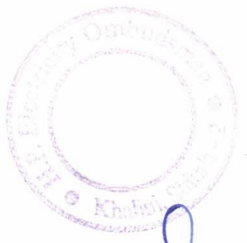
The Complainant submits that feeling aggrieved and dissatisfied by the impugned orders passed by the Consumer Grievances Redressal Forum, the petitioner is left with no other option/ remedy but to file the present representation on the following grounds:

- 3.1** That the Ld. Forum while passing the impugned orders dated 27.11.2024 has failed to function in the manner that has been notified under the HPERC (CGRF and Ombudsman) Regulations, 2013. The Ld. Forum was duty bound to follow the procedure laid down in the said regulations as it is constituted under the said regulations.
- 3.2** That the orders passed by the Ld. Forum are bad in law as the Ld. Forum has failed to even notice that in the rejoinder the complainant had clearly mentioned that the connected load of the complainant was also increased from 450 kW to 850 kW w.e.f. Feb, 2024. The Ld. Forum even failed to consider the increase in connected load as physical electrical expansion, which as per rules is always verified by the officers of the respondent and the Chief Electrical Inspector. Although, it was not necessary as per tariff order to link the expansion to the increase in connected load, but the Forum failed to acknowledge even the facts which were conforming to its own logic.
- 3.3** That the orders passed by the Ld. Forum are bad in law as the Ld. Forum failed to acknowledge the other facts such as increase in consumption, investment etc. which were also submitted by the complainant to further support his claim while filing the rejoinder.





- 3.4 That the orders passed by the Ld. Forum are bad in law as the Ld. Forum has failed in providing justice by deliberately twisting the meaning of the word 'expansion' as has been included in the paras of tariff for the purpose of allowing rebate, which defeats the basic objective of the HPERC behind this initiative to promote the growth of industry, which was incorporated for the corresponding benefit to the utility as well in terms of volume. The calculation of the benefit was linked to the increase in contract demand, which obviously would fetch higher revenue to the utility in terms of fixed demand charges on regular basis, as the consumption is expected to grow slowly over the years in the industry.
- 3.5 That the orders passed by the Ld. Forum are bad in law as the Ld. Forum in issue in paras 45-59, the Ld. Forum has concluded the public money cannot be doled out or squandered at mere whims and fancies of individuals and have to be considered and dealt meticulously with caution by those on whom the responsibility to do so is bestowed (Para 46). It appears that the Ld. Forum is commenting and passing remarks as if the Ld. HPERC has erred and has squandered with the public money. The Ld. Forum has also acknowledged the fact that the expression "expansion" has not been defined in the tariff orders in any other terms. The Forum has failed to appreciate the fact that passing on the rebates does not amount to squandering the public money as such rebates in tariff are taken into account by HPERC in the ARR (Aggregate Revenue Requirement) and the facility of true-up is also available to the respondents. As such allowing the rebates in the manner as stipulated in tariff will not result in any financial impact on the respondents except for the claim of interest by the complainant. The respondents, however,



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have to be made liable on account of interest as it is their failure to implement the tariff in a timely and fair manner.

- 3.6 That the orders passed by the Ld. Forum are bad in law as the Ld. Forum has also concluded that the expansion cannot pertain to expansion other than that of electrical nature, which is required to be established. The expansion in such cases is clearly an expansion in contract demand as per tariff orders and nothing else can be inserted at this stage retrospectively into the meaning of the word expansion.
- 3.7 That the orders passed by the Ld. Forum are bad in law as the observation of the Ld. Forum in Para 50 is irrelevant as it merely relates to such agreements which were carried out in the past, in which the contract demand was not at all mentioned in the Application and Agreement Forum. The Para 1.2.15 merely states a methodology to calculate contract demand in such cases.
- 3.8 That the Ld. Forum in Para 51 of the order has failed to establish as to what would mean electrical expansion and has concluded that the contract demand is only a contractual term and has no other meaning or relevance to expansion. The contract demand in fact has far more implications than merely being a contractual term. The entire two-part tariff is based on the contract demand, while all the charges etc. too are based on contract demand.
- 3.9 That the orders passed by the Ld. Forum are bad in law as the Ld. Forum in Para 53 has concluded that increase in contract demand may not necessarily result in increase in consumption, which is true. But, in general, **whenever the contract demand increases the capacity to consume goes up**, which has been the intention of the tariffs to promote overall consumption. The Ld. Forum has also erred in ignoring the fact that any increase in contract demand is coupled with an increase in fixed



charges in the shape of demand charges, which are quite a high charge and is much more than the rebate. It will thus be wrong to presume that the consumers will play with contract demand merely to claim the rebate. The notified provision in the tariff is very clear and is not required to be interpreted any further as it merely requires an increase in contract demand to claim the benefit of lower rate of energy charges. The conclusion of the Ld. Forum is merely based on apprehensions, whims and fancies, while the complainant genuinely deserves the benefit of rebate/ lower rate of energy charges.

3.10 That the orders passed by the Ld. Forum are bad in law as the Ld. Forum in Para 54 has concluded that *each and every increase in contract demand is required to be verified in clear unambiguous terms by the respondent HPSEBL*, which is contrary to any instructions issued by the Commercial wing of the respondents. It is not the duty of the Forum to define the procedure for availing rebates. Any such instructions were to be imparted in advance immediately after the notification of the respective tariff orders, if at all required. The Ld. Forum is simply trying to deny the benefit promised by the tariff order to the complainant and is trying to establish / define an altogether new criteria, which cannot be adhered to retrospectively and which is over and above the methodology defined in the tariff order. Had there been any such notification in the past the complainant may have adhered to the same.

3.11 That the orders passed by the Ld. Forum are bad in law as the Ld. Forum to even acknowledge that any increase in connected load is duly verified during the verification of the test report by 2 to 3 officers of the respondents and is also verified by the Chief Electrical Inspector. The Ld. Forum has failed to state the criteria which would be acceptable for

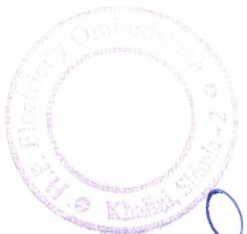


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claiming the rebate. Scientifically also, the term electrical expansion can broadly be defined in terms of contract demand, connected load or both. While the complainant had carried out increase in both the parameters, still the Ld. Forum has not ordered the desired relief to the complainant, which proves beyond doubt that the Forum is hell bent in protecting the utility and liability in terms of interest, which may fall on the employees for failure in discharging their duties with respect to the tariff orders.

- 3.12** That the orders passed by the Ld. Forum are bad in law as the term physical electrical expansion as has been coined by the Ld. Forum is contrary to and beyond the provisions of tariff order and beyond its jurisdiction. There is no such notification or detailed instructions issued by the respondent Board so as to state that the so called physical electrical expansion is necessary to claim the rebate. The said term physical electrical expansion is an arbitrary term, while on the contrary the Forum has also held that investment or creation of physical structure etc. would also not mean expansion.
- 3.13** That the orders passed by the Ld. Forum are bad in law as they are purely based on interpretation of the provisions of tariff. It is an irony that in several complaints earlier the Forum has refrained from interpreting the provisions of tariff orders due to want of jurisdiction.
- 3.14** That the tariff orders notified by the Commission are binding on the respondents as per which rebate is required to be allowed to the complainant at such rates as notified in the tariff orders on the energy consumption proportionate to the increase in contract demand.
- 3.15** That the Ld. Forum in its orders dated 27.11.2024 has instead granted relief to the respondents rather than the complainant who had filed the grievance. The Ld. Forum even has gone to grant relief to the respondent even beyond their pleadings.



