BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION SHIMLA

Petition No:	**212 of 2025**
Instituted on:	20.09.2025
Heard on:	28.02.2026
Decided on:	**11.03.2026**

CORAM:

YASHWANT SINGH CHOGAL
MEMBER (Law)-cum-Chairman.

SHASHI KANT JOSHI
MEMBER .

In the matter of:-

M/s Goyal Furnace,
Plot No. 168, 179, Industrial Area,
Phase-III, Sansarpur Terrance,
District Kangra, H.P. through its authorized representative
Sh. Jagdish Singh. **…. Applicant**

Versus

The HP State Electricity Board Limited, through its
Managing Director,
Vidyut Bhawan, Shimla-171004. **….. Respondent 1**

The HP State Electricity Board Limited, through its
Superintending Engineer, Operation Circle Kangra,
District Kangra, H.P. **….. Respondent 2**

The HP State Electricity Board Limited, through its
Senior Executive Engineer, Electrical Division,
Dehra, Tehsil Dehra, District Kangra, H.P. **….. Respondent 3**

The HP State Electricity Board Limited, through its
Assistant Engineer, Sub-Division Sansarpur,
District Kangra, H.P. **….. Respondent 4**

Miscellaneous Application under Regulation Regulation 75 of the Himachal Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2024.

Present:-

Sh. Atharv Sharma, Ld. Counsel for the Petitioner.
Sh. Kamlesh Saklani, Authorized Representative for the Respondents.

ORDER

M/s Goyal Furnace (Complainant/ Petitioner for short) has filed the present Petition seeking the following relief:-

i) "That the impugned demand notice dated 16.06.2025, Annexure C-6, and letter dated 18.06.2025, Annexure C-7, vide which Infrastructure Development Charges to the tune of Rs.1,44,90,000/- (Rs. One Crore Forty Four Thousand Ninety Thousand only) have been have been demanded from the complainant, may very kindly be set aside, thereby restraining the respondents from demanding the same from the complainant.

ii) That the respondents may very kindly be restrained from stopping the release of the sanctioned load granted to the complainant with further prayer that the respondents may very kindly be restrained from levying any kind of penalty on the complainant, in the interest of law and justice;

iii) That in the alternative respondents be directed to calculate the demand at the rate which was prevalent during the time of issuance of the Power Availability Certificate That the entire record pertaining to the case may very kindly be summoned for the kind perusal of this Hon'ble Commission; and

iv) Any other relief as deemed just and proper may also kindly be passed in favour of the complainant and against the respondents."

2. The Petitioner is aggrieved of the demand notice dated 17.06.2025 (Annexure C-6) vide which the Petitioner has been asked by the Respondents to deposit the Infrastructure Development Charges

(IDC for short) to the tune of Rs. 2,63,97,000/- (Rs. 1,19,07,000/- as refundable security deposit and Rs. 1,44,90,000/- as IDC). The Petitioner has claimed that it had already deposited the IDC amounting to Rs. 12,60,000/- vide receipt dated 08.12.2022 (Annexure C-2) before issuance of the Power Availability Certificate dated 24.12.2022 (Annexure C-2) (PAC for short).

3. As per the Petitioner, it was asked vide letter dated 18.06.2025 (Annexure C-7), to deposit the said amount of Rs. 2,63,97,000/- through Demand Draft/ RTGS/ NEFT and that the applied load (additional load) shall be released only after compliance of all the codal formalities and other conditions stipulated in the load approval letter No. HPSEBL/CE (Comm.) LS-san Ter./ Load Sanction/2025-1978 dated 10.06.2025.

4. The Petitioner, a partnership concern, had a power connection with sanctioned load of 3549.43 kW with contract demand of 3700 kVA. The Petitioner decided to expand the unit and requested the Department of Industries, Government of Himachal Pradesh (GoHP) in this regard. Simultaneously, the Petitioner also applied for the PAC for sanctioning the additional load of 6450.57 kW with additional contract demand of 6300 kVA. Accordingly, PAC was issued on 24.12.2022 (Annexure C-1) after depositing IDC amounting to Rs. 12,60,000/- being

advance cost towards IDC @ Rs. 200/- per kVA as per the HPERC Regulations. The PAC was valid for a period of three years. In the meanwhile, an additional demand notice dated 19.07.2023 for depositing Rs. 25.75 lakhs was issued for providing terminal equipments which were also deposited.

