



In the matter of:

Complaint No. 03/2025

M/s MT Autocraft (BTW), Near Doon School Haripur Road, Barotiwala,
Distt. Solan (H.P)

-Complainant

Vs

1. Executive Director (Personal), HPSEB Ltd, Vidyut Bhawan,
Shimla-171004
2. Sr. Executive Engineer, Electrical Division, HPSEBL, Baddi HP
174103
3. Assistant Executive Engineer, Electrical Sub-Division, HPSEBL,
Barotiwala-174103

-Respondents

Complaint No 03/2025 (Registered on 22/02/2025)

(Orders reserved on 07/04/2025, Issued on 21/04/2025)

Counsel for:

The Complainant: - Sh. Rakesh Bansal, Authorized Representative

The Respondents: -Sh. Rajesh Kashyap, Advocate

- Er.R Vidur, Assistant Engineer, ESD, Barotiwala

QUORUM

Er. Deepak Uppal

HP Electricity Ombudsman



Deepak Uppal



Order

1. The case was registered and received on 22/02/2025, 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 21/01/25 passed by the Consumer Grievance Redressal Forum at Kasumpti in Complaint No1453/202405/14.
2. The case was listed and heard for admission on 25/02/2025 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 12/03/2025 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 18/03/2025 for final arguments subject to submission of the above documents.
3. The Respondent Board submitted reply on 18/03/2025 in the court room which was taken on record and the Complainant was further directed to submit Rejoinder if any within weeks' time. The case was listed for final arguments on dated 07/04/2025.
4. Case called, the matter was heard on 07.04.2025. The authorized representative for the Complainant submitted Rejoinder-cum-Written Arguments in the court room on dt. 07/04/2025 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 Conesus of both the parties, the final arguments were conducted.
5. The deliberations made by the Assistant Engineer representing Respondent Board and participation in discussions were appreciable. Both Id. Counsel for Respondent Board and the Authorized Representative for the Complainant advanced their arguments to the brim. After listening to both the parties at length, the arguments were concluded and order reserved.



P. K. Khafni



A-Brief Facts of the Case:

1. M/s MT Autocraft (BTW) bearing Consumer ID 100012002115 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 on expansion/ undergoing expansion in terms of Tariff Orders passed by Hon'ble Commission.
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:

The complainant submits that MT Autocraft (BTW), 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 (BTW) 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 21.01.2025 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.

1. Facts of the Case

Date	Event	Annexure
27.02.2021	The complainant's application for increase in sanctioned contract demand from 175 kVA to 273 kVA was affected in the electricity bills from 27.02.2021 onwards (Annexure C1) against his earlier sanctioned load of 449.08 kW. The complainant had earlier submitted a test report on 15.03.2019, which was physically verified by the respondents and the Chief Electrical Inspector as a standard procedure. Higher load utilization over the same declared load resulted in need of more contract demand. HPERC in the tariff order for year 2020-21 notified a rebate to the industrial units on consumption in	C1-C2



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proportionate increase in contract demand. The said provision was notified in the LIPS tariff schedule in the note b) to Para 3 (**Annexure C2**) and is reproduced below:

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

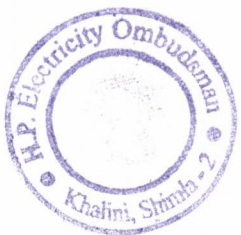


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	The said rebate was not allowed in the bills issued to the complainant. The complainant was eligible for rebate for this increase in contract demand upto 26.02.2024, the due amount of which is calculated at Annexure C8-1	
28.09.2021	The complainant further increased the contract demand from 273 kVA to 368 kVA within the same connected load of 449.08 kW which allowed and reflected in the electricity bills from 28.09.2021 (Annexure C3). The HPERC in its tariff for the financial year 2021-22 notified as below: LIPS Tariff schedule Para 13 (e) (Annexure C4) <i>“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</i>	C3 & C4



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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.

The respondents were in the knowledge of the increase in contract demand and should have allowed rebate as per tariff order in the bills issued after the increase in contract demand. But the respondents failed to comply with the provisions of the tariff. The said rebate was eligible upto 27.09.2024. The same is calculated upto current date in

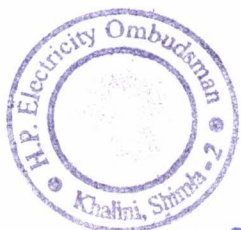


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	Annexure C8-2 of the complaint filed with CGRF.	
01.11.2022	The complainant again increased his sanctioned contract demand from 368 kVA to 600 kVA which was affected in the bills from 01.11.2022 (Annexure C5). This time more equipment was added and the connected load was also revised from 449.08 kW to 800 kW and was physically verified by the respondents and the chief electrical inspector as per standard procedure. The HPERC notified in the tariff order for FY 2023-24 (Annexure C6) a rebate on consumption proportionate to increase in contract demand for a period of three years to the existing units. The said provision is as in Para 13 d) of the Schedule of Tariff of LIPS category is reproduced as under: <u>“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</u>	C5 & C6

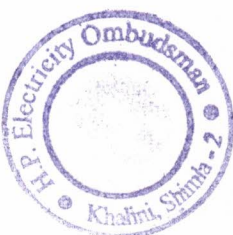


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	<i>undergoing expansion on or after 01.04.2023, the Energy Charges shall be 15% lower than the approved Energy Charges for the respective Category for a period of 3 years for quantum of energy consumption corresponding to proportionate increase in Contract Demand.”</i> The respondents did not provide any rebate in the bills issued thereafter, even though the complainant was eligible for rebate for a period of three years expiring on 31.10.2025. The calculations of rebate upto this date are attached at Annexure C8-3 of the complaint filed before CGRF.	
01.10.2023	The complainant again increased his sanctioned contract demand from 600 kVA to 690 kVA within the same connected load of 800 kW by increasing the use of machineries reported in the test report filed earlier. This was affected in the bills from 01.10.2023 (Annexure C7). This increase of contract demand was within	C7

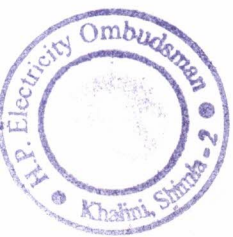




The HPERC notified in the tariff order for FY 2023-24 (**Annexure C6**) a rebate on consumption proportionate to increase in contract demand for a period of three years to the existing units. The said provision is as in Para 13 d) of the Schedule of Tariff of LIPS category is reproduced as under:

“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.”

The respondents did not provide any rebate in the bills issued thereafter, even though the complainant was eligible for rebate for a period of three years expiring on 30.09.2026. The



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	calculations of rebate upto present date is attached at Annexure C8-4 of the complaint filed before the CGRF.	
20.05.2024	The complainant got the electricity charges and bills audited on 20.05.2024 by an independent auditor, who observed that the unit was eligible for rebate under the tariff orders. Aggrieved with the overcharging in the monthly bills and not giving the rebate, the complainant approached the CGRF.	
21.01.2025	CGRF disposed the complaint as dismissed.	C-11
20.02.2025	The complainant files representation before the Electricity Ombudsman.	