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3.16 That the respondents have not even disputed in their reply the claim of interest made by the complainant nor any comments specific to the payment of interest, whereas the Ld. Forum has adjudicated on the issue without any contest from the respondents.

3 Prayer

In view of above the complaint prays as below:

- a) To quash and set aside the orders dated 27.11.2024 passed in Complaint No. 1421/202405/12 for the reasons stated in the representation;
- b) To issue directions to the respondents to grant rebates until the expiry of three years from the date of each increase of contract demand upto the expiry of three years in each case and which has been tabulated in Para 2.3 of this representation;
- c) To direct the respondents to start adjusting the rebate on bill to bill basis in order to avoid any future accumulation and interest thereupon;
- d) To direct the respondents to overhaul past bills while providing for rebate on the basis of eligibility period of each rebate;
- e) To direct the respondents to pay interest on the amount charged in excess and the amount that is refundable to the complainant, at simple interest @ 15% p.a. on daily basis, from the date of payment on the past amounts refunded with delay and the amount due for refund as per Sub-regulation 5.7.3 of the Supply Code, 2009 or the HPERC (CGRF and Ombudsman) Regulations, 2013 as may be considered appropriate in the present case;
- f) To direct the respondents to compensate the complainant towards cost of the complaint amounting to Rs. 2,00,000/-.
- g) To Call for the record of the case.
- h) Any other or further orders which this Hon'ble Forum may deem fit and proper, in the facts and circumstances of the case may kindly be passed in



favour of the complainant company and against the respondents/distribution licensees.

C- The Respondent's Submission:

The Respondent submits that the Id CGRF has passed very reasonable and speaking order appreciating the contention of the parties and also taking into consideration the factual as well as legal aspect of the matter. The order impugned herein does not call for any interference as there is no illegality or perversity in the order dated 27-11-2024. As such the representation/complaint filed by the complainant deserves only dismissal.

1. In reply to the facts of the case, the Respondent submits that:

That the para No. 1 of the representation insofar as they pertain to the matter of record are not denied rest of the averments which are contrary to the record are wrong and incorrect hence denied. It is denied that Id CGRF has passed wrong order.

2. That the para No. 2.1 of the representation insofar as they pertain to the matter of record are not denied rest of the averments which are contrary to the record are wrong and incorrect hence denied. It is submitted that complainant is not entitled for rebate on the expansion, just on the premise of increase in the only contract demand.

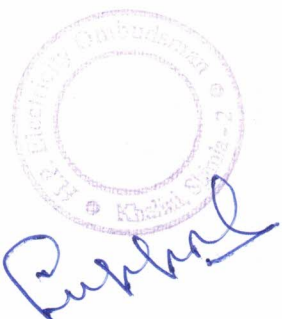
Para 2.2 in reply to this para it is stated that complainant is not entitled for expansion rebate on the basis of the increased in the contract demand without increased in the connected load.

Para 2.3: in reply to this para, it is stated that since the complainant is not entitled for rebate, as discussed above, as such the relief of the interest cannot be granted to the complainant.

3. In reply to the grounds/ contentions of the complainant, the Respondent submits :



- 3.1 : That the contents of this para are totally wrong and incorrect hence denied. It is submitted that Id CGRF has passed correct order thus there is no scope for any kind of the interference by this Hon'ble Ombudsman. It is submitted that increased in the contract demand cannot be only factor for the grant of the expansion rebate. It is submitted that expansion must be physical one.
- 3.2 That the contents of this para are totally wrong baseless and misconceived. It is submitted that order passed by the Id Forum is well within the ambit of the regulations and there appears no such illegality or infirmity in the order as impugned herein.
- 3.3 That the contents of this para are wrong and incorrect hence denied. It is submitted that Id CGRF has rightly appreciated the factual as well as legal aspect of the controversy as such it is wrong to state that the Id Forum's order is bad in law. Rebate on the night time consumption was rightly rejected by the Id Forum.
- 3.4 That the contents of this para are wrong and incorrect hence denied.
- 3.5 That the contents of this para are wrong and incorrect hence denied.
- 3.6 That the contents of this para are wrong and incorrect hence denied.
- 3.7 That the contents of this para are wrong and incorrect hence denied.
- 3.8 That the contents of this para are wrong and incorrect hence denied.





3.9 That the contents of this para are wrong and incorrect hence denied.

3.10 That the contents of this para are wrong and incorrect hence denied.

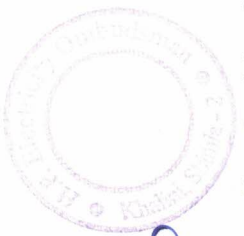
3.11 to 3.16: that the contents of these para are wrong and incorrect hence denied. It is submitted that order impugned herein is legal and correct order as such no such interference is required. The order of the Id Forum is deserves to be upheld in its entirety.

It is therefore, most respectfully prayed that there are no merits in the complaint/representation as such in the interest of justice and fair play the same is liable to be dismissed.

D-The Complainant's Additional Submission through Rejoinder and Written

Arguments:

1. The complainant submits that nothing in this rejoinder may be taken as admittance of any contents of the reply unless they are specifically admitted in this rejoinder.
2. The complainant submits that they had filed the instant representation against the orders dated 27.11.2024 passed by the Consumer Grievances Redressal Forum of HPSEBL in Complaint No. 1421/202405/12. The complainant had filed the said grievance in order to claim his legitimate right for the levy of lower rate of energy charges allowed to the industrial units for additional consumption and proportional consumption on increase in contract demand as applicable from time to time. The complainant has also prayed for interest as per clause 5.7.3 of the Supply Code, 2009 for the delay in compensating the complainant on account of rebate, the payment of which was due in the monthly bills issued to the complainant. The complainant has already

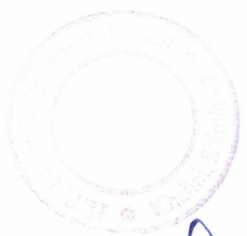


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explained in brief the details of grievance in Para 2 and its sub-paras of the representation.

3. The complainant submits that the reply of the respondents is in full support of the orders passed by the Ld. Forum and has prayed that it may not be interfered with, whereas the said orders are self-contradictory within its own contents. On one hand the Ld. Forum has concluded that the term 'expansion' would only mean physical electrical expansion, while on the other hand the Ld. Forum has failed to appreciate the part of the complaint, where the complainant had carried out increase in connected load. The increase in connected load clearly suffices the requirements of physical electrical expansion as such increase is physically inspected by the officers of the respondents during the verification of the test report by the consumers.
4. The complainant submits that the respondent in reply to Para 2.1 of the complaint has stated that the complainant is not entitled to the rebate merely on the increase in contract demand, which is in contradiction with the provisions of the tariff order which talks of expansion in terms of contract demand only. It is also to be further understood that while the connected load of a consumer is increased fewer times, the contract demand of a consumer can be revised several times in stages after the increase in connected load. The complainant carried out increase in contract demand in stages after a single increase in connected load based on business volumes and also to use his connected load in a more efficient manner by improving the load factor. Each of the increase in contract demand is also reflected in the increased consumption of energy, which was the prime objective of the Hon'ble Commission for introducing the concept of rebate. Each and every increase in contract demand cannot be correlated with increase in connected load. For the purpose of clarity, the complainant wants to illustrate an example. Assuming that a consumer installs ten similar machines of 10 kW each for manufacturing the same product and



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for the same manufacturing process and he applies for a connected load of 100 kW. The consumer applied for a contract demand of 30 kVA in order to run 3 machines, while the others are kept idle as spare capacity. After a certain period, the consumer increases his sales in the market and when he is assured of more sales he starts operating additional 3 machines. It is at this time that he applies for additional contract demand of 30 kVA. This is how he applies for increase in contract demand from time to time, which also results in increased consumption which is generally in proportion to the increase in contract demand. It would be entirely wrong to assume that a consumer will simply increase in contract demand merely to claim the rebate, as the contract demand has a simultaneous responsibility on the part of the consumer to pay monthly demand charges on regular basis. The Ld. Forum has failed to recognize the increase in electricity consumption and also the increases in connected load from time to time, while passing the impugned orders.