5. As per the Petitioner, the Commission vide order dated 05.06.2024 (in Petition No. 22 of 2024) has already clarified in para 21 (i) (A) that the revised rates shall be applicable for the demand notices to be issued under Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 (Recovery of Expenditure Regulations, 2012 for short) from the date of issuance of the order and continue to be applicable for demand notices till 31.03.2025 and that all the demand notices issued under the Recovery of Expenditure Regulations, 2012 prior to issuance of the order shall be considered as final and no adjustment/ recovery shall be made on said account for demand notices being issued for said period.

6. As per the Petitioner, on completion of the work of expansion of unit, it requested the Respondent vide letter dated 16.04.2025 (Annexure C-9) for providing the power supply but the Petitioner was

communicated vide letter dated 27.06.2025 (Annexure C-10 Colly) that the applied load shall be sanctioned only after depositing the additional security deposit and IDC.

7. It is averred that the PAC dated 24.12.2022 (Annexure C-1) (wrongly mentioned as 24.12.2024) was for the entire estimated cost of IDC and thus, the new demand notice dated 17.06.2025 is not in consonance with the HPERC, Recovery of Expenditure Regulations, 2012.

8. In the circumstances, the Petitioner approached the Consumer Grievances Redressal Forum (CGRF for short), Shimla for redressal of grievances but the CGRF vide order dated 03.09.2025 in Complaint No. 3157/202506/17 has expressed its inability to pass any effective order observing that one demand notice was made for the IDC as per Clause 3.2.2 of the Himachal Pradesh Electricity Supply Code, 2009 (Supply Code, 2009 for short) whereas the subsequent demand notice has been issued under Clause 3.2.6 of the Supply Code, 2009 and both demand notices arise during the applicability of two different orders dated 29.03.2022 and 28.03.2025 respectively passed by the Commission and thus, the Petitioner was directed to approach the Commission.

9. It is also averred that there is non-application of mind in issuing subsequent demand notice dated 17.06.2025 which is unsustainable and liable to be set aside. It is also averred that the PAC dated 24.12.2022 had been raised when normative IDC rates were Rs. 200 per kVA as specified under tariff order for FY 2022-23 and thus, the subsequent demand notice at the enhanced rates is not justified.

REPLY OF THE RESPONDENTS

10. The Petition has been contested by the Respondents raising preliminary submissions, inter alia, that no legal or vested right of the Petitioner have been infringed or violated and thus, the Petition is not maintainable and that the Petitioner has no cause of action and locus standi for maintaining the Petition and also that the Petitioner is estopped from filing the Petition on account of its act, conduct and acquiescence having concealed the material facts and also that the Petition is not maintainable as the Respondents have acted in accordance with law and have been dragged to unwarranted litigation. The allegations of double recovery of IDC have been denied averring that the advance cost share collected at the PAC stage under Clause 3.2.2 of the Supply Code, 2009 is distinct from the final IDC levied at the time of load sanction under Clause 3.2.6 of the Supply Code, 2009

read with Regulation 5 of the Recovery of Expenditure Regulations, 2012 and that the advance cost has been duly adjusted against the IDC. According to the Respondent, the CGRF vide order dated 03.09.2025 in Complaint No. 3157/202506/17 has upheld the distinction between the advance cost share and the final IDC and has categorically held that expenses incurred on service line/ terminal equipment on self-execution basis are not adjustable against the normative IDC recoverable under Regulation 5. Further, the IDC being statutory, no exemption is allowed.

11. According to the Respondent, earlier a connected load of 3459.430 kW alongwith contract demand of 3700 kVA was sanctioned in favour of the Petitioner. The Petitioner, subsequently sought enhancement of load from 3549.430 kW to 10000 kW and 3700 kVA to 10000 kVA and in accordance with Clause 3.2.2 of the Supply Code, 2009, the demand notice Annexure RA-1 (dated 06.12.2022) was issued for advance cost share @ Rs. 200 per kVA and accordingly, PAC was issued on 24.12.2022.

12. According to the Respondent, the demand notice for PAC is required to be raised on the basis of advanced cost share towards IDC calculated @ Rs. 1000 per kVA. Also in accordance with proviso under

Clause 3.2.2 of the Supply Code, 2009 (Fourth Amendment), the advance share towards the IDC for grant of PAC shall not exceed the amount recoverable by the Licensee under the provisions of the Recovery of Expenditure Regulations, 2012 (Annexure RA-2 Colly).