2. Grievance details:

- 2.1** The complainant submits that they 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 consumption proportionate to the increase in contract demand for a period of three years. The respondents have 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



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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
175 kVA to 273 kVA	Nil. Against earlier sanctioned load of 449.08 kW	Mar-20 to Feb-23	11,79,789.18	36 months
273 kVA to 368 kVA	Nil. Against earlier sanctioned load of 449.08 kW	Oct-21 to Sep-24	9,51,109.54	31 months
368 kVA to 600 kVA	449.08 kW to 800.00 kW	Nov-22 to Oct-25	9,03,125.40	18 months
600 kVA to 690 kVA	Nil. Against earlier sanctioned load of 800.00 kW	Oct-23 to Sep--26	1,27,312.31	7 months

Total rebate upto the time the complaint was filed before CGRF = Rs. 31,61,336.43.



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

- 2.3** The complainant submits that the other reliefs that the complainant is seeking are consequential in terms of reduction in electricity duty and interest on delayed payment of rebate, which too is an obvious and a consequential relief, to be 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 orders passed by the Ld. CGRF are bad in law and deserve to be quashed and set aside as the said impugned orders are not consistent with the relevant tariff orders and the HPERC (CGRF and Ombudsman) Regulations, 2013.
- 3.2** That the orders passed by the Ld. CGRF are bad in law and deserve to be quashed and set aside as the Forum has wrongly stated that the complaint was "grossly misplaced" and that the complainant "failed to prove its case". The CGRF concluded that the complainant, based on "mere assumptions, arguments and contentions raised by it without proof, is not eligible or entitled for expansion rebates".





3.3 That the orders passed by the Ld. CGRF are bad in law and deserve to be quashed and set aside as the Consumer Grievances Redressal Forum (CGRF) narrowly defined "expansion" as a **"physical electrical expansion"**, thereby excluding the increases in contract demand that the complainant argued are directly linked to its business growth. The **tariff orders do not explicitly define "expansion"** and that the **increase in contract demand was a necessary outcome of business expansion**, and not merely a contractual term as suggested by the CGRF. The CGRF itself acknowledges that the tariff orders do not define the word 'expansion'. In his rejoinder also the complainant argued that **the tariff orders mandate that "the rebate shall be calculated on energy consumption proportionate to the increase in contract demand"**. The Ld. Forum has coined the term physical electrical expansion, which is an attempt to interpret the tariff order, which is beyond the jurisdiction of the Forum

3.4 That the orders passed by the Ld. Forum are bad in law as the Ld. Forum in 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



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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. It is also pertinent to point out over here that the contract demand cannot be manipulated merely for the purpose of rebate as any increase in contract demand is coupled with a fixed increase in contract demand charges leviable monthly in the electricity bills and which is in the complainant's case is @ Rs. 250 per kVA to be paid every month.

- 3.5** That the orders passed by the Ld. CGRF deserves to be quashed and set aside as the CGRF as the Ld. Forum failed to call the records of the respondents in order to verify the argument of the complainant. The Ld. CGRF even ignored while it was accepted on record by the respondents that at least one expansion was carried out by the complainant for which the respondents even issued a refund. The Ld. CGRF is wrong in saying that the burden of proof lies on the complainant. Regulation 20(3) of the HPERC (CGRF & Ombudsman) Regulations 2013, clearly provides for the Forum to call for record from the parties as may be relevant for examination and disposal of the grievance.
- 3.6** That the orders passed by the Ld. CGRF are bad in law and deserve to be quashed and set aside as the CGRF as the Ld. Forum has taken cognizance of the Tariff Order for the FY 2024-25, which is not applicable in the present case as the matter of grievance is clearly covered under the earlier tariff orders.





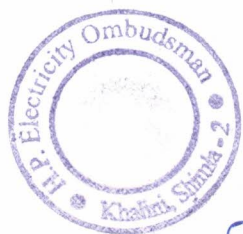
- 3.7 That the orders passed by the Ld. CGRF are bad in law and deserve to be quashed and set aside as the CGRF as the Forum is wrong in saying that

“18. On the Complainant’s contentions for the refund of rebate for the time / period that had not arrived at the time of filing of the complaint, Forum observes that it is settled law that the rights of the parties crystallize at the time of filing the complaint and therefore the Forum is not inclined to delve into the relief sought by the Complainant for the refund of rebate for the unexpired period that is the time / period that had not arrived at the time of filing of the complaint and accordingly rejects the relief sought by the Complainant on this count;”

Nowhere the governing regulations state any such thing. This is purely based on whims and fancies of the Forum.

- 3.8 That the orders passed by the Ld. CGRF deserves to be quashed and set aside as the CGRF as the Ld. Forum has wrongfully rejected the claim for a refund of electricity duty, stating that the duty is levied by the government and is based on actual consumption and therefore, a rebate on energy charges would not affect the electricity duty payable. There is no denial that the electricity duty is leviable on the overall energy charges as per Electricity Duty Act, 2009. The relevant extract of the 3 of the Electricity Duty Act, 2009 is reproduced below:

“Provided that the percentage mentioned against each categories shall be applicable on energy charges only (excluding meter rent, service charges etc.).”





Nowhere it has been mentioned in the said Act that the electricity duty is to be levied on the standard rates of tariff.

The same already accepted by the Commercial Wing of the respondents and is amply clear from the footnote to the electricity bills (a bill attached at Annexure C11).

Simply revising any bill will result in automatic reduction in the electricity duty.

3.9 That the orders passed by the Ld. CGRF deserves to be quashed and set aside as the CGRF as the Forum has also rejected the claim for interest on the delayed payment of rebate which is a consequence of charging wrong rates of energy charges in the electricity bills issued to the complainant. It stated that interest is not applicable to the rebate as the bills were not considered erroneous, and there was no provision for interest on rebates within the tariff orders or regulations. This is a clear case of incorrect billing which has been carried on by the respondents for a long period of time. The Ld. Forum further ignored the orders passed by the Hon'ble Ombudsman, in the case no. 05 of 2024, where in the Ld. Ombudsman had allowed interest in terms of clause 5.7.3 of the Supply Code, read with Regulation 26(2)(ii).

3.10 That the orders passed by the Ld. Forum are bad in law as the Ld. Forum has not followed the principle of equity, while rebate has already been given to several other consumers who have increased the connected load or contract demand or both and which has been approved by the competent authority. The Ld. Forum has therefore, discriminated against the complainant as against the other consumers which defies the principle of equity.





