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

In the matter of: **Complaint No.(552018, 652018)– 04/2026**

M/s Raj Industries, Village Belideyore, Baddi Road, Nalagarh, Distt. Solan (H.P.) – 174101.

– Complainant

Vs

1. **The Executive Director (Personnel), HPSEBL, Vidyut Bhawan, Shimla-4.**
2. **The Sr. Executive Engineer, Elect. System Divn., HPSEBL, Nalagarh, Distt. Solan (HP)-174101.**
3. **The Sr. Executive Engineer, Electrical Division, HPSEBL, Nalagarh, Distt. Solan-174101(H.P).**
4. **The Assistant Executive Engineer, Electrical Sub-Division No.II, HPSEBL, Nalagarh Distt. Solan-174101(H.P)**

- Respondent

Complaint N .(552018, 652018)– 04/2026 (Registered on 20/04/2026)
(Orders reserved on 28/04/2026, Issued on 07/05/2026)

Present for:

The Complainant: - **Sh. Rahul Mahajan, Advocate**
- **Miss. Ishika Chauhan, Advocate**
- **Sh. Rashpal Singh Garcha, Manager**

The Respondents: - **Sh. Kamlesh Saklani, Under Secy. Law**
- **Sh. Rajesh Kashyap, Advocate**
- **Er. Robin Kr. Bansal, Sr.E.E., Elect. System Divn., Nalagarh.**
- **Er. Charan Dass, Assistant Engineer, Elect.System Divn., Nalagarh.**
- **Er. Mukesh Sharma, Assistant Engineer, ESD No.II, Nalagarh**
- **Sh. Rakesh Kumar, Sr. Asstt., ESD No.II, Nalagarh.**

QUORUM
Er. Deepak Uppal
HP Electricity Ombudsman

1. Brief Facts of the Case:

a. That the instant Complaint as per record was initially filed against the Order dt.08.03.2018 passed by the Consumer Grievance Redressal Forum at Kasumpti in Complainant No. 1432/17/2025 which was registered as original **'Complainant No. 55/20218'** titled M/s Raj

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Industries Vs HPSEBL and was disposed of by **the then ld. Ombudsman** vide order dt.25.06.2018. Subsequent to the original Complaint No. 55/2018 a 'Review Application' was also filed by the Complainant under the Regulation-37 (8) of HPERC (CGRF & Ombudsman) Regulations 2013 which was registered as **'Review Application No. 65/2018'** and was also disposed of by **the then ld. Ombudsman** by passing an order dt. 08.08.2018.

b. That feeling aggrieved from the order dated 25.06.2018 passed in 'Original Complaint No.55/2018' as well as order dated 08.08.2018 passed by the then ld. Ombudsman in 'Review Application No.65/2018' without hearing the parties while Review was filed, the Complainant preferred **CWP No.2902 of 2018** titled 'Raj Industries V/s HPSEBL & others' before the Hon'ble High Court which had been decided by the Hon'ble Court vide **judgment dated 18.11.2025** wherein while setting aside and quashing the impugned order dt.08.08.2018 passed by the then ld. Ombudsman in case of 'Review Application No.65/2018', remanded the matter back to this Authority with directions to adjudicate upon the Complaint afresh after hearing the parties. For the sake of convenience, the relevant extract of the Hon'ble Court's Order is reproduced as under: -

> ***"13 Accordingly, in light of the above observations, this petition is allowed to the extent that order 08.08.2018 (Annexure P-2), passed by the Ombudsman is quashed and set aside and the matter is remanded back to the Ombudsman with the direction that the review be decided afresh after hearing both the parties"***

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c. Prima facia to the record, it reveals that the root cause of the dispute in the original Complaint appears to be on account of the fact that no detailed account had been provided by the Respondent to the Complainant for arriving at the figure of Rs.2875/KVA for the relevant sub-station based upon which the demand toward IDC was raised as well as thereafter not given an opportunity to hear either party while the Review Application No.65/2018 was filed by the Complainant and as per record was disposed of by **the then ld. Ombudsman** without hearing the parties.

2. In due cognizance to the directions imparted vide judgement dt. 18.11.2025 passed by the Hon'ble High Court in CWP No.2902 of 2018, the Complainant through written communication dated 29.12.2025, requested this authority for hearing the complaint afresh. However, due to want of requisite documents, the Complainant was further asked through this office letter No. HPEO/Reporting Cases/2025-26-1086-87 dt.06.01.2026 to submit the case file complete in all respects in terms prevalent Regulation of HPERC (Consumer Grievance Redressal Forum and Ombudsman) Regulation 2013 either through '**Authorized Representative**' of the company or through '**Counsel**'. Thereafter, extending further communiqué through letter dt.20.03.2026 by the company and subsequent letter of even file No.1171 dt. 27.03.2026 from this office, the Complainant vide e-mail message dt. 07.04.2026 deputed **Mr. Rahul Mahajan, the ld. Advocate** to attend this office for clarity of submissions. Accordingly, after relevant discussion held, the documents were taken on record for scrutiny and after examining, the matter was registered as **Complaint No. (552018, 652018) – 04/2026** on dt.20.04.2026.