13. It is averred that demand notice (dated 06.12.2022) for PAC was issued at reduced rate of Rs. 200/- per kVA in consonance with the prevailing IDC rates specified for two-part tariff consumers under the HPERC Multi-Year Tariff order dated 29.03.2022 wherein the main IDC rate was rationalized to a flat rate of Rs. 200 per kVA.

14. According to the Respondent, on receipt of final application for enhancement of connected load from 3549.430 kW to 10000 kW and contract demand from 3700 kVA to 10000 kVA on 28.05.2025, the load enhancement was duly sanctioned on 13.06.2025 by raising final demand of Rs. 2,63,97,000/- (Rs. 1,19,07,000/- towards security deposit and Rs. 1,44,90,000/- towards IDC) after adjusting advance cost share of Rs. 12,60,000/- against final IDC amount as per Clause 3.2.6 of the Supply Code, 2009 (First Amendment). It is also averred that the Commission in Petition No. 22 of 2024 vide order dated 05.06.2024 has clearly held that the rates as per para 21 (v) (b) shall be applicable for the demand notices to be issued under HPERC

(Recovery of Expenditure for Supply of Electricity) Regulations, 2012 from the date of issuance of this order and shall continue to be applicable for the demand notices to be issued till 31.03.2025. Further, all demand notices issued under said Regulations shall be considered as final and no adjustment/ recovery shall be made on this account (Annexure C-8).

15. It is averred that the Petitioner has misconstrued between advance cost share and IDC, as advance cost share is recoverable for grant of the PAC and is levied in accordance with Clause 3.2.2 of the Supply Code, 2009, as amended, which is provisional and adjustable which enables the Licensee to initiate planning and execution of the infrastructural works necessitated for the proposed load which is at a fixed rate per kVA and subject to final adjustment. Further, as per Clause 3.2.6 of the Supply Code, 2009 (First Amendment), the advance cost share is adjusted against the IDC recoverable under the Recovery of Expenditure Regulations, 2012. This condition was explicitly mentioned in the demand notice (dated 06.12.2022) issued for grant of PAC in favour of the Petitioner (Annexure RA-1). Further, the IDC under Regulations 5 and 7 of the above Regulations is recoverable after the final submission for release of connection for enhanced load. Further,

the Respondents have also sought clarification from the Commission in respect of the Petitioner as per Annexure RA-5.

16. On merits the contents of the Petition have been denied by reiterating averments made by way of the preliminary submissions.

REJOINDER

17. In rejoinder, the contents of the reply have been denied and those of the Petition have been reaffirmed.

SUBMISSIONS OF THE PARTIES

18. We have heard Sh. Atharv Sharma, Ld. Counsel for the Petitioner and Sh. Kamlesh Saklani, Authorised Representative for the Respondents and have perused the entire record carefully.

19. Sh. Atharv Sharma, Ld. Counsel for the Petitioner has submitted that as per the prevailing rates of IDC, the demand notice dated 06.12.2022 was issued to the Petitioner pursuant to his request for grant of enhanced load from 3549.430 kW to 10000 kW and contract demand from 3700 kVA to 10000 kVA and the PAC was accordingly issued on 24.12.2022 after depositing Rs. 12,60,000/- @ Rs 200 per kVA. According to him, when the Petitioner approached the Respondents for the release of additional load after completion of expansion work of the unit, a further demand notice dated 17.06.2025

demanding Rs. 2,63,97,000/- being IDC of Rs. 1,44,90,000/- and Rs. 1,19,07,000/- as security deposit, was issued as per the revised IDC rate of Rs. 2500 per kVA which is illegal and not liable to be paid. As per him, at the first instance, the Petitioner approached the CGRF but instead of redressing the grievance, the CGRF has directed the Petitioner to approach the Commission about the applicability of IDC charges.

20. Sh. Kamlesh Saklani, Authorised Representative for the Respondent on the other hand has submitted that the Petition is not maintainable as the initial demand dated 06.12.2022 (Annexure RA-1) was only for depositing the advance cost share towards IDC as per Clause 3.2.2 of the Supply Code @ Rs. 200 per kVA but the final IDC was assessed after the completion of expansion of unit by the Petitioner and a final demand notice dated 17.06.2025 as per Clause 3.2.6 has been issued at the prevailing rates as per order of the Commission and the Petitioner is liable to pay the same.