5. The complainant submits that in the reply of the respondent to Para 2.2 of the representation the contention of the respondents is only in respect of standalone case of increase in contract demand without the increase in connected load. Whereas, the respondents seem to be in agreement to the give rebate when there is also an increase in connected load. The respondents have failed to acknowledge the fact that the complainant had also increased his connected load from 450 kW to 850 kW while increasing the contract demand from 450 kVA to 750 kVA, which is available on record and is also reflected in the bills issued to the complainant. The respondents as well as the Ld. Forum are in self-contradiction on this issue and have miserably failed in allowing the rebate at least to this extent that has been agreed in principle elsewhere in the impugned orders.
6. The complainant submits that the respondents in reply to the claim of interest has denied entitlement of interest on rebate as the same is based on the



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entitlement of rebate. In other words, the respondents are agreed on entitlement of interest in case the refund of rebate arises. The complainant is also of the view that the interest is consequential to the entitlement of the principal amount, which is rebate in this case.

7. The complainant submits that the respondents in reply to Para 3 and its sub paras have stated the same as in reply to para 2, which are already dealt in the aforesaid submissions. The respondents have miserably failed in proving the contents of the sub paras of para 3 as wrong, incorrect and unlawful, whereas there is nothing in the content to support their submissions.
8. In view of above, the complainant submits that the Hon'ble Forum may issue necessary directions to the respondents to grant relief as prayed for in the representation and in the above submissions and issue orders as may deem fit in the facts and circumstances of the matter.

E- The Complainant's written Arguments:

The Complainant submitted Rejoinder-cum-Written arguments, hence the same is considered as part and parcel of the written arguments for record purpose.

F- The Respondent's written Arguments:

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

G- The Arguments of both during proceedings :

1. The final arguments were conducted on 22/01/2025 and both the parties were given due opportunity to argue their contentions to the edge.
2. The authorized representative for Complainant extended arguments on expansion rebate and asserted that an expansion rebate of Rs. 5,30,933.21/- was applicable in terms of relevant provisions based on the increase in contract demand in different stages i.e 396 KVA to 450KVA on dt.,01.09.2023 & 800 KVA to 895 KVA on dt. 08.02.2024, the detailed



Signature



stages stand mentioned in the Complainant's Submission under the heading "B", hence not reiterated.

3. The Ld. counsel for Respondents during arguments emphasized on the term expansion as physical electrical expansion and discussed at length that expansion must be supplemented with verification by competent authority such as Chief Electrical Inspector as well as authorized officers of the Board in the beginning of each stage of enhancement before availing benefits on increase in Contract Demand as contended and read out the relevant paras (48& 59) of order dt. 27/11/2024 of Ld. CGRF in support of his arguments.
4. The authorized representative for Complainant also added supportive arguments that as a rule whenever any expansion in industries takes place, the same is verified in the very initial stage by the Chief Electrical Inspector and other officers authorized by the Board for the said purpose whenever such enhancement in Contract Demand is applied.
5. The Ld. counsel and Officer present in the court room representing Respondents, in support of CGRF order dt. 27.11.2024 deliberated that even in the instant case if such verification exists, the expansion as contended shall be considered as electrical.
6. The authorized representative for Complainant at last also prayed for the payment of interest on the excess amount billed to him.
7. The arguments advanced by both the parties were appreciable and after listening to both the parties at length, the arguments were concluded and order reserved.



R. K. Sharma



H- Order dt. 27/11/2024 of Consumer Grievance Redressal Forum:

BRIEF FACTS OF CASES–

1. (1) Complaints have been filed under regulation 16, 17 and 18 of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 by –
 - (a) Complaint No 1421/202405/11: M/s Ind Sphinx Precision Ltd – Unit B, 1, Taksal Road, Parwanoo, Kasauli Marg, HP - 173220, bearing Account No 100012000667;
 - (b) **Complaint No 1421/202405/12: M/s MT Autocraft (Unit 6), Village Naryal, Parwanoo, HP - 173220, bearing Account No 200010000102;**
 - (c) Complaint No 1421/202405/13: M/s M/s Micro Turners (Naryal Unit), Village Naryal, Parwanoo, HP - 173220, bearing Account No 100012000657;

ORDER

2. (38) Forum has examined the relevant provisions of the Electricity Act, 2003, various relevant Regulations framed by the Ld HP Electricity Regulatory Commission (or the HPERC) including relevant provisions of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 (or the CGRF Regulations), HP Electricity Supply Code, 2009 and amendments thereto, CEA Regulations, various Tariff Order passed by the Ld HPERC and record as facts along with pleadings of the parties. This Forum has heard the parties at length. The considered opinion of the Forum has been gathered after considering the fair facts, evidences and correspondence placed on record and arguments adduced by both the parties;
3. (39) Before the Forum delves into the issues of rebates raised in the instant complaints, it is imperative to reproduce for sake of convenience



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the provisions of rebates on additional consumption over the previous year and on expansion rebates contained under Schedule - Large Industrial Power Supply (LIPS) in various Tariff Orders passed by the Ld HPERC, some of which have been relied upon by the Complainant -
(a) Tariff Order passed on 04.05.2018 by the Ld HPERC for FY 2018-19 (applicable w.e.f 01.04.2018 to 30.06.2019)-

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*Note:

a. *For existing industrial consumers, a rebate of 10% on energy charges shall be applicable for additional power consumption beyond the level of FY 2017-18*

b. *For new industries coming into production after 01.04.2018 the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years*

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(b) Tariff Order passed on 29.06.2019 by the Ld HPERC for FY 2019-20 (applicable w.e.f 01.07.2019 to 31.05.2020) –

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*Note:



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a. *For existing industrial consumers, a rebate of 15% on energy charges shall be applicable for additional power consumption beyond the level of FY 2018-19*

b. *For new industries which have come into production between 1.04.2018 to 30.06.2019, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years*

c. *For new industries coming into production after 01.07.2019 the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years*

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(c) Tariff Order passed on 06.06.2020 by the Ld HPERC for FY 2020-21 (applicable w.e.f 01.06.2020 to 31.05.2021)

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***Note:**

a. *For new industries coming into production after 01.06.2020, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years.*

b. *For existing industries which have undergone expansion in the FY 2018-19 onwards and/or shall be undergoing expansion in this financial year i.e. FY2020-21, energy charges shall be 10% lower than the approved energy charges corresponding to the respective category for a period of three years for quantum of energy consumption corresponding to proportionate increase in contract demand.*

Provided that such expansion if undertaken during 1.07.2019 to 31.05.2020, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of



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3 years for quantum of energy consumption corresponding to proportionate increase in contract demand.