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3. In due compliance to the directions imparted through said order dt. 18.11.2025 passed by the Hon'ble High Court, a Notice dt.23.04.2026 followed by the Corrigendum dt. 24.04.2026, was served to all concerned and the matter was listed for **admission/final hearing on dated 28.04.2026 at 12:00 PM** or immediately thereafter to sort out strategy as per above Notice, the relevant extract of which is recapped as under:

a. "Both Complainant and Respondents shall come along with relevant record available with them at their respective ends to facilitate this Court **to sort out strategy whether the order is to be passed based upon pleadings which are already on record as the Hon'ble High Court vide above judgement directed to decide afresh after hearing both the parties.**

b. The concerned **Sr. Executive Engineer, Electrical Division, Nalagarh** and Assistant Engineer are directed to appear in the Court along with the relevant record to avoid any misconception during the course of deliberations/ arguments and to facilitate counsel thereof as high stake is involved.

c. The Sr. Executive Engineer, Electrical System Division, HPSEBL, Nalagarh being one of the Respondents who got over looked while issuing Notice dated 23.04.2026 be read as Respondent No.4 above. *"Sr. Executive Engineer, Electrical System Division, HPSEBL, Nalagarh and concerned Assistant Engineer are directed to attend the Court along with relevant record to avoid any misconception during hearing as the said case is listed to adjudicate afresh in due cognizance to the directions imparted by the Hon'ble High Court vide order dated 18.11.2025 in CWP No.2902 of 2018."*

4. Case called, the matter was heard on 28.04.2026 for Admission/Sorting out the strategy for further line of action. All officers attended the court in compliance to the directions imparted through said Notice dated 23.04.2026 and subsequent Corrigendum dt.24.04.2026.

5. The ld. Counsel for Complainant at the very outset asserted that **the order dt.08.08.2018 in Review Application No.65/2018** was passed by that ld. Ombudsman without hearing both the parties. He while briefing the instant case apprised the Court regarding the salient features of the case at first instance and read out the important contentions raised in Review Application No.65/2018 at that point of time. He focused his discussion primarily on the following key points:

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a. That the Respondents raised the demand on account of IDC without giving the details of the rate of Rs.2875/KVA as to which components whether substation transformer & associated equipment, cost of land, cost of buildings, cost of incoming upstream line etc. were used by the Respondents to arrive at figure of Rs.2875/KVA.

b. That the respondents have themselves mentioned in the notice that against the scheme cost of Rs.9.78 Crores, the expenditure of Rs.11.5 Crores was carried out. He further strengthened his arguments by adding that the Regulation 6 of the IDC Regulations, 2005, provides for only 3% variation from the estimated amount. The balance cost incurred in excess has to be borne by the licensee. The cost of planning was much less than the cost being recovered from the consumers.

6. The Sr. Executive Engineer, Electrical System Division, Nalagarh as well as Assistant Engineer, Electrical Sub-Division, No.II, Nalagarh appeared as Respondents, placed their counter arguments by saying;

   a. That the recovery of IDC from the Complainant was on the basis of deliberations made before the High-Power Committee of the department, after calculating all type of construction of infrastructure pertaining to Nalagarh Sub-Station and arrived at figure of Rs.2875/kVA for raising the demand on account of IDC charges. He further asserted that the IDC in terms of prevalent provisions is liable to be recovered.

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b. That ld. Counsel for Respondents also apprised the court regarding relevant provisions notified by the Hon'ble Commission related to IDC, payable by the consumers.

7. After having detailed discussion in the said matter for about one hour and advancing their respective views to the brim, it was finally decided and agreed by the respective ld. Counsels for both the parties as well as officers appeared in the Court room as Respondents that no further additional documents are required to be submitted thereafter and added that the documents already stand submitted are sufficient which may be considered for ultimate findings by this authority.

8. After listening to both the parties and their views on no further submission of any documents thereafter, this Authority agreed and observed that both the parties appeared nourished after making arguments at length on the issues raised at that point of time for which they felt deprived of not getting opportunity of being heard while passing order dt.08.08.2018 by that ld. Ombudsman in 'Review Application No.65/2018' and further arrived at the consensus that no further hearings shall be conducted thereafter and the order shall be passed based upon the earlier pleadings/submissions available on record as well as on the basis of arguments advanced by both the parties while an opportunity to hear respective contentions afresh in compliance to Hon'ble High Court judgment dt.18.11.2025 was given during admissions on dt. 28.04.2026. Both the parties agreed on this accord.

9. In view of foregoing discussions/understanding, the matter was admitted to the extent with afresh **'Review'** point of view only, subject to the final

outcome of the findings based on the documents that stood already placed on record as well as fresh discussion held between the parties on dt.28.04.2026 and accordingly, **the matter was kept reserved for examining the earlier proceedings/submissions on record before issuance of final order thereof**.

10. In order to have fresh view of the original case No.55/2018 & Review Application No.65/2018 filed by the Complainant before that ld. Ombudsman in terms of documents already stand placed on record read with fresh arguments advanced by both the parties on dt.28.04.2026 confining to the **'Review' only** in consonance with the judgment dated 18.11.2025 passed by Hon'ble Court in CWP No.2902 of 2018 with directions to adjudicate upon the Complaint afresh after hearing the parties, **the case file in original Complaint No. 55/2018 & case file in Review Application No.65/2018 have been taken from the record room and have gone through in depth**.

11. In order to understand the legitimacy of the arguments in terms of prevalent provisions which is a vital question in itself, the appropriate Acts, Supply Codes, prevalent Regulations as well as decisions of the Hon'ble Commission on relevant clarifications sought by the individuals have been referred to for obtaining meticulous understanding in the instant case and very relevant one are recapped as under for reference:

a. **The Electricity Act, 2003**

"**46. Power to recover expenditure** – The State Commission may by regulations, authorize a distribution licensee to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving concerned State Commission".