- 3.11** 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. Benefit of doubt, if any, lies in the favour of the consumer.
- 3.12** That the Ld. Forum in its orders dated 21.01.2025 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.
- 3.13** 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

The complainant submits prays as below:

- a) To quash and set aside the orders dated 21.01.2025 passed in Complaint No. 1453/202405/14 for the reasons stated in the representation;
- b) To issue directions to the respondents to grant balance rebates on expansion until the expiry of each upto three years from the date of each increase of contract demand and which has been tabulated in Para 2.2 and Para 2.3 of this representation;





- c) To direct the respondents to adjust electricity duty in the manner as already is being allowed by the Commercial Wing of the respondents to other consumers;
- d) To direct the respondents to overhaul and recalculate the 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:

Preliminary submissions:

1. The Respondent submits that the present complain is not maintainable in the eyes of law.
2. The Respondent submits that there exists no cause of action in favour of complainant and against the respondents.
3. The Respondent submits that the Id Forum vide impugned order dated 21-01-2025 has rightly dismissed the complaint filed by the





complainant by appreciating all relevant material, regulations governing the field and the tariff order issued by the Hon'ble HPERC, as such there is no such interference warranted by this Hon'ble Ombudsman.

4. The Respondent submits that the complainant has suppressed the material facts before this Id Forum as such the complaint as preferred is liable to be dismissed.

Reply on Merits:

1. The Respondent submits that the contents of these 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.
2. The Respondent submits that the contents of this para are admitted to the extent that the complainant is eligible for the rebate in terms of the mandate of the tariff order issued by the Hon'ble Commission for the respective financial years. It is submitted that for the issue of the rebate on the expansion of the industry as granted by the Hon'ble HPERC in its various tariff orders, the complainant has made out his case on the basis of the misconstruction of the expression expansion of the industry and as such claims the rebate *simplicitor* on the increase of the contract demand without increase of the connected load of the industry, which is sine qua non for the eligibility of the rebate on account of the expansion of the





existing industry. It is worthful to refer the Mid Term Performance Review order for 4th MYT Control Period (FY 20-FY-24) & Determination of the Tariff for FY 23 wherein the issue of the rebate for the existing industries which have undergone expansion during the 01-04-2018 to 30-06.2019 and/or during 01.06.2020 to 31.05.2021, it is specifically mentioned as under:

“15.7.39 for the existing industries which have undergone expansion during 01-04-2018 to 30-06-2019 and/or during 01.06.2020 to 31.05.202, 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 the proportionate increase in the contract demand.

Provided that such expansion if undergone during 01-07-2019 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 up to 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 the proportionate increase in contract demand.”

[Emphasis supplied]





It is submitted that the intention of the Id. HPERC for the grant of rebate to the existing industries was further made clear in the Tariff orders Dated 15.03.2024 i.e. Business Plan and Multi – Year Tariff Order for fifth Control Period (FY 25-Fy29) & Determination of Tariff for FY25 & True – up of FY 23 of 4th MYT Control Period for Himachal Pradesh State Electricity Board (HPSEBL) in point no. 6.28.5 where it has been made clear that the rebate is only allowed to New Consumers and the industries doing substantial expansion, further to submit that it is obvious the only increase in contract demand can't be considered as expansion. Also, it has been made clear in the Tariff orders that rebate on expansion is only applicable to the consumers who undergo expansion, the terms of extension in contract demand has only been used to determine the quantum of such rebates. Hence, only the increase of the contract demand will not entail the complainant to get expansion rebate. It is further submitted that the consumer has already been allowed with rebate amounting to Rs.13,33,568/ on account of reduced energy charges to new unit as per the provisions of tariff. The said amount has been allowed to the consumer in energy bills for first 3 years. It is also apprised that the consumer initially got the load sanctioned for 450 kW but constructed/built up the load in parts, thereafter, the consumer only increased his connected load once till date in 11/2022. Hence, had only undergone



expansion once for the said period rebate has been calculated and the arrears for the rebate from 11/2022 to till date will be allowed in the energy bill raised in December 2024 and thereafter, the billing of the consumer will be done on reduced energy charges. At the cost of repetition, it is submitted that the order passed by the Id Forum is perfectly legal order based on the provisions of the Regulations and tariff order passed by the Hon'ble Commission, as such there is no such illegality or irregularity in it and needs no interference.

3. Reply to Ground of Representation:

- 3.1 The Respondent submits that the contents this para are wrong and incorrect hence denied. It is submitted that Id Forum has passed the impugned order strictly in line with the Regulations issued by the Hon'ble Commission. The contentions of the complainant are totally baseless and self-contradictory in nature.
- 3.2 The Respondent submits that the contents of this para are wrong and incorrect hence denied. It is submitted with the utmost respect that complainant has totally misconceived and misunderstood as the instant matter is governed by its own applicable statute and merits. The instant matter is governed by the tariff orders passed by the Ld. HPERC under Electricity Act, 2003 and regulations and rules framed there under.
- 3.3 The Respondent submits that the contents of this para are wrong and incorrect hence denied. The Id. CGRF has right





settled the contention of complainant in order dated 21.01.2025 and It is further submitted that this forum has already settled the similar issue as mentioned by the complainant in this complaint para 3.3 in Case No. 05/2024, where the Id. Electricity Ombudsman uphold the finding of Id. CGRF in this issue.

3.4 The Respondent submits that the contents of this para are wrong and incorrect hence denied. It is submitted that complainant is trying the mix and match the entire matter and trying to interpret the tariff order directly or indirectly in his favour. It is submitted that Id Forum has passed the impugned order strictly in line with the Regulations issued by the Hon'ble Commission.

3.5to 3.7 The Respondent submits that the contents of this para are totally wrong and incorrect hence denied. It is specifically denied that the Id Forum has passed order by ignoring the rules and regulations governing the field. However, it is submitted that if the order of the Id Forum is perused, it will leave no manner of doubt that the impugned order is well reasoned and speaking one which dealt each and every issue involved in the case.

3.8 The Respondent submits that content of this para are totally wrong and incorrect hence denied. It is submitted that Id Forum has passed the impugned order strictly in line with the





Regulations issued by the Hon'ble Commission. It is further submitted that the Id. Electricity Ombudsman has already settled the same issue in case no. 05/2024 with the order that “

a) *It is mirror clear from above provisions of Electricity Duty Act 2009 under section 3 on "Levy of electricity duty on consumption or supply of energy" that the Electricity Duty is levied on consumption of energy and for the purpose of computation of the electricity duty, the consumption shown by the meter, starting after the first meter reading date is taken. This is clearly an indicative that for levy of Electricity Duty, the Govt. is concerned with actual consumption of energy irrespective of rebate on energy given by any agency except Govt. Hence, the contention of the Complainant in the absence of any such directions / orders/notification issued by the Government to avail refund on Electricity Duty on overcharged amount of expansion rebate is not tenable in the instant case.*

b) *hat in terms of above provisions of Electricity Duty Act 2009 read with relevant extracts of clause 10 of Electricity (Duty) Rules 2010, it is amply clear without doubt that if duty has been paid in excess of what is payable under the Act by the consumer, the Chief Electrical Inspector shall authorize the refund of the excess duty so paid to the consumers concerned. But the instant case is quite different where the expansion rebate stands given by the Hon'ble Commission but the status of the total energy consumption remains same unless Government announces refund in such type of cases where Hon'ble Commission allows exemption on energy consumption. Thus, the said contention does not hold good in the instant case.*