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(d) Tariff Order passed on 31.05.2021 by the Ld HPERC for FY 2021-22 (applicable w.e.f 01.06.2021 to 31.03.2022)

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13. Rebate for New and Expansion Industries:

a. For new industries which have come into production between 01.04.2018 to 30.06.2019, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of three years.

b. For new industries which have come into production between 01.07.2019 to 31.05.2020, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years.

c. For new industries which have come into production between 01.06.2020 to 31.05.2021, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years.

d. For new industries coming into production on or after 01.06.2021, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years.

e. For existing industries which have undergone expansion during 01.04.2018 to 30.06.2019 and/or during 01.06.2020 to 31.05.2021,

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energy charges shall be 10% lower than the approved energy charges corresponding to the respective category for a period of three years for quantum of energy consumption corresponding to proportionate increase in contract demand. Provided that such expansion if undertaken during 1.07.2019 to 31.05.2020 and/or shall be undergoing expansion on or after 01.06 2021, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years for quantum of energy consumption corresponding to proportionate increase in contract demand. Complaint No 1421/202405/11 Complaint No 1421/202405/12 Complaint No 1421/202405/13

f. It is clarified that the above-mentioned rebate on energy charges shall be applicable during normal and peak hours. In case of night hours, night time concession shall only apply.

g. In the case of units registered under HP Industrial Policy 2019, but not falling under the respective category of small, medium, large industrial power supply as notified by the Commission, the rebate on energy charges (as per relevant tariff category) shall be applicable for new units as well as for existing units which have undergone expansion similar to the applicability of rebate on Industrial power supply.

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(e) Tariff Order passed on 29.03.2022 by the Ld HPERC for FY 2022-23 (applicable w.e.f 01.04.2022 to 31.03.2023)

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13. Rebate for New and Expansion Industries:

- a. *For new industries which have come into production between 01.04.2018 to 30.06.2019, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years.*
- b. *For new industries which have come into production between 01.07.2019 to 31.05.2020, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years.*
- c. *For new industries which have come into production between 01.06.2020 to 31.05.2021, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years.*
- d. *For new industries which have come into production on or after 01.06.2021, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years.*
- e. *For new industries coming into production on or after 01.04.2022 upto 31.12.2022, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years. Provided in case the GoHP Industrial Policy is continued beyond 31.12.2022, the above incentive shall continue upto 31st March, 2023.*
- f. *For existing industries which have undergone expansion during 01.04.2018 to 30.06.2019 and/or during 01.06.2020 to 31.05.2021, energy charges shall be 10% lower than the approved energy charges corresponding to the respective category for a period of three years for quantum of energy consumption corresponding to proportionate increase in contract demand.*



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g. Provided that such expansion if undertaken during 1.07.2019 to 31.05.2020 and/or during 01.06.2021 to 31.03.2022 and/or shall be undergoing expansion on or after 01.04.2022 upto 31.12.2022, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years for quantum of energy consumption corresponding to proportionate increase in contract demand. Provided in case the GoHP Industrial Policy is continued beyond 31.12.2022, the above incentive shall continue upto 31st March, 2023.

h. It is clarified that the above-mentioned rebate on energy charges shall be applicable during normal and peak hours. In case of night hours, night time concession shall only apply.

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(f) Tariff Order passed on 31.03.2023 by the Ld HPERC for FY 2023-24 (applicable w.e.f 01.04.2023 to 31.03.2024)

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13. Rebate for New and Expansion Industries:

a. For new industries, which have come into production between 01.07.2019 to 31.05.2020, the Energy Charges shall be 15% lower than the approved Energy Charges for the respective Category for a period of 3 years.

b. For new industries, which have come into production between 01.06.2020 to 31.05.2021, the Energy Charges shall be 10% lower than



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the approved Energy Charges for the respective Category for a period of 3 years.

c. For new industries, which have come into production from 01.06.2021 onwards, the Energy Charges shall be 15% lower than the approved Energy Charges for the respective Category for a period of 3 years.

d. For existing industries, which have undergone expansion during 01.06.2020 to 31.05.2021, Energy Charges shall be 10% lower than the approved Energy Charges corresponding to the respective Category for a period of three years for quantum of energy consumption corresponding to proportionate increase in Contract Demand. Provided that such expansion, if undertaken during 1.07.2019 to 31.05.2020 and/or during 01.06.2021 to 31.03.2023 and/or shall be undergoing expansion on or after 01.04.2023, the Energy Charges shall be 15% lower than the approved Energy Charges for the respective Category for a period of 3 years for quantum of energy consumption corresponding to proportionate increase in Contract Demand.

e. Example: In case of Contracted Demand is increased by an industry from 2 MVA to 3 MVA, the monthly units consumption for the purpose of lower Energy Charges shall be considered in proportion of the Original Contracted Demand and increased Contracted Demand. i.e., in case of the monthly consumption is 6 LUs, the lower Energy Charges shall be applicable on 2 LUs while 4 LUs shall be billed at the regular Energy Charge.

f. The above-mentioned rebate on Energy Charges shall be applicable during normal and peak hours. In case of night hours, night-time concession shall only apply.

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4. (40) Now coming to complaint No 1421/202405/11, with regard to the issue of rebate on additional or excess consumption existing in a year vis-à-vis that in the previous year, as raised by the Complainant, Forum finds from Reply by the Respondent that it has already given the said rebate to the Complainant. However, while acknowledging the receipt of rebate, Complainant has contended that the said rebate is short in terms of non-consideration of this rebate by the Respondent on the consumption during the night hours.
5. (41) In the said complaint No 1421/202405/11, once the Respondent has given the said rebate on additional consumption existing in a year vis-à-vis that in the previous year as specified in the ibid Tariff Orders passed by the Ld HPERC, the Forum is of the considered opinion that it shall not interfere with this action of the Respondent to not grant the rebate on night time consumption. From perusal of the provisions of ibid Tariff Orders on rebates passed by the Ld HPERC, Forum finds that only those Tariff Orders passed by the Ld HPERC on and after 31.05.2021 provided for such rebate to not be considered on the night hour consumption. The Tariff Orders before this date were silent on this aspect. For the Forum to make or even say or suggest such rebate to be applicable on night hour consumption before the said date of 31.05.2021 shall on the part of the Forum clearly amount to assumptions, presumptions and putting words into Orders passed by the Ld HPERC which Forum feels as being patently wrong and also beyond the jurisdiction of this Forum. Thus the Forum rejects the contention of the Complainant that the said rebate is applicable for night hour



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consumption as well. The issue is accordingly disposed of in complaint No 1421/202405/11;