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b. Regulation 4 of Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for supply of Electricity) Regulations, 2005

"**4. Specific provisions for high tension supply: -** (1) The following provisions shall apply for the high tension supply:-

(a) in the case of the application for new connection, where such supply requires only extension of high-tension line from the existing network to the consumer's premises, the distribution licensee shall estimate and recover the cost of works, service line and the cost of terminal and metering arrangements at the premises of the consumer, but not including the cost of meter and current transformers and/or potential transformer used for metering. the distribution licensee shall estimate and recover the cost of service line on per kilometer basis and the cost of metering arrangements based on the latest approved cost data as published by the distribution licensee;

(b) in the case of application where there is a need to erect a new power transformer or augment the capacity of existing power transformer with or without bay extension at a 33/11 kV sub-station for extending supply to the applicant, the distribution licensee shall estimate and recover the cost of the works involved in the manner mentioned in clause (b) of sub-regulation (1) of regulation 3";

(c) .... (be referred by individual at respective ends) ....

(d) ....,

c. Regulation 6 of Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for supply of Electricity) Regulations, 2005

"**6 Recovery of Cost:** (2) The licensee shall render to the applicant/consumer the account of expenditure showing the excess or deficit in relation to initial estimated amount within the three months after release of connection giving details of item wise estimate and actual expenditure along with the item wise figures of variance to the extent possible and, if applicant requires any additional information, the distribution licensee shall furnish the same within ten days of receipt of such requisition;

Provided that where the actual expenditure;

(a) (a) is less than the initial estimated cost by more than 3% the licensee shall refund the excess amount, within 30 days from the date of submission of the account, or

(b) (b) exceeds the initial estimated cost by more than 3% the applicant shall pay the difference between the initial estimated cost and the actual expenditure to the extent of 3% only and any amount in excess of 3% shall be borne by the licensee.

(3) Notwithstanding anything to the contrary contained in these regulations the expenditure on the electrical plant and/or electric lines incurred from any grant or subvention from the Central or State Government or any other agency shall not be recoverable".

d. Regulation 13 of the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 reads as follows:

*"**13. Standard cost data.-** (1) The distribution licensee shall, after previous publication, submit on an annual basis submit to the Commission by 15th March of each year a cost data (including departmental charges) book for approval and publish the approved cost data book by 15th April of the next financial year, which shall be the basis of making the initial estimate for erection of electric line and/or any other works and/or electrical plant in order to provide supply to the applicant:"*

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e. Petition No.25 of 2016, in the matter of; mechanism for the Adjustment of Advance Cost Share towards Infrastructural Development Charges (IDC) paid

under paragraph 8(b) and 8(e) of the Himachal Pradesh Electricity Supply Code, 2009

"iii. On the issue of demand notices, issued by the distribution licensee for the recoveries of the Infrastructure development charges on the strength of the commission's clarificatory order dated 02-05-2011, it is pointed out that the Hon'ble APTEL in their order dated 18.12.2015 have set aside the said order, alongwith finding recorded therein that all the consequential action or the subsequent orders or the consequential demand notices or bills raised by the respondent Board on the strength of aforementioned impugned clarificatory order, dated 02-05-2011, have also been quashed or set aside this adequately settled the points raised by some of the stakeholders. ***However, this shall in no way debar the distribution licensee to make recoveries in accordance with the provisions of Recovery of Expenditure Regulations, 2005 or the Recovery of Expenditure Regulations, 2012 as may be relevant."***

f. Relevant extract of 21 Regulation of 419/2012 provides as under:

*Provided further that in case the demand notices issued prior to commencement of these Regulations and/or the demands still to be raised against the loads /**demand released prior to commencement of these Regulations**, shall continue to be governed by the Himachal Pradesh Electricity Regulatory Commission (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 and other relevant Regulations and Codes of the Commission, but not including these Regulations, unless the Commission issues any specific order in this regard."*

g. Case No.315/05

"5: HPSEB shall read these Regulations in conjunction with the standard voltages specified in the Tariff order for FY 2005-06 and from time to time.

In case of HT and EHT consumers, the recovery of cost shall be for the upgradation of feeding sub-station and line only and not the upgradation of upstream sub-station/ line.

It is further clarified that recovery charges from the consumer shall be apportioned to the additional augmentation and not the total augmented capacity provided that the cost already incurred before the commencement of these regulations shall not be recovered in respect of spare capacity existing in the transformer. Only the cost for meeting balance additional load shall be estimated and recovered in the like manner.

Dated 31.10.20205

Sd/-
Chairman, HPERC"

Note: 1. The validity of Regulation **419/2005** was w.e.f **4.04.2005 to 22.05.2012** and the validity of Regulation **419/2012** commences on **23.05.2012** from the date of notification.
2. Both Complainant and Respondent are at liberty to exercise any further amendments if issued to these regulations thereafter.
3. The Order dt.27.11.2012 from HPERC regarding Infrastructure development charges (IDC) circulated vide Chief Engineer (Comm.) letter No. Chief Engineer (Comm.)/Misc-IDC/2012-16509-574 dt.07.12.2012 be referred at respective ends.

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12. This authority after listening to the opinion of respective counsels as well as officers appeared in the court room and arriving at common understanding during hearing on dt. 28.04.2026 while sorting out strategy that no further documents inclusive of reply, rejoinder etc. are required further and the documents already available on record are sufficient for landing to judicious findings, feels it legitimate to first examine the **"Scope"** of the present Application when read with the said judgement dt. 18.11.2025 passed by the Hon'ble High Court in CWP No. 2902 of 2018.