21. The Petitioner has approached the Commission pursuant to order dated 03.09.2025 in Complaint No. 3157/202506/17 passed by the CGRF wherein it was observed by the Forum that one demand has been made for IDC under Clause 3.2.2 of the Supply Code, 2009 at the

time of application for PAC and another demand has been made for IDC under Clause 3.2.6 of the Supply Code at the time of application for supply of load on 17.06.2025 and both these demands arise during the applicability of two different orders passed by the Commission on 29.03.2022 and 28.03.2025 respectively and the forum finds it difficult to address the issue being unable to find any provision in the Regulations/ Codes notified by the HPERC. Paras 48 and 49 of the order dated 24.06.2025 passed by the CGRF in Complaint No. 3157/202506/17 have been reproduced as under:-

> *"48. However as arising in the instant matter, when one demand is made for IDC under ibid code 3.2.2 of the Supply Code at the time of Application for PAC on 06.12.2022 and another demand is made for IDC under code 3.2.6 of the Supply Code at the time of Application for supply of load on 17.06.2025 and both these demands arise during the applicability of two different Order passed by the Ld. HPERC on 29.03.2022 and 28.03.2025 respectively, then Forum finds that difficulty certainly arises for passing any Order by the Forum because the Forum is unable to find any provision in the Regulations/ Codes notified by the HPERC and in the Orders passed by the Forum which may address such an eventuality and the decision of the Forum is necessarily governed by the provisions of the statute;*
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> *49. In view of the aforementioned difficulty which has arisen before the Forum in the instant matter, Forum finds that it is unable to pass Orders in the matter. Accordingly, the Complainant is given liberty to approach the HP Electricity Regulatory Commission in the matter."*

22. The Commission in exercise of the powers vested in it under Section 181 of the Electricity Act, 2003 has framed the HP Electricity Supply Code, 2009, amended from time to time. Clause 3.1.3 of the

same provides that after receipt/ scrutiny of application (application for IDC), the Distribution Licensee shall inform the Applicant through Demand Notice for deposit of initial security payable under the Himachal Pradesh Electricity Regulatory Commission (Security Deposits) Regulations, 2005 (amended in the year 2012) and amount of the charges required to be deposited by the applicant as per Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2005; requirement of other supporting documents as per para 3.1.2 and/or discrepancies observed, if any, and acceptance, in writing, of the additional terms as per para 3.7 of this Code. Clause 3.1.3 is reproduced as under:-

> *"3.1.3 The licensee shall, after receipt and scrutiny of the Application and Agreement form, inform the applicant through a Demand Notice issued under the Himachal Pradesh Electricity Regulatory Commission (Licensee's Duty for Supply of Electricity on Request) Regulations,2004, the initial security payable under the Himachal Pradesh Electricity Regulatory Commission (Security Deposit) Regulations,2005 and amount of the charges required to be deposited by the applicant as per Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2005; requirement of other supporting documents as per para 3.1.2 and/or discrepancies observed, if any, and acceptance, in writing, of the additional terms as per para 3.7 of this Code."*

23. Further Clause 3.1.4 of the HP Electricity Supply Code, 2009 further provides that on receipt of application, the licensee shall issue a demand notice clearly indicating the deficiencies to be made good by

the Applicant and the exact amount of charges/ security to be deposited by the Applicant. Clause 3.1.4 reads as under:-

> *"3.1.4 On the receipt of an Application and Agreement form from the applicant, licensee shall, within the time lines tabulated in the following Table, issue, by a registered post/speed post or through any faster and latest electronic mode and intimation has also been sent through SMS, a demand notice to the applicant, clearly indicating–*
> *(a) all deficiencies to be made good and the codal formalities to be completed by the applicant; and*
> *(b) the exact amount of charges and security to be deposited by the applicant."*

24. It is evident from the conjoint reading of Clauses 3.1.3 and 3.1.4 that the demand notice shall contain the exact amount of charges to be deposited.

25. It is the case of the Respondent that as per Clause 3.2.2 of the Supply Code, 2009, as amended from time to time, a demand notice dated 06.12.2022 (Annexure RA-1) was issued for depositing advance cost share towards IDC at the prevailing rate of IDC i.e. Rs. 200 per kVA and pursuant thereto, the PAC was issued on 24.12.2022 (Annexure C-1) but when final application for release of enhanced connected load was made on 28.05.2025, the same was duly sanctioned on 13.06.2025 by issuing final demand notice dated 17.06.2025 (Annexure C-6) amounting to Rs. 2,63,97,000/- as per Clause 3.2.6 of the Supply Code, 2009 (First Amendment) Regulations, 2014 at the rate prevailing at the time of the issuance of the final

demand notice. The HSPEBL has, thus, tried to justify its stand that Clause 3.2.6 of the Supply Code, 2009 authorised it to issue final demand notice at the time of actual release of load. In the circumstances, it is necessary to reproduce Clauses 3.2.2 and 3.2.6 of the Supply Code, 2009 which reads as under:-