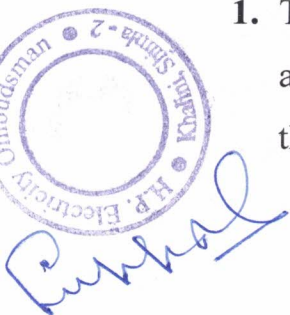
3.9 The Respondent submits that the contents of this para are wrong and incorrect hence denied. It is submitted that Id Forum has passed the impugned order strictly in line with the Regulations issued by the Hon'ble Commission. It is submitted that 5.7.3 of HP Electricity Supply code 2009 deal with erroneous of billing and this rebate is separate, as and when consumer submit the representation for eligibility for rebate same is checked and granted to the complainant.

3.10 to 3.13 That the contents of this para are totally wrong and incorrect hence denied. It is specifically denied that the Id Forum has passed order by ignoring the rules and regulations governing the field. However, it is submitted that if the order of the Id Forum is perused, it will leave no manner of doubt that the impugned order is well reasoned and speaking one which dealt each and every issue involved in the case.

It is therefore, keeping in view the facts and circumstances narrated herein above, it is most respectfully prayed that the representation/complaint of the complainant 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 in Para 1 of the preliminary submissions of the Reply on the issue of maintainability it is denied. The complainant is well within his rights notified in HPERC (CGRF and Ombudsman) Regulations, 2013.
3. The Complainant submits that Para 2 of the preliminary submissions is denied.
4. The Complainant submits that Paras 3-4 of the preliminary submissions are also denied.

Rejoinder to Reply on Merits:

1. The Complainant submits that the contents of the Para 2 of the reply are denied as not applicable in the complainant's case. The Mid Term Performance Review order for the 4th Control Period (FY-20-FY24) and FY24-39) referred to by the respondents did not even exist at the time the complainant became eligible for rebate and same cannot be considered to have effect retrospectively unless specifically stated. No inference can be drawn from the Para of tariff referring to substantial expansion as it is merely a discussion in the tariff, which is not carried forward in the effective portion of the tariff order. That it is further contested that the rebate given to the complainant as a new unit, does not form a part of this grievance and for which the complainant was separately eligible. The complainant is in this grievance only to the extent of the rebates due to him on account of expansions in his industry much later than the setting up of the new industry. Therefore, the mention of the rebate paid on account of eligibility is irrelevant in the present matter. The reference to the paras of a later tariff order than that which was applicable during the period for which the rebate is in question sounds irrelevant and unjustified even on the part of the Ld. Forum and suffers illegality.
2. The Complainant submits that the respondents on the other hand has now agreed and has also paid the arrears on account of rebate on expansions carried from the time the contract demand was increase from 368 kVA to 600 kVA





and thereafter. But the Ld. Forum has not intervened and did not issue directions to the respondents to pay the consequential electricity duty and interest for delay in payment as was prayed by the complainant.

3. The Complainant submits that the contents of reply to paras 3.1 to 3.7 are denied.
4. The Complainant submits that the contents of this Para are denied. The electricity duty is applicable on the net energy charges which is neither in contradiction with the Electricity Duty Act, 2009 , while it also the normal practice adopted by the respondents while issuing bills to the consumers. This practice has been continued for several years and even continues as on this date.
5. The Complainant submits that the contents of this para are denied. The Hon'ble Ombudsman has held already in several cases that where the money due to a consumer is paid with delay, interest is the right of the consumer.

E- The Complainant's written Arguments:

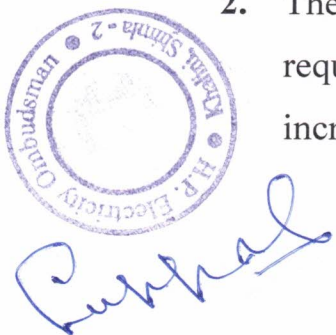
The Complainant submitted Rejoinder-cum-Written arguments, hence the same is considered as part and parcel of the written arguments for record purpose.

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 07/04/2025 and both the parties were given due opportunity to argue their contentions to the edge.
2. The Authorised Representative for Complainant contended that the requisite rebate has been credited by the Respondent in respect of increased in contract demand on dt.01.11.2022 and subsequent impact on





01.10.2023 and has not given rebate in respect of stages of enhancement on dt. 27.02.2021&28.09.2021.

3. On these contentions of the Complainant, the Assistant Engineer concerned argued in details and apprised as below:

- (i) that the contract demand increased on 27.02.2021 was without any electrical expansion and the status of the earlier sanctioned connected load of 449.08 kW remained same as was sanctioned on dt. 15.03.2019. He further added that as per record, this enhancement does not carry any verification of Chief Electrical Inspector or any other authority deputed for the purpose at that point of time, in fact this was a mere request for increase in contract demand from 175 kVA to 273 kVA which was sanctioned by the competent authority, hence not admissible for rebate as contended.
- (ii) that no rebate could be given for increase in contract demand from 273kVA to 368 kVA on dt.28.09.2021 within the same connected load of 449.08 kW and not attributing to expansion.
- (iii) that requisite rebate for increase in contract demand on dt.01.11.2022 from 368 kVA to 600 kVA with increase in connected load from 449.08 kW to 800 kW on account of addition of more equipment carrying due verification by the Chief Electrical Inspector and its subsequent prospective impact on dt. 01.10.2023, was allowed and credited as per provisions.

4. Thereafter, the Id. Counsel and Assistant Engineer appeared as Respondents confirmed the rebate allowed and credited. The Authorised Representative for Complainant agreed and showed his satisfaction on the legitimate settlement of contentions on this account. The arguments made by the Assistant Engineer were convincing one and the Id. Counsel





for Respondents also opined the same. This authority was also convinced on listening to the appreciable averments and appreciates the Respondents for amicable settlement in terms of provisions in the public interest.

5. The Authorised Representative for Complainant further contended:

(i) that in terms of clause 5.7.3 of the Electricity Supply code 2009, the respondents have not credited the interest due on the excess amount which was refunded towards rebate.

(ii) that he is entitled to avail refund of electricity duty charged on refunded overcharged amount of rebate as the applicability of the electricity duty is purely based on energy charges net of night concession and the rebates, which is also a pattern adopted by the Commercial Section of the respondents. He also added to his arguments that the foot note in the bills mentions about Electricity Duty being calculated on the net energy charges.