13. In order to ascertain the **'Scope'** of the findings in the instant case, it is essential to first make a glance on the prayers made by the Complainant **(Petitioner)** while the matter was filed as **CWP No. 2902 of 2018** before the Hon'ble High Court. It has been observed that the prayers made by the Complainant that stand mentioned at **'para-a' of the judgement dt.18.11.2025** need to be recapitulated to define the **'Scope'** of the findings of this Authority in the instant case which are reiterated as under:

By way of this petition, the petitioner has, inter alia, prayed for the following reliefs: -

"a). A writ in the nature of certiorari be passed quashing and set aside the order dated 25.6.2018(Annexure P-1), passed by the Electricity Ombudsman, Khalini; demand notice dated 03.03.2017 issued by the Additional Superintending 3Engineer (Annexure P-6) and demand notice dated 31.03.2018, respondents/HPSEB Limited. (Annexure P-12) issued by the respondents/HPESB Limited.

b). A writ in the nature of certiorari be passed quashing and set aside the order dated 8.3.2018 (Annexure P-3), passed by the Consumer Grievances Redressal Forum of HPSEBL.

c) To Allow the complaint filed by the petitioner firm before the Consumer Grievances Redressal Forum of HPSEBL at Kasumpti Shimla Kasumpti as well as representation /review petition filed before the Ld. Electricity Ombudsman Khalini, Shimla."

14. It has been observed that on these above prayers of the Complainant, the Hon'ble High Court at **para-13 of the said judgement dt. 18.11.2025** allowed the petition to the extent which reads as ***"13) Accordingly, in light of the above observations, this petition is allowed to the extent that order 08.08.2018(Annexure P-2)***

passed by the Ombudsman is quashed and set a side and the matter is remanded back to the Ombudsman with the direction that the review be decided afresh after hearing both the parties."

15. This authority after referring to the above prayers of the Complainant (Petitioner) raised before the Hon'ble High Court in CWP No. 2902 of 2018 read with above relevant extract of the judgement dt.18.11.2025 passed under para-13 thereafter by the Hon'ble High Court observes that only the order **dt.08.08.2025 passed by that Ombudsman in Review Application No. 65/2018 was quashed with directions as reiterated under para-14 above,** draws considered opinion that the order dated 25.06.2018 passed in original Complaint No.55/2018 by the then ld. Ombudsman and order dt. 8.3.2018 passed by the ld. CGRF were not quashed and appear to be upheld.

16. Hence, in view of above conclusive findings and further adherence to the directions imparted by the Hon'ble High Court in the above judgement dt.18.11.2025 passed in CWP No. 2902 of 2018, this authority with affirmative assertions draws explicit inferences that the '**scope of adjudication**' in the instant case confines only to the contentions raised at that point of time in Review Application No.65/2018.

17. Pertinent facts and events specific to the Review 'Application No. 65/2018' filed before that ld. Ombudsman for Review by the Complainant under **Regulation 37(8) of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulation,2013** are required to be restated for deciding the matter afresh which are reiterated as follows:

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1) The Complainant company had filed a representation against the orders of the Consumer Grievances Redressal Forum of HPSEBL in complainant No. 1432/2/17/25 vide representation number 55 of 2018 before the Hon'ble Electricity Ombudsman. After proceeding in the matter, the ld. Ombudsman passed orders dated 25.06.2018 vide which
   a) HPSEBL(Respondents) were directed to render the applicant/complainant the complete break of the expenditure on account of IDC amount and the methodology to arrive at a figure of 2875/KVA along with any additional information required by the complainant within a month and;
   b) HPSEBL was directed to overhaul the account of complainant accordingly as per mechanism final order issued by HPERC for suo-moto petition number 25 of 2016 on 05.10.2016 and further endorsed by HPSEBL vide orders dated 01.11.2016.
   c) The appellant was directed to take up the matter with the respondent Board to obtain complete records of expenditure incurred on infrastructure development.
2) That the Complainant is aggrieved by the fact that the orders passed by the ld. Ombudsman in the case are deficient in many ways, so as not to address the issues raised and the relief sought by the complainant. It is a matter of record that the relief sought by the applicant does not get addressed by the orders passed by the ld. Ombudsman. The orders passed neither allows nor denies the relief prayed for the representation.
   The Regulation 37(8) provides for review of orders, on an application filed by the parties within 30 days of the order on account of some mistake or error apparent from the face of record and also for any other sufficient reasons. The applicant is therefore, again approaching the Ombudsman through this application under the review provisions and other relevant provisions to get his grievance addressed.
3) That the applicant had vide Para a) of the representation made in the case had prayed "to quash the orders dt.12.03.2018 issued by the Consumer Grievance Redressal Forum (CGRF) of HPSEBL in complainant No. 1432/2/17/025. The CGRF had passed orders against the applicant and had held that the applicant is liable to pay the IDC charges. The orders passed by the Hon'ble Ombudsman in case, does not anywhere mention whether the demand raised by the respondents is justified or not. The representation was not filed merely for seeking the break-up of the cost of infrastructure Development Charges. But, the representation was seeking whether the IDC claimed by the respondent Board is claimable, partially claimable or totally un-claimable under the applicable Regulations. It is also pertinent to point out over here that the HPERC in their orders passed in petition number 25 of 2016 only specifies the mechanism of adjustment of advance cost share. These orders do not touch the subject matter as what is allowed to be charged or what is not allowed to be charged as IDC. Only the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations,2005 and subsequent clarifications issued by the State Regulatory Commission, specify what expenditure can be recovered from consumers.
4) That the orders are deficient the following:
   a) As a result of decision of a) above, whether the demand raised by the respondents deserve to be quashed or not?
   b) Which of the components of IDC forming a part of cost worked out at 2875 per KVA, such as substation transformer and associated equipment, cost of land, cost of buildings, cost of incoming upstream line etc. are actually claimable from the complainant as per Regulation.
   c) Whether the excess expenditure incurred by the respondents to the tune of 11.50 Crores as against the initially estimated cost of 9.78 Cr. Was claimable from the complainant in view of only 3% allowed by the Regulation.
   d) Whether the planning cost of scheme i.e. 9.78 Cr, comprised of such components that are not allowable to be claimed from the consumers?
5) That the answers to all the above issues raised in the complaint and now raised in point number 4 above, are necessary in order to decide whether the orders of the CGRF as well as the demand for the IDC deserve to be fully or partially quashed or not.
6) That the Hon'ble Ombudsman, has not allowed the complainant to approach him again after the details of cost is provided by the Board under the directions given in the orders passed.
7) That in view of above, the applicant prays to the Hon'ble Ombudsman to allow this application and,