> *"3.2.2 The consumer shall apply for the grant of Power Availability Certificate, on payment of advance cost share towards infrastructural developmental charges, calculated @ Rs.1000 per KVA of the contract demand applied for:*
>
> *Provided that the advance share towards infrastructure development charges to be recovered for the grant of PAC shall not exceed the amount of infrastructural development charges receivable by the licensee under the provisions of the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2012.*
>
> *3.2.6 The applicant may, after grant of Power Availability Certificate mentioned in para 3.2.4, submit the application for supply of electricity to the premises and the licensee shall adjust the amount received as the advance cost share towards the amount recoverable under the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2012:*
>
> *Provided that if the applicant submits application for a contract demand lesser than the contract demand for which Power Availability Certificate has been issued, the amount of advance cost share shall be adjusted as under:-*

(a) if the applicant intends to avail the balance contract demand at a subsequent stage during the validity period of the Power Availability Certificate.	*On pro-rata basis.*
(b) if the applicant expresses his intention not to take supply for the balance contract demand for which Power Availability Certificate was issued.	*Full amount of the advance cost share deposited by the applicant shall be adjusted after deducting therefrom 20% of the proportionate amount deposited as advance cost*

share in respect of such contract demand as is not to be availed."

26. A careful perusal of Clauses 3.2.2 and 3.2.6 of the Supply Code, 2009 shows that the consumer shall apply for grant of PAC on payment of advanced cost share towards IDC and that the advance cost share towards IDC to be recovered against the PAC shall not exceed IDC charges under the provisions of Recovery of Expenditure Regulations, 2012. Further, a careful perusal of Clause 3.2.6 of the Supply Code, 2009 shows that applicant/ consumer after the grant of PAC may submit an application for supply of electricity to the premises and the licensee shall adjust the amount received as advance cost share recoverable under Recovery of Expenditure Regulations, 2012. The proviso to Clause 3.2.6 is quite relevant which shows that in case consumer/ applicant expresses his intention not to take supply for the balance contract demand for which Power Availability Certificate was issued, full amount of the advance cost share deposited by the applicant shall be adjusted after deducting therefrom 20% of the proportionate amount deposited as advance cost share in respect of such contract demand as is not to be availed.

27. It is nowhere provided in Clause 3.2.6 ibid that the Licensee shall raise fresh demand or additional demand and rather, said clause

provides that after adjustment of the amount already deposited as advance cost, the load shall be released. Therefore, the HPSEBL has misconstrued Clause 3.2.6 of the Supply Code, 2009 by issuing fresh demand notice dated 17.06.2025, which in untenable.

28. It is apparent from the record that the Applicant had applied for the grant of additional connected load of 6450.57 kW with additional contract demand of 6300 kVA and deposited Rs. 12,60,000/- on 08.12.2022 @ Rs. 200/- per kVA as prevalent at that time and accordingly PAC dated 24.12.2022 (Annexure C-1) for release of additional Load with additional contract demand was issued which was valid for 3 years.

29. It was also clearly mentioned in para 20 of the PAC dated 24.12.2022 that the power of additional load of 6450.57 kW (Total = 10000 KW), with additional contract demand of 6300 kVA total = 10000 kVA, can be made available at 66 kV supply voltage from 66/11 kV Sub-station Sansarpur Terrace subject to the load availability from BBMB Pong.

30. The demand notice has been defined under Regulation 2 (d) of the Himachal Pradesh Electricity Regulation Commission (Recovery and Expenditure for Supply of Electricity), Regulations, 2012 as under:-

"Demand Notice" means the notice to be issued by the licensee to the applicant in accordance with the regulation 3 of the Himachal Pradesh Electricity Regulatory Commission (Licensee's Duty for supply of Electricity Request) Regulations, 2004 and Clause 3.1.4 of Himachal Pradesh Electricity Supply Code, 2009, read with the provisions of these Regulations."

31. As observed above, the demand notice shall contain the exact amount of the charges to be recovered. The entire reply of the Respondents is silent that any additional augmentation other than estimated vide demand notice dated 06.12.2022 has been carried out. Hence, the subsequent demand notice dated 17.06.2025 for IDC is without any basis.