6. The Id. Counsel and Assistant Engineer further added arguments on the issue of interest on the refunded amount of rebate and asserted that there is no provision in the tariff order to give interest on delayed rebate refunded and confined arguments to the order dt. 21.01.2025 issued by the Id. CGRF and further regarding electricity duty, inspite of above arguments of the Complainant on the view of Commercial Wing, the Respondents adhered that this is domain of the Govt and the contentions of the Complainant on this account are not a viable proposition.

7. However, after listening to the arguments of Respondents on the applicability of interest, the Authorised Representative for Complainant put forth his arguments that the clause 5.7.3 of the Supply Code is clear which provides that if the excess amount remains with the Respondent, the same is liable to be refunded along with interest in terms of prevalent



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provisions as it stands refunded in the instant case being excess amount retained in the form of rebate and warrants compliance to the said provisions of supply code.

8. The Assistant Engineer appeared as Respondents after listening to the arguments emphasized that unless the bill is considered erroneous as per clause 5.7.1 of the supply code, the mandate of clause 5.7.3 cannot be exercised which was not a convincing one and this authority observed that here was a misconception with the Respondents to understand the essence of implementation of said clause 5.7.1 of the supply code read with clause 5.7.3.
9. The arguments advanced by both the parties were significant and after listening to both the parties at length, the arguments were concluded and order reserved.

H- Order dt. 21/01/2025 of Consumer Grievance Redressal Forum:

ORDER

1. (16) 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;
2. (17) Before the Forum delves into the issues of rebates raised by the instant Complainant who is a Large Industrial Power Supply consumer



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(LIPS), it is imperative to reproduce for sake of clarity the provisions of 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)-

Quote

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3. *Two part Tariff*

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b) *Energy charge (Charges-2)*

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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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c) *Demand Charge (Charges-3)*

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4. *Peak load charges (PLC)*

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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) --**

Quote

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3. *Two part Tariff*

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b) *Energy charge (Charges-2)*

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**Note:*

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) **Demand Charge (Charges-3)**

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4. **Peak load charges (PLC)**





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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) --

Quote

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3. Two part Tariff

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b) Energy charge (Charges-2)

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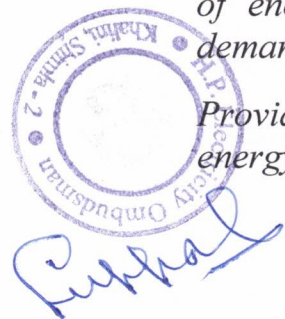
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**Note:*

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

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4. *Peak load charges (PLC)*

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Un-Quote

(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)-**

Quote

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13. *Rebate for New and Expansion Industries:*

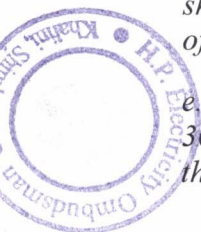
a. *For new industries which have come into production between 01.04.2018 to 30.06.2019, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of three years.*

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, energy charges shall be 10% lower than the approved energy charges corresponding to the respective category for a period of three*



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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.

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 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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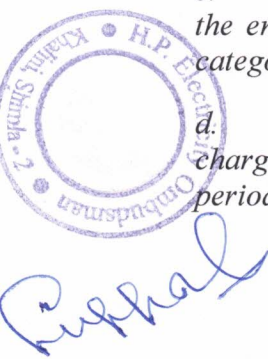
13. Rebate for New and Expansion Industries:

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.





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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.

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) -**

Quote

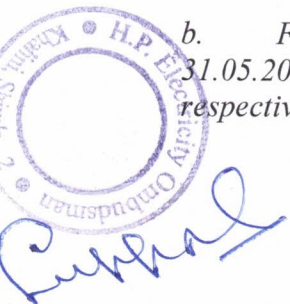
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13. Rebate for New and Expansion Industries:

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





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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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3. (18) On the Complainant's contentions for the refund of rebate for the time / period that had not arrived at the time of filing of the complaint, Forum observes that it is settled law that the rights of the parties crystallize at the time of filing the complaint and therefore the Forum is not inclined to delve into the relief sought by the Complainant for the refund of rebate for the unexpired period that is the time / period that had not arrived at the time of filing of the complaint and accordingly rejects the relief sought by the Complainant on this count;

4. (19) Now Forum proceeds to evaluate the contentions raised by the Complainant on its general entitlement for expansion rebates as provided in the Tariff Orders passed by the Ld HPERC and on grounds that it had increased its Contract Demand (kVA) from time to time –





5. (20) Forum from examination of the provisions of expansion rebates for Industries contained in Tariff Orders reproduced in para supra, 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 of technical parameters/standards of the Respondent, has not been defined or 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 giving out the said expansion rebates. While Rebates by the Industries Department of the Government may pertain to conditions as may be specified for it, however, factors such as addition of buildings, structures, manpower, capital infusion in company, investments in other companies etc obviously cannot become the basis to give rebates on expansion by the Respondent who is a electricity distribution licensee. Thus, the expansion has to be considered with regard to Respondent's technical parameters/standards;
6. (21) Thus in the opinion of the Forum, 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 any expansion other than that of electrical nature;
7. (22) Thus, before the said expansion rebates against electrical expansion are allowed by the Respondent to the Complainant or even by the Forum to the Complainant, at the outset it becomes imperative to conclusively confirm its quantum and actual time of occurrence including any previous expansion that may have been undertaken by the consumer Complainant





for which rebates may not be specified or allowed. In accordance with the provisions of Tariff Orders on rebates, it is only after the electrical expansion has been established by the Respondent, 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);

8. (23) The contention raised by the Complainant that increase in Contract Demand is expansion, can be viewed and 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 the HPERC. The definition is reproduced as follows: –

Quote

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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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9. (24) 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 which 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 enshrined in Supply Code/ Tariff Orders. Thus the Forum holds that Contract Demand is simply a contractual term or expression and cannot mean expansion;

10.(25) 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 passed by the Ld HPERC, it becomes clear to the Forum that the expression 'Contract Demand' given in the provisions on rebates contained in Tariff Orders, exists merely to determine or calculate the proportionate increase in energy consumption and this is only after the condition of electrical expansion, has been conclusively established. To force any other meaning of Contract Demand shall simply be against its specified meaning;

11.(26) Therefore, to hold that increase in Contract Demand is expansion shall be patently and out rightly wrong. Also for the simple reason that the contracted demand between Complainant and Respondent can be of permanent or temporary nature and can from time to time be varied i.e decreased or increased or increased then decreased etc, thus such contracted demand, being a contractual term, cannot be construed to mean physical expansion of Industry because then its reduction would imply contraction of Industry and it cannot be reasonably assumed by the Forum that in one instant the Industry had undergone expansion and in another it had undergone contraction;

12.(27) Seen from another angle, physical expansion cannot mean to have taken place when the Contract Demand is increased or to mean that physical contraction has taken place when the Contract Demand is decreased in which case any rebate availed shall have to be returned by the





Industry. Without the underlying expansion, there may also be a condition that there is an increase of Contract Demand by the Complainant which is accompanied with decrease in consumption in a particular month or vice-versa. Thus such contracted demand, being a contractual term, Forum again holds that its increase cannot be construed to mean physical expansion;

13.(28) Thus, the implied argument by the Complainant that increases in Contract Demand means expansion because the Tariff Orders nowhere base the said expansion rebate on increase in connected load, 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. Even the provisions of the Tariff Orders when read diligently, makes the rebates available only to 'existing Industries which have undergone expansion'. Thus, the Forum is constrained to reject the assumptions and arguments of the Complainant that increase of Contract Demand (in kVA) implies expansion and that thus it is entitled to expansion rebates. 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 arguments of the Complainant with regard to expansion and with regard to expansion rebates, as being invalid, untenable, and farfetched;

14.(29) In view of foregoing discussion, the Forum sums up 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 of Industry and it is only to be applied after establishing and confirming expansions.