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a) Pass orders on merit of the complainant's case and specifically orders what components of IDC in question are recoverable under the Regulations in the applicant's specific case.
b) Grant liberty to approach Ombudsman again, after the calculations and break up of cost as directed by the Ombudsman in the orders passed, is made available to the complainant.
c) Pass orders keeping in view the submissions of the applicant in the main petition and proceedings thereafter.
d) Pass any such orders that may be deemed fit under the circumstances of the case.

For Raj Industries.

18. This further calls for replication of order dated 25.06.2018 passed in Original Complaint No.55/2018 as well as order dated 08.08.2018 passed in Review Application No.65/2018 by that ld. Ombudsman which are reiterated as under:

a. <u>Order dated 25.06.2018 passed in Original Complaint No.55/2018</u>

Case No.55 of 2018

In the matter of: -

Representation under Regulation Nos. 16, 17 and 18 of the HPERC Consumers Grievances Redressal (Consumers Grievances Redressal Forum and Ombudsman) Regulation against the Order dated 08.03.2018 passed by the Consumer Grievances Redressal Forum of HPSEBL, Shimla-9 (HP) in Complaint No.1432/2/17/025 titled as M/s Raj Industries, Village Belideyore, Baddi Road, Nalagarh, Distt. Solan (H.P.) through its authorized representative Sh. Rakesh Bansal & Rahul Mahajan, Advocates.

13.06.2018

Present for:

Applicant : Sh. Rakesh Bansal, Advocate

Respondents : Sh. Bhagwan Chand, Counsel

ORDER

(Last Heard on 13.06.2018)

Heard. Taking into consideration, the arguments exchanged by representatives of both the parties during the course of hearing and the Application/Petition and Additional submission in support of Review petition/application filed by the Applicant/Respondent Board in context of the Order dated 08.03.2018 passed by Consumer Grievances Redressal Forum of HPSEBL, Shimla-9 (H.P.) in Complaint No.1432/2/17/025 dated 08.03.2018 titled M/s Raj Industries, Village Belideyore, Baddi Road, Nalagarh, Distt. Solan (H.P.) through its authorized representative Sh. Rakesh Bansal & Rahul Mahajan, Advocates Versus HPSEB Ltd. And others.

Complainant's Contention:

1. The complainant was issued power availability certificate (PAC) on 30.11.2005 for 950 kW of power at 11kV. Also at the time of issuance of PAC, HPERC (Recovery of Expenditure for Supply of Electricity) Regulations were in force. However, the applicability of infrastructure development charges as per the Regulations was dependent on the spare capacity availability in the system catering to the needs of the applicant as the Infrastructure Development Charges where only recoverable if any infrastructure was required to be created/augmented in order to meet the requirements of the load applied for whereas at the time of issuance of PAC, a sum pof Rs.1,90,000/- @ Rs.200 per kW was recovered by the respondents vide Rct. No.1068474 dated 10.11.2005 and on 01.06.2006 the load of 650 kVA was released subsequently. It is pertinent to state here the terms of this sanction load of 650 kVA was not in conformity with original terms of PAC.
2. That to fulfil its industrial need, the complaint increased twice its contract demand from 650 kVA to 850 kVA on 23.04.2009 and then from 850 kVA to 1200 kVA with power load of 1550 kW w.e.f. 11.03.2010. The applicability of IDC on these load revisions were again governed by the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005. It is pertinent to state here that the capacity for enhanced (CDs was already available in the system Nalagarh sub-station when the complainant applied for these load revisions.
3. That the provisions of HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 is applicable to the case of complainant and the Respondent ignored the Regulation 4.
4. That as per the above Regulation, the complainant was only liable for the cost of the dedicated service line but not for the cost of sub-station or the cost of additional 66/11 transformer installed at the Nalagarh sub-station as there was enough capacity available at the sub-station when the PAC was issued. The complainant's case only required the extension of the service line. Even otherwise also, the licensee had not published and made available to the complainant the cost data at the time of release of power connection and in such case the transitional provisions are applicable.
5. That the complainant received a demand notice dated 24.06.2014 whereby the Respondents demanded Rs.26,60,000/- on account of IDC towards recovery of expenditure for supply of electricity. In the notice dated 24.06.2014, the respondents have calculated the IDC charges @ Rs.2875/- per kVA for Rs.34,50,000/- on 1200 kVA contract demand of the complainant. The respondents have substracted Rs.7,90,000/- (Rs.1,90,000/- deposited on 10.11.2005 and Rs.6,00,000/- deposited on 11.02.2019). that at time of caption notice, the complainant firm more particularly clarified to the respondents No.2 that is has deposited Rs.3,90,000/- as proportionate share towards creation of infrastructure @ 600 kVA for 650 kVA contract demand through its letter dated 07.03.2007. But the respondent No.2 paid no attention to their submission.
6. That the respondent again issued fresh demand notice dated 11.12.2014 for Rs.26,60,000/- on account of difference of IDC towards recovery of expenditure for supply of electricity.
7. That as of now the total amount lying deposited under alleged IDC demanded by the respondents stands at Rs.21,20,000/- (Rs.1,90,000/- vide receipt No.1068474 dated 10.11.2015, Rs.6,00,000/- vide receipt No.0245935 dated 11.02.10, Rs.8,90,000/- vide receipt No.0262878 dated 12.01.2015 and Rs.4,40,000/- vide receipt No.0157714 dated 17.11.2015) besides Rs.3,90,000/- deposited as a proportionable share towards creation of infrastructure @ 600 kVA for 650 kVA contract demand.
8. That a fresh demand notice dated 03.03.2017 was served by the respondents vide which they demanded Infrastructure Development charges of Rs.34,50,000/- on account of additional of 66/11 kV, 2x20 MVA Transformer at Nalagarh Sub-Station. The respondents in the caption demand notice adjusted a sum of Rs.1,90,000/- and Rs.6,00,000/- paid at the time of different applications filed by the complainant. However, no adjustment of above amounts were made in the said notice.
9. The complainant received another notice dated 31.03.2018, in reference to the Forum's decision and this time the respondents demanded a sum of Rs.13,30,000/- out of the total IDC worked out to Rs.34,50,000/- detailing the payments of Rs.21,20,000/- already received by the respondents on this account. The Forum had directed the respondents to overhaul the complaint's account in respect of IDC as per Mechanism notified by the Commission. The overhauling has not been carried out as was directed by the Forum in the order. On the other hand, the amount of IDC claimed earlier was