6. (42) Further, in complaint No 1421/202405/13, with regard to the issue of rebate on additional or excess consumption existing in a year vis-à-vis that in the previous year, as raised by the Complainant, the Respondent in its Reply has not denied that it has not paid the said rebate.
7. (43) In the said complaint No 1421/202405/13, the Forum is of the opinion that if the Respondent has not given the said rebate on additional or excess consumption existing in a year vis-à-vis that in the previous year as specified in the Tariff Orders, then the Forum holds that the Complainant is entitled to this rebate on the same lines as given in complaint no 1421/202405/11 and it shall not be in interest of justice to raise issue of time limitation as has been contended by the Respondent. Accordingly, the Respondent is directed to work out the said rebate on the same lines as given in complaint No 1421/202405/11 and adjust it in future bills of the Complainant in complaint No 1421/202405/13. However, on similar lines as has been stated in para supra by the Forum, the Forum is not inclined to pass any Orders with regard to this rebate on night-time consumptions made by the Complainant. The issue is accordingly disposed in complaint No 1421/202405/13;
8. (44) Once the issues on rebate on additional or excess consumption existing in a year vis-à-vis that in the previous year as specified in the Tariff Orders are settled in respect of instant complaints No 1421/202405/11 and 1421/202405/13, the only issue that remains to be settled is that of expansion rebates raised by the Complainants in all of the three instant complaints –



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9. (45) The Forum now proceeds to determine the issue of entitlement of expansion rebate as raised by the Complainants on grounds that they had increased the Contract Demand (kVA) from time to time –
10. (46) In the considered opinion of the Forum, public money cannot be doled out or squandered at mere whims and fancies of individuals and have to be considered and dealt meticulously with caution by those on whom the responsibility to do so is bestowed. Same is the point in case for expansion rebates that have been specified by the Ld HPERC in the Tariff Orders passed by it;
11. (47) From examination of the provisions of expansion rebates for Industries contained in Tariff Orders reproduced in para supra, the Forum finds that the ibid Tariff Orders do not define the word or expression 'expansion'. It is a known fact that the word 'expansion' implies physical increase of factors such as size, number, importance etc. What constitutes expansion in industry, like whether industries merging/splitting or industries undergoing increase/decrease in production or industries increasing/decreasing capital/manpower with or without increase in capacity or the point of start/end of infusion of capital or some yardstick by the Respondent's technical parameters/standards, has not been spelt out in the Tariff Orders so as to enable the Respondent to assess the fact, quantum and effective time of expansion for the purpose of meting out the said expansion rebates. Addition of buildings, structures, manpower, capital infusion in company, investments in other companies etc obviously cannot become the basis to give rebates for power consumption.
12. (48) Rebate for the Industries department may pertain to conditions as may be specified by it. However, in the opinion of the Forum, here the expansion rebates as laid out in the Tariff Orders passed by the Ld



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HPERC for the electricity distribution company being the Respondent herein, certainly cannot pertain to expansion other than that of electrical nature;

13. (49) Thus, before the said expansion rebates against electrical expansion are allowed by the Forum to the Complainant, at the outset it becomes imperative to conclusively confirm its actual time of occurrence and quantum, within any overall expansion undertaken by the consumer Complainant. In accordance with the provisions of Tariff Orders on rebates, it is only after the electrical expansion has Complaint No 1421/202405/11 Complaint No 1421/202405/12 Complaint No 1421/202405/13 been established, can the said rebate be determined or calculated at the specified rates for the energy consumption corresponding to proportionate increase in Contract Demand (in kVA);
14. (50) The contention raised by the Complainant that increase in Contract Demand is expansion, can be settled by merely determining the question of 'expansion' vis-à-vis the definition of Contract Demand given in the Supply Code notified on 26.05.2009 by HPERC. The definition is reproduced as follows: –

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1.2.15 “contract demand” expressed in kVA units means the maximum demand contracted by the consumer in the agreement with the licensee and in absence of such contract, the contract demand shall be determined in accordance with the Tariff Order;

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15. (51) From the ibid definition of Contract Demand (in kVA) it becomes clear that Contract Demand is merely a demand contracted or agreed between the consumer and the licensee and cannot in any way be construed to mean expansion. In accordance with the Tariff Orders passed by the Ld HPERC and in the practical application of the Contract Demand (kVA), the actual Maximum Demand (in kVA) recorded on a meter, is evaluated vis-à-vis this Contract Demand (kVA) and in absence of any contracted demand then such is assumed in accordance with the provisions of Tariff Orders. Thus the Contract Demand is simply a contractual term or expression;
16. (52) From the definition of Contract Demand (in kVA) given in the Supply Code when read in conjunction with the provision of rebate on expansion given in the ibid Tariff Orders, it becomes clear to the Forum that Contract Demand can be applied only to determine or calculate the proportionate increase in energy consumption and this Complaint No 1421/202405/11 Complaint No 1421/202405/12 Complaint No 1421/202405/13 is only after the condition of expansion, which here is electrical expansion, has been conclusively established;
17. (53) Therefore, for the Forum to hold that increase in Contract Demand is expansion shall out rightly be wrong. Also, for the simple reason that the contracted demand between Complainant and Respondent can be permanent or temporary and can from time to time be decreased and then increased, and then again decreased and then again increased etc, such contracted demand, being a contractual term, cannot be construed to mean physical expansion. Seen from another angle, physical expansion cannot mean to have taken place when the Contract Demand is increased or that such physical expansion to have been removed when the Contract Demand is decreased. It may also be a condition that





there is revision of Contract Demand accompanied with increase in consumption in a particular month vis-à-vis that in a previous month however without expansion. Thus, the contention raised by the Complainant that increases in Contract Demand implies expansion certainly cannot garner the support of the Forum. This assumption and argument of Complainant is flawed and is neither in tune with the extant provisions of the Regulations nor the Tariff Orders passed by the Ld HPERC. Thus, the Forum is constrained to reject the assumption and argument of the Complainant that increase or decrease of Contract Demand (in kVA) implies expansion. As discussed by the Forum in paras supra, such assumption and argument of the Complainant is neither tenable nor valid. In the opinion of the Forum increases in Contract Demand no way establishes physical electrical expansion or even any other expansion. The Forum clearly rejects the contention of the Complainant;

- 18.** (54) In view of foregoing discussion, the Forum concludes that while expansion of industry is a physical outcome, the Contract Demand (kVA) is a contractual obligation. Thus the Contract Demand (kVA) or its increase or decrease does not imply expansion or contraction. Complaint No 1421/202405/11 Complaint No 1421/202405/12 Complaint No 1421/202405/13 of Industry and it is only to be applied after establishing and confirming expansions. Here the limited purpose of Contract Demand is only that of calculating the proportionate increase in energy consumption with respect to it and thereafter to determine the applicable rebate. Thus, before this Contract Demand is applied, the physical electrical expansion of Industry will have to be proved and established by the Complainant and duly verified and established in clear unambiguous terms by the Respondent HPSEBL;





19. (55) From examination of the complaint, the Forum clearly finds that the Complainants have not proven the physical electrical expansion but have largely based their contention of expansion on arguments, assumptions and surmise that increase or decrease of Contract Demand (in kVA) is expansion which the Forum has rejected in paras supra. In contradiction, the Forum also finds that the Complainants, while stating that increase in contract demand implies expansion when no other meaning has been attached to it by the HPERC in its Tariff Orders, have in the same breath also quoted values of infused capital which has no relevance in the context of the instant complaints. Forum once again rejects the arguments and contentions of the Complainants;
20. (56) Forum further finds from examination of complaint No 1421/202405/11 that the Complainant, has tried to establish its case for eligibility of expansion rebate by relying on in-principle approval granted by the Directorate of Industries, Government of HP dated 06.04.2022 (Annexure C-10). Forum holds that the context of this approval by the industries department is specific to the Industries department only and neither appropriate nor relevant in context of the distribution licensee which has to grant the rebate on electrical expansion. Forum accordingly rejects the same.
21. (57) Further, Forum finds that the Complainants in complaint No 1421/202405/12 and complaint No 1421/202405/13 have placed reliance on some letter by member Secretary Parwanoo dated Complaint No 1421/202405/11 Complaint No 1421/202405/12 Complaint No 1421/202405/13 20.11.2023 (Annexure C-6) and dated 12.10.2021 (Annexure C-8) respectively, requesting for additional power to the Complainants. Forum holds that these documents also in