Here the limited purpose of Contract Demand is only that for 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 consumer Complainant and also duly verified and established in clear unambiguous terms by the Respondent HPSEBL;

- 15.(30) From examination of the complaint, the Forum clearly finds that the Complainant has not proven the physical electrical expansion but has largely based its 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;
- 16.(31) The Forum also finds that the Complainant in contradiction to its own assumptions, arguments and contentions, while stating in its Rejoinder that increase in contract demand implies expansion when no other meaning has been attached to it by the HPERC in its Tariff Orders, has in the same breath also stated without proof, that it had increased its connected load and thus on this argument it is entitled to expansion rebate. This is not even the original case of the Complainant and the Complainant has gone on to raise a new cause of action in its Rejoinder which ought to be out rightly rejected. However, the Forum is still inclined to explore this aspect as well —
- 17.(32) During the final hearing/argument stage, it was admitted by the authorized representative of the Complainant's that its Industry was set up around the year 2018. The Industry accordingly being a relatively new one, even the gradual build-up of its load vis-à-vis its sanctioned load during its initial years, as informed by the Respondent and not denied by the Complainant, cannot be construed as expansion. The condition of buildup



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of load is a practical condition which may arise and is duly addressed in the code 3.9 of the Supply Code. Therefore, any nature of increase in connected load alone also does not establish expansion and cannot become the basis for consideration of Complainant's case for its entitlement of expansion rebate. Expansion has to be determined on case to case basis and established with proof;

18.(33) On the anvil of the foregoing discussion and from examination of the instant complaint, Forum clearly finds that the Complainant has failed to conclusively establish physical electrical expansion and consequently also its entitlement for the expansion rebates. It is for the Complainant to ab-initio prove its case of physical electrical expansion as existing at its start and thereafter also, along with the precise time from which such expansion has to be considered by Respondent for the purpose of expansion rebates. The complaint has to be duly supported with respective comprehensive details of electrical expansion. The nature and scope of such 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 the Chief Electrical Inspector accordingly. The Complainant has clearly failed to establish with proof any electrical expansion by it;

19.(34) Forum is certainly not inclined to blindly accept the contentions of the Complainant. The instant complaint is grossly misplaced as well as missing on these counts and the Complainant has clearly failed to prove its case for expansion to become eligible for any rebate on expansion whatsoever as provided in the ibid Tariff Orders passed;

20.(35) 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

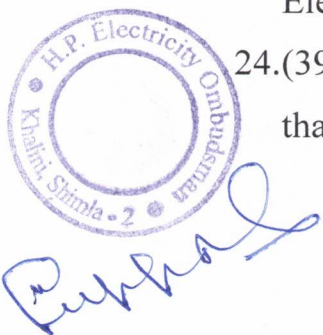


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responsibility to do so is bestowed. Those on whom such responsibility is bestowed are the designated offices of the distribution licensee whose actions cannot also be such as to cause loss to the distribution licensee Company. Same is the point in case for expansion rebates that have been specified by the Ld HPERC in the Tariff Orders passed by it. It is thus also incumbent and inescapable on the part of the respective Respondent to hold with proof the eligibility and entitlement of the Complainant for the said expansion rebate based on extant provisions of Regulations notified by the HPERC and by the CEA from time to time and such details / lists of new electrical loads must have been duly verified by the Respondent and a statutory authority namely the Chief Electrical Inspector. The Respondent has also not established on record that there is electrical expansion by the Complainant to make it eligible for expansion rebate. Thus any expansion rebate doled out, without holding proof of expansion as explained above, shall be patently wrong on part of the respective Respondent;

- 21.(36) Based on the foregoing explanation, discussions and findings in paras supra, the Forum rejects the contentions and arguments of the Complainant that it is entitled for the said expansion rebate. Forum holds and concludes that the Complainant, based on mere assumptions, arguments and contentions raised by it without proof, is not eligible or entitled for expansion rebates as have been provided in the Tariff Orders;
- 22.(37) The issue raised by the Complainant with regard to its entitlement and eligibility for expansion rebate is accordingly rejected and disposed.
- 23.(38) On the issue of refund of Electricity Duty (ED) raised by the instant Complainant, Forum is inclined to specifically look into the facet of the Electricity Duty –
- 24.(39) Forum, from bare perusal the HP Electricity (Duty) Act, 2009 finds that Electricity Duty (ED) is a levy by the Government. This is collected

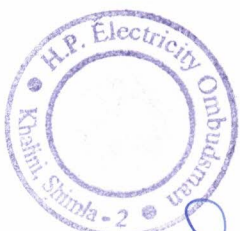




by the Respondent on behalf of the Government on actual consumption of electricity made by consumer or supply of electricity by the licensee in accordance with the HP Electricity (Duty) Act, 2009. No-where in the Tariff Orders passed by the Ld HPERC has the rebate on expansion or excess consumption, been considered to have the net effect of reduction in actual consumption or on reduction of ED. Other-wise 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's or the HPERC's. This Electricity Duty while being applicable on electricity consumption or supply is simply to be calculated on energy charges. Further, the Complainant has no-where shown that it has not consumed the electricity which has been billed to it. Thus any monetary rebate cannot have any effect what-so-ever on reduction of Electricity Duty nor can these entitle the Complainant for its refund;

25.(40) In view of foregoing, Forum holds that while the Electricity Duty is the specific domain of the Government however, the Complainant is still not at all eligible for any refund of Electricity Duty by the Respondent 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 allowed by the HPERC. The arguments and contentions raised by the Complainant for refund of Electricity Duty is thus also rejected and accordingly disposed.