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again demanded as it is in the fresh demand notice. The respondents did not carry out overhauling judiciously as per mechanism.

10. That the account as required has not been provided to the complainant before raising the demand. Even if the demand of the respondents was maintainable, the respondents can only claim the same if they provide the detail of how they arrived at a figure of 2875/ kVA for the relevant sub-station.

11. That the respondents have themselves mentioned in the notice that against the scheme cost of Rs.9.78 Crores, the expenditure of Rs.11.5 Crores was carried out. Regulation 6 of the IDC Regulations, 2005, provide for only 3% variation from the estimated amount. The balance cost incurred in excess has to be borne by the licensee. The cost of planning was much less than the cost being recovered from the consumers. The respondents have no right to recover extra expenditure incurred by them vecause of delays and inefficiencies.

Respondents Contention:

1. That the Chief Engineer Commercial issued direction to its field officer vide letter 07.12.2012 whereby the answering respondents are entitled to recover IDC @ contained in this letter approved by the High Power Committee which was also concurred by HPERC, which contained the list of 34 sub-station detailing the cost of scheme including capacity, proposed cost, actual cost, date of commission and per kVA cost of the respective sub-station and the notice for recovery of IDC was served to the appellant for Rs.26,60,000/- only.
2. That the appellant had committed a load of 950 kW vide Chief Engineer letter dated 30.11.2005. The appellant deposited Rs,1,90,000/- only on account of IDA charges @ 200 per kW at the time of PAC. The load of the consumer was sanction to the extent of 950 kW with 650 kVA contract demand from Chief Engineer South vide its letter dated 01.06.2006. During April,2009 the appellant extended the contract demand for 650 kVA to 850 kVA keeping the load as 950 kW and further extended the load 950 kW to 1550 kW with contract demand 1200 kVA and deposited Rs 6,00,000/- only towards the cost of IDC charges @Rs.1000 per kW for extended load of 600 kw. The total IDC deposited by the appellant is Rs. 21,20,000/-only. It is submitted here that the demand notice for Rs. 26,60,000/-only was issued by mistake and the respondent is ready to serve the revised notice to Rs.13,30,000/-The respondents worked out the recovery of IDC from the appellant pertaining to Nalagarh Sub-Station was done by the High Power of Committee of the department after calculating the all type of construction of infrastructure of Rs.2875/-per kVA was decided.
3. That the answering respondents have well in time informed to the appellant and other consumers that there was no capacity in the system and therefore the augmentation of 2x10 MVA will be in the benefit of the consumers as well as the appellant. Hence the IDC are liable to be paid by the appellant and other consumer.

Forum's Order:

M/s Raj Industries, Village Belideyore, Baddi Road, Nalagarh, Distt. Solan (H.P.) has filed a complaint that demand of respondent board amounting to Rs. 34,50,000/-(Rupees Thirty Four Lac fifty Thousand only) for 1200 kVA contract demand on a/c of IDC is illegal and not justified also the complainant alleged that while raising this demand of 15,30,000/- Fifteen Lac thirty Thousand only) already deposited were not considered. Respondent Board has agreed that there was some mistake while serving the demand notice and after rectifying the calculation the revised demand notice will be raised. Load of complainant was sanctioned on dated 01.06.2006 and it was further extended as per revised sanctioned issued by the Chief Engineer (Op) South office order No.CEO/M&C-42(SL)/09-848-52 dated 23.04.2009. The IDC charges are applicable and respondent board is directed to overhaul the account of the complainant as per mechanism final order issued by HPERC for suo moto case No. 25 of 2016 on dated 05.10.2016 and further endorsed by Chief Engineer Commercial HPSEBL order No HPSEBL/CE(Comm.)/APTEL/ Vol -1/2016-10021-10135 dated 1.11.2016. the case be overhauled within two months and revised demand notice may be issued. The case is decided partially in favour of complainant and partially in favour of respondent Board.