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no way prove the case of the Complainant for eligibility for expansion rebate. Forum accordingly also rejects the same;

22. (58) Further, in complaint No 1421/202405/11 the Respondent has placed on record some Sundry Job Order (SJO) dated 09.09.2022 (Annexure RA-2) that depicts extension of Complainant's Contract Demand from 600 kVA to 800 kVA. The Forum holds that a Sundry Job Order (SJO) is a mere order by a higher office to a lower office of the Respondent to get some job done. As has already been stated by the Forum that increase in Contract Demand does not imply expansion, thus SJO is neither appropriate nor relevant in context of grant of rebate on expansion. Forum accordingly also rejects the same;
23. (59) On the anvil of the foregoing discussion and from examination of the instant complaints, Forum clearly finds that the Complainants have failed to conclusively establish physical electrical expansion and consequently also their entitlement for the expansion rebates. It is for the Complainants to ab-initio prove their case of physical electrical expansion as existing at the start and thereafter, along with the precise time from which such expansion has to be considered by Respondent. The complaints have to be duly supported with respective comprehensive details of electrical expansion. These details may arise from extant provisions of Regulations notified by the HPERC and by the CEA from time to time and such details must have been duly verified by the Respondent and a third party namely Chief Electrical Inspector. The instant complaints are grossly missing on these counts and the Complainants have clearly failed to prove their case for expansion as provided in the ibid Tariff Orders passed. As has already been stated in para supra by the Forum, public money cannot be doled out or squandered at mere whims and Complaint No 1421/202405/11



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Complaint No 1421/202405/12 Complaint No 1421/202405/13 fancies of individuals and have to be considered and dealt meticulously with caution by those upon whom such responsibility is bestowed. Thus, Forum holds and concludes that the Complainants, based on the submissions and arguments made by them, are not eligible for expansion rebate as provided in the Tariff Orders reproduced in paras supra and the Forum accordingly rejects the claims of the Complainants for rebates on expansion as provided in Tariff Orders. The issue of entitlement of the expansion rebates raised by the Complainants are accordingly disposed;

24. (60) On the issue of refund of Electricity Duty (ED) raised by the Complainant, Forum is inclined to specifically look into the facet of the Electricity Duty –
25. (61) Forum, from bare perusal the HP Electricity (Duty) Act, 2009 Forum finds that Electricity Duty is a levy by the Government. This is collected by the Respondent on behalf of the Government on actual consumption of electricity made by consumer or supply of electricity by the licensee in accordance with the HP Electricity (Duty) Act, 2009. No-where in the Tariff Orders passed by the Ld HPERC has the rebate on expansion or excess consumption, been considered to have the net effect of reduction in actual consumption or on reduction of ED. Otherwise also, such a proposition would be absurd for the simple reason that actual consumption remains actual and not nominal and also because the Electricity Duty is the specific domain of the Government as well as property of the government and not the Respondent or the HPERC. This Electricity Duty while being applicable on electricity consumption or supply is simply calculated on energy charges. Further, Complainant has no-where shown that it has not consumed the electricity which has

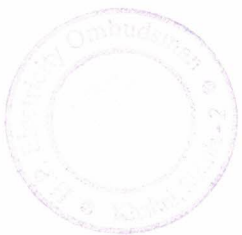


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been billed to it. Thus any monetary rebate, such as rebate on additional consumption or expansion rebate on energy charges cannot have any effect whatsoever on reduction of ED nor can these entitle the Complainant for its refund.

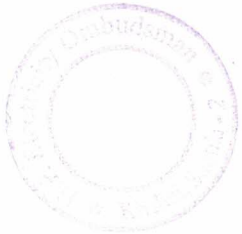
26. (62) In view of foregoing, Forum holds that the Complainant is not at all eligible for any refund of Electricity Duty that may have arisen from rebates being claimed by it or rebates that may have been passed on to the Complainant by the Respondent or the HPERC. The contention of the Complainant for refund of Electricity Duty is thus rejected. The issue is accordingly disposed;
27. (63) On the issue of payment of Interest raised by the Complainant, Forum does not find any reference to payment of Interest on rebates in the Tariff Orders passed by the HP Electricity Regulatory Commission. The Forum now proceeds to look into the specific facet of payment of Interest arising from the non-payment of rebates, in accordance with regulations notified by the HPERC –
28. (64) On bare examination of sub-regulation 26(2)(ii) of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 which is in terms of Interest to be paid on undue charges that have been paid by the Complainant consumer, no-where has the Complainant shown to the Forum that the bills paid by the Complainant contained undue charges and neither is any bill disputed by the Complainant which may be carrying undue charges. Non-inclusion of rebate in a bill by the Respondent does not make the bill to become un-due. It has to be shown by the Complainant that the charges included in the bill were not due and which were paid by the Complainant, such as to invoke this provision of regulations, and this aspect is conspicuously missing in the filing by the Complainant;



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29. (65) Also, on bare examination of code 5.7.3 of the HP Electricity Supply Code, 2009, Forum finds this to be with regard to Interest on excess payment made by the Complainant due to erroneous billing and this is also not the case of the Complainant. Merely the non-inclusion of rebate by the Respondent in a bill does not make the bill to become erroneous. This rebate is separate and it may be a case that such rebate is paid separately by the Respondent or is required to be calculated on a yearly basis. Further, the eligibility for Rebate has to be assessed by the distribution licensee, on a claim raised by the consumer.
30. (66) In view of foregoing, the Forum holds that the Complainant is not at all eligible for any Interest arising from delayed payment of the rebates either of the nature of additional consumption or of the nature of expansion rebates on energy charges. Thus, the contention of the Complainant with regard to refund of Interest on rebates is also rejected. The issue is accordingly disposed;
31. (67) Summing up, Forum concludes that while the claim of Complainant in complaint No 1421/202405/13 for rebate on additional consumption existing in a year vis-à-vis that in the previous year is allowed to the extent it has been given by the Respondent in complaint No 1421/202405/11, the claims of all the Complainants in the instant complaints on account of rebate on night hour consumption, on account of rebate on expansion due to increases in contract demands, on account of refund of Electricity Duty and on account of refund of Interest are rejected by the Forum. On aforesaid terms, complaint No 1421/202405/12 are Dismissed. Complaints are disposed; accordingly, Parties are left to bear their own costs.