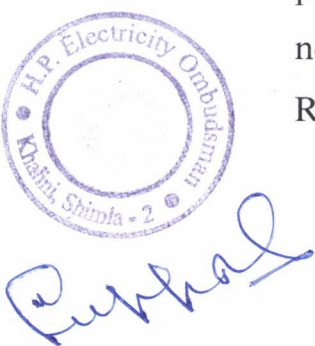
26.(41) On the issue of payment of Interest raised by the Complainant, Forum does not find any reference to payment of Interest on rebates in the Tariff Orders passed by the HP Electricity Regulatory Commission. The Forum now proceeds to look into the specific facet of payment of Interest





arising from the non-payment of rebates, in accordance with regulations notified by the HPERC –

- 27.(42) Forum observes that on a claim raised by the consumer, at the outset the quantum and question of eligibility and entitlement of Rebate by the Complainant has to be assessed and established by the Respondent distribution licensee based on Tariff Orders passed by the Ld HPERC and Codes / Regulations notified by the HPERC. Once the same has been assessed, established, determined and paid by the distribution licensee, shall the question of payment of any Interest arise on the principle amount so determined. At the same time, such shall have to be permitted by the HPERC through its Regulations or Tariff Orders;
- 28.(43) 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 it 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;
- 29.(44) 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



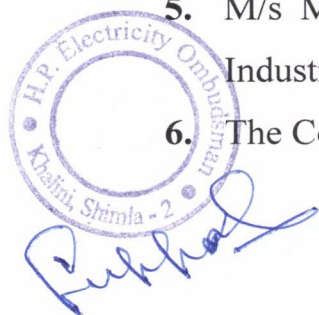


rebate is separate and it may be a case that such rebate is paid separately by the Respondent or is required to be calculated on a yearly basis;

30.(45) In view of foregoing, the Forum holds that the payment of Interest to the instant Complainant by the Respondent on Rebates allowed in Tariff Orders, is not provided in the said Code / Regulations notified by the HPERC. The Complainant is accordingly not eligible for any Interest arising from payment of the rebate. Thus, the contention raised by the Complainant with regard to refund of Interest on rebate is also rejected by the Forum and is accordingly disposed.

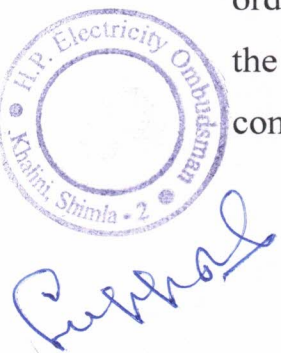
I-Analysis of the Complaint:

1. The case file bearing Complaint No. 1453/202405/14 and orders passed on dated 21/01/2025 by the Consumer Grievance Redressal Forum Kasumpti, Shimla-171009 have been requisitioned and gone through and the relevant extract of said order reiterated under the heading “H” above to arrive at legitimate conclusion.
2. 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.
3. The documents annexed and placed on record, arguments offered by both the parties have also been gone through in depth.
4. 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 the same stands placed in hierarchy in **para- 17** of CGRF order dt. 21.01.2025 under the heading “H” above.
5. M/s MT Autocraft (BTW) Bearing Consumer ID 100012002115 is a Large Industrial Power Supply (LIPS) Consumer of Respondent HPSEBL.
6. The Complainant contends:





- a. That the rebates on approved energy charges for the expansions in terms of Contract demand during different stages i.e 175KVA to 273 KVA on dt.27.02.21, 273KVA to 368KVA on dt.28.09.21, 368KVA to 600KVA on dt.01.11.22 excluding unexpired period as per provisions to existing industries on expansion/ undergoing expansion in terms of Tariff Orders passed by Hon'ble Commission, works out to be Rs. 31,61, 336/-.
 - b. To quash and set aside the orders dated 21.01.2025 passed in Complaint No. 1453/202405/14 for the reasons stated in the representation;
 - c. To issue directions to the respondents to grant balance rebates on expansion until the expiry of each upto three years from the date of each increase of contract demand.
 - d. To direct the respondents to adjust electricity duty in the manner as already is being allowed by the Commercial Wing of the respondents to other consumers;
 - e. To direct the respondents to overhaul and recalculate the past bills while providing for rebate on the basis of eligibility period of each rebate;
 - f. 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;
7. The Respondents on the other hand have confined reply to the extent of CGRF order dt. 21.01.2025 and during arguments they informed that they had allowed the requisite rebate in terms of provisions. The Complainant agreed and confirmed during arguments which were appreciable. The detailed arguments





can be seen under the heading “G” and for the sake of brevity, the same are not recapped.

8. The detailed contentions of both Complainant and Respondents have not been repeated which already stand reiterated under headings “B & C” of this order respectively.
9. The contentions of the Complainant detailed under heading-B, response of the Respondent Board detailed under heading-C & Rejoinder-cum-Written arguments under heading-D and arguments conducted at length & placed under heading -G, gathers considered opinion to originate the following issues and for the sake of brevity, the detailed analysis also rests along with the findings of the respective issues as under.

J-Issues in Hand:

Issue No-1:

Whether the instant Representation is maintainable?

Issue No-2:

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

Issue No-3:

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

Issue No-4:

Whether the Complainant is entitled to avail refund of electricity duty charged on refundable overcharged amount of expansion rebate?



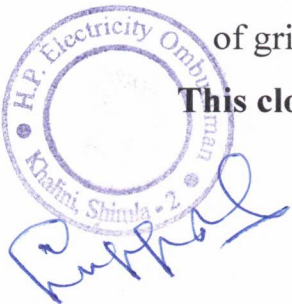


K-Findings on the Issues:

Issue No-1:

1. While going through the reply submitted by the Respondents, it has been observed that in a very vague manner it has been mentioned that the present complaint is not maintainable in the eyes of law.
2. This authority asserts in the interest of justice that unless the Representation filed, falls beyond the jurisdiction of this authority which could be pronounced at the very outset as non-maintainable or unless adjudicated, this authority feels judicious to honor the 'Hierarchy of Adjudication System' and proceeds.
3. However, no such averments were cited even during arguments by the Respondents which could have substantiated their contentions and drawn attention of this authority towards maintainability.
4. In view of above and exercising the provisions in terms of regulation 33(2,3) read with 36(2) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 where the Ombudsman is guided by the principle of natural law of justice, this authority feels judicious to give opportunity in terms of Regulation 33(3), the relevant extract of which is read as "*Provided further that no representation shall be rejected in respect of sub-clauses (a),(b),(c) unless the Complainant has been given an opportunity of being heard*", warrants contentions to be heard which cannot be judged unless an opportunity of being heard is given in terms of said provisions and might carry reasonable arguments in the interest of justice. So, in due cognizance to the above provisions and subject to the outcome of the proceedings, the Complaint is held maintainable only for initiation of proceedings /adjudications of grievances in the public interest.