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Electricity Ombudsman findings and Order:

In view of the above facts, contentions of the parties and examining the documents like replies/ rejoinders and arguments, it comes out that appellant has represented against the CGRF order dated 08.03.2018 passed in complaint No. 1432/2/17/25. In pursuance to the CGRF above order the respondent Board (Sr. Executive Engineer) issued a revised notice on account of IDC. However, respondent Board did not furnish the complete break-up of expenditure occurred for creation of infrastructure for giving power to appellant. The Respondent Board is directed to render the applicant/complainant the complete break-up of expenditure on account of IDC amount and the methodology to arrive at a figure of 2875/kVA alongwith any addition required by the complainant within a month and overhaul the account of complainant accordingly as per mechanism final order issued by HPERC for suo moto case no 25 of 2016 on dated 05-10.2016 and further endorsed by Chief Engineer Commercial HPSEBL order No.HPSEBL/CE(Comm)/ APTEL/VOL-1/2016-10021-10135 dated 1-11-2016. The appellant/ complaint is also directed to take up the matter with the Respondent Board to have complete records of expenditure occurred and IDC by respondent for creation of infrastructure.

The compliance be reported within a month from the issue of this order

Dated: 25.6.2018 **Electricity Ombudsman**

b. Order dated 08.08.2018 passed in Review Application No. 65/2018

Case No.65 of 2018

In the matter of :
Representation under Regulation Nos.16, 17 and 18 of the HPERC Consumers Grievances Redressal (Consumer Grievances Redressal forum and Ombudsman) Regulation against the Order dated 08.03.2018 passed by the Consumer Grievances Redressal Forum of HPSEBL Shimla-9 (H.P) in Complaint No 1432/2/17/025 titled as M/s Raj Industries, Village Belideyore, Baddi Road Nalagarh Distt Solan (H.P) through its authorized representative Sh. Rakesh Bansal & Rahul Mahajan Advotates.

08.08.2018
Present for:
Applicant
Respondents

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ORDER

(08.08.2018)

Taking in to consideration the application filed by the applicant i.e. M/s Raj industries. Village Belideyore Baddi Rord Nalagarh Distt Solan (H.P) through its authorised representative Sh.Rakesh Bansal & Rahul Mahajan Advocates Versus HPSEB Ltd and others on 08.08.2018 in context of the order dated 25.06.2018 passed by the Electricity Ombudsman Since no new facts material and evidence has been put forth the by the applicant hence the review petition filed by the applicant M/s Raj Industries Village Belideyore Baddi Road Nalagarh Distt Solan (H.P) is dismissed The order dated 26.06.2018 passed in the above matter is re-produced inserting some left out portion which was omitted earlier inadvertently.

Electricity Ombudsman findings and Order:
In view of the above facts contentions of the parties and examining the documents like replies/rajoinders and arguments, it comes out that appellant has represented against the CGRF order dated 08.03.2018 passed in complaint No.1432/2/1725. In pursuance to the CGRF above order the respondent Board (Sr Executive Engineer) issued a revised notice on account of IDC. The appellant also submitted an affidavit/undertaking duly solemnized affidavit before Class-l Executive Magistrate

stating "that we shall pay the Infrastructure Development Charges as per decision of the HPERC and HPSEB as and when required to do so" In view of the above facts, contentions of the parties and examining the documents like replies/rajoinders and arguments, it comes out that the appellant is liable to pay the IDC charges as demanded by the respondent Board vide notice dated 31.03.2018 issued by the respondent Board in pursuance to CGRF order dated 08.03.2018.
However respondent Board did not furnish the complete break-up of expenditure occurred for creation of Infrastructure for giving power to appellant The Respondent Board is directed to render the applicant/complainant the complete break-up of expenditure on account of IDC amount and the methodology to arrive at a figure of 2875/kVA alongwith any additional information required by the complainant within a month and overhaul the account of complainant accordingly as per mechanism final order issued by HPERC for suo moto case no 25 of 2016 on dated 05.10.2026 and further endorsed by Chief Engineer commercial HPSEBL order No.HPSEBL/CE(Comm)/APTEL/VOL-1/2016-10021-10135 dated 1-11-2016 The appellant/ complaint is also directed to take up the matter with the Respondent Board to have complete records of expenditure occurred and IDC by respondent for creation of Infrastructure.
The compliance be reported within a month from the issue of this order.

Dated: 08.08.2018 **Electricity Ombudsman**

19. After understanding the austerity of contentions raised by the Complainant in original Complainant No.55/2018, contentions raised in Review Application No.65/2018(**ref.para-17**), subsequent order dt.25.06.2018 passed by that Ombudsman in original Complainant No.55/2018(**ref.para-18**),order dt.08.08.2018 passed by that Ombudsman in Review Application No.65/2018(**ref.para-18**), discussions held between the parties while the opportunity was given to both the parties on dt.28.04.2026 (**ref.para-5&6**) in compliance to the judgement dt.18.11.2025 passed in CWP No. 2902 of 2018 by the Hon'ble High Court and further in view of foregoing analysis/ conclusive findings, this authority draws considered opinion that the averments made in Review Application No.65/2018 are **replica of earlier contentions** that stand adjudicated by that Ombudsman in original Complaint No.55/2018 and the contents of the Review application only draw attention towards the **misconceptions** arising after

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the order dt.25.06.2018 was issued in the Original Complainant No.55/2018 by that Ombudsman.