I-Analysis of the Complaint:

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1. The case file bearing Complaint No. 1421/202405/12 and orders passed on dated 27/11/2024 by the Consumer Grievance Redressal Forum Kasumpti, Shimla-171009 have been requisitioned and gone through.
2. The said order of Ld. CGRF covers three No. complainants i.e 1421/202405/11, 1421/202405/12, 1421/202405/13, however in the interest of justice, in the instant case, the focus is only inclined to the extent of Complaint No. **1421/202405/12** under the heading “**H**” above to arrive at legitimate conclusion.
3. The submissions made by the Complainant, reply submitted by the Respondents and Rejoinder-cm-Written arguments submitted by the Complainant have been incorporated in entirety in this order to have composite view of the entire case.
4. The documents annexed and placed on record, arguments offered by both the parties have also been gone through in depth.
5. The appropriate Acts, Supply Codes, Tarif Orders have been referred to for clarity. The relevant extracts of Tariff Orders have not been recapped for the sake of brevity as they stand placed in hierarchy under **para- 39** of CGRF order dt. 27.11.2024 under the heading “**H**” above.
6. M/s MT Autocraft Ltd Bearing Consumer ID 200010000102 is a Large Industrial Power Supply (LIPS) Consumer of Respondent HPSEBL.
7. The Complainant contends:
 - a. That the rebates on approved energy charges for the expansions in terms of Contract demand during different stages i.e 396 KVA to 450 KVA & 450 KVA to 750 KVA on dt.01.09.2023 & 08.02.2024 respectively as provided to existing industries on expansion/ undergoing expansion in terms of Tariff Orders passed by Hon’ble Commission, works out to be Rs. 5,30,933.21/-
 - b. To issue directions to the respondents to grant rebates until the expiry of three years from the date of each increase of contract demand upto the expiry of three years in each case;



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- c. To direct the respondents to start adjusting the rebate on bill to bill basis in order to avoid any future accumulation and interest thereupon;
 - d. To direct the respondents to pay interest on the amount charged in excess and the amount that is refundable to the complainant, at simple interest @ 15% p.a. on daily basis, from the date of payment on the past amounts refunded with delay and the amount due for refund as per Sub-regulation 5.7.3 of the Supply Code, 2009 or the HPERC (CGRF and Ombudsman) Regulations, 2013 as may be considered appropriate in the present case;
8. The Respondents on the other hand have confined reply to the extent of CGRF order dt. 27.11.2024 and prayed for upholding the same.
 9. The detailed contentions of both Complainant and Respondents have not been repeated again and for the sake of reference, can be seen under headings “B & C” of this order respectively.
 10. The contentions of the Complainant detailed under para-B, response of Respondent Board detailed under para-C & Rejoinder-cum-Written arguments under para-D and arguments conducted at length & placed at para-G, gathers considered opinion to originate the following issues and for the sake of brevity, the detailed analysis has also been done along with findings of the issues.

J-Issues in Hand:

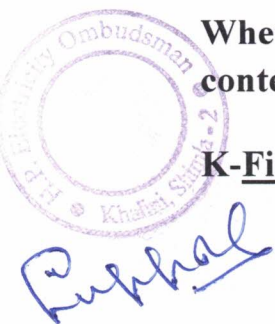
Issue No-1:

Whether the contentions of the Complainant on expansion rebate are viable propositions in the present circumstances?

Issue No-2:

Whether the Complainant is entitled to avail the payment of interest as contended?

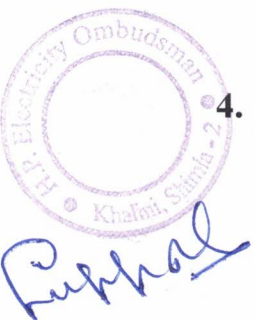
K-Findings on the Issues:





Issue No-1:

1. While doing findings on issue-1, this authority feels it vital to examine the essence of arguments conducted on 22/01/2025 whereby the authorized representative for complainant contends different stages of enhancement of Contract demand as expansion irrespective of increase in consumption. The expansions in terms of Contract demand during different stages are not reiterated for the sake of brevity and details may be referred to under the heading “**B**” and under **para-8(b)** of heading “**I**” of this order.
2. After referring to the documents placed on record, detailed arguments conducted on the contentions, the prevalent tariff orders issued by the Hon’ble Commission during respective financial years , it is observed and apprehended that the Hon’ble Commission also emphasizes the word monthly consumption in the said orders which is also relevant if increases with increase in contract demand and provides further understanding that the Hon’ble Commission is in principle concerned with the term energy consumption to validate investment for expansion by individual which must be substantial if read with para 6.28.4 “Petitioner’s Response” & para 6.28.5 “Commission’s Observation” from Tariff Order dt. 15.03.2024 for FY- 25’. For the sake of brevity, the tariff orders have not been reiterated and the relevant extract may be referred to under the heading “**H**” in para (39) of CGRF order dt.27.11.2024 which have been reproduced by the Ld. CGRF in hierarchy of stages of enhancement as contended.
3. It is observed that for judicious landing of contentions to “Universal” platform, the term “Expansion” being the pivot on which the spindle of Contract Demand is revolving, must be delved in clear terms so as to pave the way for prudent judgement.
4. While analyzing the word expansion, this authority infers that the term expansion is being taken differently by different entities. Some may take it





in terms of 'Physical Expansion' whereas some may take it in terms of 'Electrical Expansion' with substantial increase in consumption pattern attributing to expansion. The fact cannot be denied that in respect of utilities such as distribution licensee, the term expansion gives its precise meaning only if considered in terms of electrical expansion not in terms of mere physical expansion or otherwise the very purpose of existence of such utilities is defeated which are vested to give benefits/rebates to their beneficiaries/consumers in electrical terms in consonance with the provisions of relevant Tariff Orders.

5. In view of the above analysis, this authority also agrees with the diligent efficacy of the order dt. 27.11.2024 of Ld. CGRF, categorically falling into conclusion as under:

a. para-(48) of the said order which reads as *"Rebate for the Industries department may pertain to conditions as may be specified by it. However, in the opinion of the Forum, here the expansion rebates as laid out in the Tariff Orders passed by the Ld HPERC for the electricity distribution company being the Respondent herein, certainly cannot pertain to expansion other than that of electrical nature;"*

b. para-(59) *The complaints have to be duly supported with respective comprehensive details of electrical expansion. These details may arise from extant provisions of Regulations notified by the HPERC and by the CEA from time to time and such details must have been duly verified by the Respondent and a third party namely Chief Electrical Inspector.*

6. Before asserting conclusive findings on the issue, this authority after visualizing the crux of averments presented by both the parties during arguments, feels pertinent to mention that in electrical analogy, an increase



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in contract demand increases the capacity to draw more power but doesn't automatically increase consumption which will only rise if one operates more or larger loads. But the request for an increase in contract demand when the industry undergoes expansion must be certified/verified by the competent authority to the rank of Chief Electrical Inspector and other officers authorized for the purpose, in the **very beginning before start of each stages of enhancement**, to authenticate the legitimate purpose of investment for the type of loads attributing to the increase in consumption which is likely to come up as a result of expansion for which the contract demand had been requested to be enhanced so as to construe this expansion as judicious in electrical terms to facilitate beneficiary to avail requisite rebate in consonance with prevalent tariff orders.

7. It is appreciable that both the parties during final arguments also agreed with this supportive method of authentication / verification by the competent authority to the rank of Chief Electrical Inspector accompanied by other concerned officers of the Board in the start of each phases of enhancement of contract demand when requested by the consumer concerned and emphasized during arguments that physical expansion of an industry must be accompanied by electrical expansion. These arguments also support the essence of para-48 and 59 of order dt.27.11.2024 of Ld. CGRF.
8. On further examining the contentions of the Complainant, it has been observed that the complainant was not confidently expressing expansion in the instant case in electrical terms and adding different apprehensions & averments to his submissions. However, this authority agrees with Complainant's submissions under para-3.11, the relevant portion of which reads as "*-----Any increase in connected load is duly verified during the verification of the test report by 2 to 3 officers of the respondents and is*



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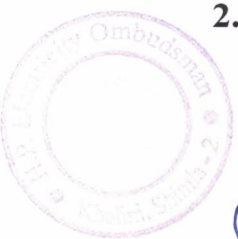
also verified by the Chief Electrical Inspector-----.” This authority also takes cognizance of these submissions of the Complainant that even in the instant case if such verification report of the competent authority exists, the perception on increase in contract demand shall be construed as electrical expansion in the interest of justice to allow expansion rebate in terms of relevant Tariff orders, as contended.