32. The purpose of indicating the amount of IDC in the demand notice is that on deposit of such amount of IDC, the Distribution Licensee is able to augment the system so that the additional load is released to applicant within time line as prescribed in Regulation 3 Himachal Pradesh Electricity Regulatory Commission (Licensee Duty for Supply of Electricity on Request) Regulations, 2004 and the demand notice which was three years. The recovery of capital expenditure likely to be incurred by the licensee at the time of planning and sanction of supply is worked out in advance and indicated in the demand notice and only thereafter the addition/ augmentation is carried out in the Distribution

System which is necessary for release of connection. In fact, the IDC is a one-time charge meant to cover infrastructure strengthening costs in advance for release of supply connection. Once, the consumer deposits the IDC, it enables the HPSEBL to undertake necessary works for network augmentation as the connection can only be released after necessary augmentation of system network is complete. The depositing of advance cost has also a purpose/ significance to make the consumer aware upfront of the costs obligations at the time of applying for connection. Once the IDC is deposited, the licensee is assured of cost recovery as per approved regulatory norms at the time of planning and execution.

33. Therefore, immediately on receipt of the application for release of addition load, the system is augmented with a view to make it feasible to release such additional load which, of course, can be carried out on advance deposit of IDC.

34. In the present case, the PAC was issued 24.12.2022 (Annexure C-1) after the Applicant deposited the IDC of Rs. 12,60,000/- pursuant to demand notice dated 06.12.2022 (Annexure RA-1) meaning thereby that the augmentation and addition of the system was to be carried out after such deposit which is also evident from Clause 20 of the PAC

dated 24.12.2022 which was valid for a period of 03 years. This Commission as observed, above had reduced the IDC to Rs. 200/- per KVA vide tariff order dated 29.03.2022 in Petition No. 02 of 2022. The IDC, therefore, during the period w.e.f. 01.04.2022 to 31.03.2023 were @ Rs. 200 per kVA. Therefore, PAC was sanctioned on 24.12.2022 after the Petitioner deposited an amount of Rs. 12,60,000/- as demanded as per the rates of IDC prevailing during said time.

35. However, the Commission has increased the IDC vide order dated 05.06.2024 in Petition No. 22 of 2024 for the capacities under two part tariff and it is clearly provided in said order at para 21 (A) (ii) (iii) that the rates of IDC shall be applicable for the demand notices to be issued under HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2012 from the date of issuance of the order and that all demand notices issued under Recovery of Expenditure Regulations, 2012 prior to the date of issuance of this order (dated 05.06.2024) shall be considered as final and no adjustment/ recovery shall be made on this account for the demand notices issued during said period. It appears that after the Commission revised the rate of IDC for two part tariff consumers, vide order dated 05.06.2024 in Petition No. 22 of 2024 and the Respondent has issued the fresh demand notice dated

17.06.2025 for depositing additional IDC of Rs. 1,44,90,000/- which is not tenable as clarified by the Commission in para 21 (A) (ii) (iii) of the order dated 05.06.2024 in Petition No. 22 of 2024. Thus, it is established on record the demand notice dated 17.06.2025 for depositing further IDC of Rs. 1,44,90,000/- is not in accordance with the Recovery of Expenditure Regulations, 2012 and Supply Code, 2009 and para 21 (A) (ii) (iii) in Petition No. 22 of 2024.

36. Incidentally, the Commission has duly clarified this issue vide order 15.11.2025 in MA No. 415 of 2025 that all demand notices issued under IDC Regulations, 2012 prior to the date of issuance of this order shall be considered as final and no adjustment/ recovery shall be made on this account for the demand notices issued during said period but despite this, the Consumer Grievances Redressal Forum, Shimla has not taken note of the same and has referred the Petitioner to this Commission in a mechanical manner.

37. In the circumstances, it is clarified that the normative rates of IDC have to be considered from the date of demand notice which is 06.12.2022 in the present case and not from the date of release of contract demand. The query is, therefore answered accordingly and the

demand notice dated 17.06.2025 to the extent of recovery of more IDC of Rs. 1,44,90,000/- is set aside.

38. Accordingly, the Petitioner is directed to approach the CGRF, Shimla for redressal of its grievances.

39. Let a copy of this order be sent to CGRF, Shimla for future reference.

40. A copy of the order be also supplied to the parties.

The file after needful be consigned to records.

Announced
11.03.2026

-Sd-	**-Sd-**
(Shashi Kant Joshi)	(Yashwant Singh Chogal)
Member	**Member(Law)-cum-Chairman**