20. Hence, in view of the limited scope of review in terms of regulation-37 (8) of the Himachal Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum at Kasumpti & Ombudsman) Regulation, 2013, within the ambit of which the Complainant filed the said Review Application No.65/2018 before that ld. Ombudsman at that point of time and further Hon'ble High Court **para-9** of the said judgement dt. 18.11.2025 in CWP No.2902 of 2018 which reads as "***para-9 Regulation 37(8) provides that the Ombudsman at any time <u>after affording an opportunity</u> of being heard can review his orders either on his own motion or on an application of any of the party of the proceedings. Thus, the provision itself envisages itself the principle of audi alteram partem***", an opportunity of being heard was given to both the parties on dt.28.04.2026 confining contentions only to the earlier 'Review Application No.65/2018' filed before that ld. Ombudsman and it has been observed as under:

a. That no discovery of new and important matter of evidence could be produced during adjudication by the Applicant/Complainant which was not within the knowledge of that Ombudsman while making order dt.25.06.2018 in original Complaint No. 55/2018.

b. That nothing was pointed out as genuine mistake/contentions or an error apparent from the face of record.

c. That no any other sufficient reasons were placed on record except replica of earlier averments and misconceptions.

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21. However, in due cognizance to the judgment dt. 18.11.2025 passed by the Hon'ble High Court in CWP No.2902 of 2018 which mandates "***that order 08.08.2018 (Annexure P-2), passed by the Ombudsman is quashed and set aside and the matter is remanded back to the Ombudsman with the direction that the review be decided afresh after hearing both the parties***", the matter was reconsidered to decide the **Review afresh** after the parties were heard on dt.28.04.2026 and accordingly, **in terms of above conclusive findings, the order is as appended below:**

1. **The demand notices issued on different occasions in the instant case as per documents placed on record towards IDC are sustained in principle and in monetary terms, the Sr. Executive Engineer, Elect. System Divn., HPSEBL, Nalagarh along with concerned Assistant Engineer, the Sr. Executive Engineer, Electrical Division, HPSEBL, Nalagarh and the Assistant Executive Engineer, Electrical Sub-Division No.II, HPSEBL, Nalagarh as one team shall validate only (not adjudicate) in the presence of one representative from Complainant side while overhauling the accounts, for prudent settlement in the public interest, with due adherence to the following directives:**
   a. **The Respondent Board is directed to justify the rates of IDC which had been worked out as Rs.2875/kVA , strictly in line with the provisions of Relevant Regulations under 419/2005 or 419/2012 whichsoever is applicable with due consideration to the treatment to be given to Consumer Contributions/ Grants after due verification that the same infrastructure is not charged to other schemes also in line with clarifications provided by the Commission in Case No. 315/05 and further limiting the expenditure to 3% of the original scheme cost or if exceeded must satisfy the Complainant/consumer regarding its treatment in terms of Regulation 6(3) of IDC regulation 2005.**
   b. **The Respondent Board must satisfy the Complainant as to which components whether substation transformer &**

associated equipment, cost of land, cost of buildings, cost of incoming upstream line etc. were used by the Respondents to arrive at figure of Rs.2875/KVA.

c. **Satisfy the Complainant in terms of Regulation 4(1)(a) (b) of 2005 with the then status of availability of spare capacity in respect of power transformers in question when the Complainant approached Respondent Board for obtaining power Supply.**

d. **The scheme cost must be either on the standard cost data published by the Respondent Board in line with provisions of Regulation 13 of the said Regulations or published by the Commission as admissible.**

e. **The Respondent Board is directed to further justify the rates of IDC worked out in view of clarifications provided by the Commission in Case No. 315/05 at Sr No. 5 that they have charged for upgradation of feeding sub-station and the line only and not the upgradation of upstream sub-station/ line in the instant case if admissible.**

f. **The Respondent Board is further directed to provide complete account of expenditure along with <u>justified rates</u> as directed above to the Complainant within a period of 30 days excluding holidays from the date of issue of this order strictly in line with the provisions of Relevant Regulations under 419/2005 or 419/2012 whichsoever is applicable in particular situation of the instant case.**

g. **The Respondent Board is directed to give due compliance on the above points to the satisfaction of the Complainant in cognizance to section 46 of the Act 2003 and raise fresh demand thereof if required after justification of the rates, as the Respondent Board is entitled to recover the <u>justifiable IDC</u> from the Complainant strictly in consonance with the provisions of Relevant Regulations 419/2005 or 419/2012 whichsoever applicable in line with the above findings.**

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2. **Only after attending to above directives, the Respondent Board is directed to raise the fresh demand if required in respect all loads released prior to the notification dt. 23.05.2012 of Regulation 419/2012 strictly as per relevant provisions of**

Regulation 419/2005 (4.04.2005 to 22.05.2012) and all loads released after the notification of Regulation 419/2012 as per relevant provisions of Regulation 419/2012, if admissible.

3. In case, there is refund due to the Complainant after working out the justifiable rates, the Respondent Board is directed to refund the same along with applicable interest as per provisions of relevant regulations and may have liberty to adjust the same against the ensuing bills.
4. In case after working out the justifiable rates, the amount becomes due for payable by the Complainant, the same be paid within a period of 30 days excluding holidays from the date of issue of fresh demand raised by the Respondent Board.
5. In case of refund, the Respondent Board is directed to adhere to time limitation as per relevant provisions to avert intervention of Regulation 37(6) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 for initiation of appropriate action by the Commission under the provisions of the Electricity Act, 2003 and brunt on individuals.
6. In terms of above the Complaint filed by 'M/s Raj Industries', Village Belideyore, Baddi Road, Nalagarh, Distt. Solan (H.P.) – 174101 is hereby disposed of.
7. No cost to litigation.
8. The case file in the instant case along with case file No. 55/2018, 65/2018 are consigned to record room and order is also placed at site as well as conveyed telephonically for the convenience of reference.

Note:
In the above order;
419/2005 be read as HPERC (Recovery of expenditure for Supply of Electricity) Regulations, 2005
419/2012 be read as HPERC (Recovery of expenditure for Supply of Electricity) Regulations, 2012

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Given under my hand and seal of this office.

Dated: 07/05/2026
Shimla

07/05/2026
Electricity Ombudsman