9. After resorting to comprehensive scrutiny of assumptions and presumptions of averments in the instant case, the arguments advanced by both the parties, documents placed on record, it is observed that the averment under para-3.2 & 3.11 of the Complainant’s submission could be fruitful in view of intricacy involved and this authority within the ambit of above relevant exclusive contentions under para-3.2&3.11 of the Complainant’s submissions is inclined to issue certain directions to the Respondent Board in this order under the heading “L” to arrive at effective conclusion in the interest of justice and to create common platform of understanding whether expansion is contractual one or reasonable for availing expansion rebate in conformity with the Hon’ble Commission’s orders issued from time to time and diligent analysis done by the Ld. CGRF on the terms so called “Expansion”.

This closes the findings on issue-1

Issue No.-2

1. While going through the contentions it has been observed that the Complainant contends to avail interest on the excess amount billed to him.
2. After examining the documents placed on record and arguments conducted, this authority asserts that the interest as contended is subject to the outcome of validation of committee in terms of findings under Issue-1 on viability of



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expansion rebate and thereafter shall attract the following provisions, the very specific parts are reproduced as under:

- a. Very specific part of the relevant extract of clause 5.7.3 of supply code 2009 is reproduced for analyzing applicability of the complainant for availing interest in the instant case which provides as under:

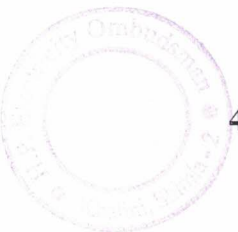
*“-----if the amount paid by the consumer is in excess of the revised bill, such excess amount will **be refunded through adjustment first against any outstanding amount due to the licensee and then against the amount becoming due to the licensee immediately thereafter. The licensee will pay to such consumer interest on the excess amount-----”***

- b. Regulation 26a(ii) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Ombudsman)

“-----to return to the complainant the undue charges paid by the complainant along with interest at the rate-----”

3. In the instant case, this authority draws considered opinion from the above specific part of clause 5.7.3 of supply code that in case the expansion issue gets resolved subject to validation report of the committee as mandated in this order, then the refund so contended shall be considered viable and the amount to be refunded shall be construed as excess/undue amount paid by the Complainant or excess amount remained with the Respondent Board and warrants refund (of excess amount) with interest in terms of prevalent provisions while issuing revised bill after executing overhauling of the accounts by the Respondents .

4. While scrutinizing relief sought by the Complainant in respect of interest @15% towards refund claimed, this authority giving due cognizance to the



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period of relief sought in the instant case, deduces that the complainant has ignored the prevalent regulation and relied upon clause 5.7.3 of Supply Code (2nd Amendment) dt. 31st July, 2018, which is reproduced as under:

“4 Amendment of para 5.7.3- *In para 5.7.3 of the said code, for the words “interest on the excess amount at twice the SBI’s Short Term PLR prevalent on the first of April of the relevant year” the words “simple interest on the excess amount @15% per annum, or where the rate is fixed by the Commission at the rate so fixed, on daily basis” shall be substituted.”*

5. Whereas the complainant has not given cognizance to the rate of interest i.e. 12% for the period falling within the scope of amended Regulation 26a(ii) notified on 20th January, 2022 of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Ombudsman) (Second Amendment) which is read as under:

“12. Amendment of Regulation 26.-

(1) In Sub-clause (ii) of clause(a) of Sub-regulation (2), for the words and figure “15percent”, the words and figure “12 percent” shall be substituted;”

6. From the above analysis, it is conceived that subject to validation of feasibility of the contentions, for the claim of interest on refund sought on expansion rebate, the amended Regulation 26 notified in **20th January, 2022** as Himachal Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Ombudsman) (Second Amendment) be considered instead of clause 5.7.3 of Supply Code (2nd Amendment) which was notified earlier on 31st July, 2018 and accordingly the legitimate rebate on interest shall be 12% instead of 15% in terms of findings under Issue-2.

This closes the findings on issue -2.



L-Order:

1. The order passed by the Consumer Grievance Redressal Forum (CGRF) at Kasumpti Shimla on dated 27.11.2024 in Complaint No. 1421/202405/12 is upheld in principle.
2. The Respondent Board is directed to adhere to the following mandates for legitimate settlement in monetary terms:
 - a. To constitute a committee on Division level with one representative from the Complainant side must, for prudent settlement of ambiguity without prejudice.
 - b. The committee shall only authenticate/validate the requisites from the record in the presence of one member from the complainant's side and not adjudicate.
 - c. The committee in line with the findings under Issue-1 shall find out whether any such document lies in the record which validates authentication by the competent authority in the start of each stage of enhancement in contract demand in the instant case and confirms so called "Physical Expansion" of the industry as "Electrical Expansion".
 - d. The committee shall also confirm from the record, the period of rebate contended, before taking any action on overhauling of the accounts.
3. In case the committee finds from the record such document of verification by the competent authority to the rank of Chief Electrical Inspector or any other officer deputed for the purpose for verification before the beginning of the event in each stage at that point of time, the contentions of the Complainant shall be considered as sustained and the physical expansion shall be construed as electrical expansion and



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Complainant shall be entitled to avail applicable expansion rebate and consequential benefits to the extent of interest as contended.

- 4. The Respondent Board shall accordingly overhaul the accounts of the Complainant in line with the findings under Issue No.-1 read with Issue-2 after authenticating the period of rebate from record and shall also pass on the interest in terms of prevalent provisions for the amount of rebate till it remained as an excess amount with Respondent Board considering the period of three years until expires from the date of each increase in Contract Demand including an unexpired rebate of similar nature if any while overhauling the accounts thereof.**
- 5. The committee shall assess the amount of interest if applicable, in terms of findings under Issue-2 as per prevalent provisions.**
- 6. The Committee to finalize the ambiguity within 15 days excluding holidays from the date of issue of this order to the satisfaction of the Complainant so as to avoid further onus of additional charges and avert intervention of Regulation 37 (6) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 for appropriate action by the Commission under the provisions of the Electricity Act, 2003 and brunt on individuals in case of non-compliance.**
- 7. The Respondent Board is at liberty to make adjustment in the ensuing bills of the amount if so validated as above by the Committee towards expansion rebate.**
- 8. In case no such document of verification is found from the record, the contentions of the Complainant on this account shall not be considered reasonable and the action of the Respondents shall be upheld. The Complainant shall not be entitled to avail of any such rebates and subsequent interest as asserted.**



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

9. No cost to litigation.
10. In terms of above findings, the Complaint filed by M/s MT Autocraft (Unit 6), Village Naryal, Parwanoo, HP – 173220 is hereby disposed of.
11. The order is also placed at site and conveyed telephonically for the convenience of reference.

Given under my hand and seal of this office.

Dated: 03/02/2025

Shimla

Suphal
03/02/2025

Electricity Ombudsman