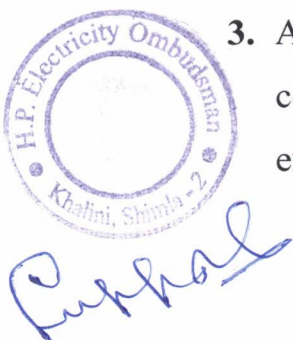
This closes the findings on issue-1





Issue No-2:

1. After referring to the documents placed on record, the specific contentions of the Complainant under para-3.3 to 3.5 of submissions, detailed arguments conducted on the contentions and placed under the heading “G”, the prevalent tariff orders issued by the Hon’ble Commission during respective financial years, this authority feels it appropriate to deliberate that the Hon’ble Commission also emphasizes the word “**Production**” in case of **New Industries** and “**Expansion**” in case of **Existing industries**. If such quotes of respective Tariff orders are analyzed with microscopic eyes, it clearly gives meaning that as the word “**Production**” in case of new industries points to **new machinery installed attributing to** consumption so is the word “**Expansion**” in case of existing industries attributes to installation of some more equipment corroborating **consumption and** consumption in electrical terms plays an effective role to substantiate **investment** while a new industry starts production or an existing industry undergoes expansion, which is relevant. It is also pertinent to mention here that the word “**Production**” in case of new industries, principally fetches the same meaning as is fetched by the word “**Expansion**” in case of existing industries. As the word “**Production**” qualifies consumption so is word “**Expansion**” attributes consumption.
2. It has been observed that the Hon’ble Commission in principle is also concerned with the substantial energy consumption with view point to validate investment for expansion by the individual if read with para 6.28.4 “Petitioner’s Response” & para 6.28.5 “Commission’s Observation” in the Tariff Order dt. 15.03.2024 for FY- 25.
3. After thorough scrutiny of the above subject, this authority draws considered opinion that whether new industry likely to start production or existing industry likely to undergo expansion, must be authenticated by the



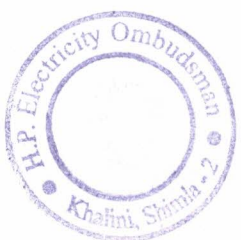


competent authority in each stage of enhancement when the question of “Expansion Rebate” arises so as to justify the investment made by the Consumers when they intend to avail such rebate.

4. The Complainant also admitted in their submissions regarding physical verification done by Chief Electrical Inspector as per standard procedure when underwent increase in contract demand on dt. 01.11.2022 from 368 KVA to 600 KVA with increase in connected load from 449.08 kW to 800 Kw owing to addition of more equipment. The relevant extract of submissions needs to be reiterated for judicious clarity in the instant matter.

“The complainant again increased his sanctioned contract demand from 368 kVA to 600 kVA which was affected in the bills from 01.11.2022 (Annexure C5). This time more equipment was added and the connected load was also revised from 449.08 kW to 800 kW and was physically verified by the respondents and the chief electrical inspector as per standard procedure.”

5. This authority after referring to above extract of Complainant’s submission gathers considered inference that the Complainant is also well concerned with the term verification by the competent authority when the question of availing rebate on expansion arises. This authority also appreciates Complainant’s concern on this very legitimate contention and honoring verification by the competent authority as a mandate & precedence for settlement in case of all the stages of enhancement in the instant case.
6. It is observed that for judicious landing of contentions to the “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.
7. While analyzing the word expansion, this authority also deduces 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



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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.

8. In view of the above analysis, this authority also agrees with the diligent efficacy of the order dt. 21.01.25 of Ld. CGRF, the relevant extract of paras is reproduced as under:

- a. *“para-(33) The nature and scope of such 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 the Chief Electrical Inspector accordingly”*
- b. *para-(35) It is thus also incumbent and inescapable on the part of the respective Respondent to hold with proof the eligibility and entitlement of the Complainant for the said expansion rebate based on extant provisions of Regulations notified by the HPERC and by the CEA from time to time and such details / lists of new electrical loads must have been duly verified by the Respondent and a statutory authority namely the Chief Electrical Inspector.*

9. 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 in contract demand increases the capacity to draw more power but doesn't automatically increase consumption which will only arise 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 when contended for expansion rebate, in the **very beginning before start of each stage of enhancement**, to authenticate the legitimate purpose of **investment** for the type of loads/additions of the machinery attributing to the increase in consumption which are 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.

10. In view of forging findings and after listening to the arguments at length, this authority concludes that the action of the Respondent in recognition of expansions to the extent in the instant case is just and legitimate and is sustained for further perusal.

This closes the findings on issue-2

Issue No.-3

1. While going through the contentions of the Complainant placed under para-3.7 of the submissions, it has been observed that the Complainant contends to avail interest on the excess amount refunded/ billed to him.
2. This authority is of the considered opinion that unless the status of New industry, expansion /installation is recognized by the Respondent Board subject to the completion of all codal formalities, the Complainant does not become entitle for such rebate/refund as well as its consequential benefits i.e interest etc.
3. After examining the documents placed on record and arguments conducted, this authority asserts that in the instant case the Respondent Board has recognized the action of the Complainant for addition of new equipment as





an expansion when underwent increase in contract demand from 368 kVA to 600 kVA on dt. 01.11.2022 in terms of provisions and by giving benefit of rebate in due consideration to its prospective impact on other stages of enhancement, refunded as admissible in the energy bill for the month of January, 2025. This authority appreciates this legitimate settlement of Respondents in due cognizance to the provisions and amicable acceptance by the Authorized Representative for Complainant.

4. In view of the above findings and arguments conducted, this authority draws unambiguous inferences that the above amount was released by the Respondent Board only when arrived at legitimate mutual consensus that the excess amount kept on paying by the Complainant since inception of such enhancement in contract demand had been erroneously charged by the Respondent contrary to the provisions which was ultimately refunded after assessing the eligibility of the Complainant in terms of prevalent provisions of the Tariff Order and in consonance with the spirit of provisions of clause 5.7.3 of the supply code. This authority appreciates the steps taken by the Respondent Board towards refund appended in due honor to the provisions constituted for the purpose.
5. In view of above, this authority deduces that the action of refund of said amount construes that an excess/undue amount paid by the Complainant remained with the Respondent Board, was released after completing all codal formalities and further in exercise of the following provisions, makes the Complainant also eligible to avail interest in the instant case:
 - 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-----”

6. While scrutinizing relief sought by the Complainant in the instant case in respect of interest @15% towards refund, this authority concedes that the complainant has ignored the prevalent regulation and relied upon clause 5.7.3 of Supply Code (2nd Amendment) dt. 31st July, 2018 in isolation 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.”*

7. 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;”

8. From the above analysis, it is conceived that in analytical terms, for the claim of interest on refund sought, needs computation of interest in terms of clause 5.7.3 of Supply Code (2nd Amendment) dt. 31st July, 2018 @15% for the period till applicable read in conjunction with the Regulation 26a(ii) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Ombudsman) (Second Amendment) notified on 20th January,2022 @12% for the period falling within the scope of amended Regulation 26a(ii) in terms of above provisions in due cognizance to the prospective effect of such amendments, not in isolation.
9. In view of above analysis/findings, the contention of the Complainant is sustained and this authority diverges from the findings of Id. CGRF under para (41) of its said order dt.21.01.2025 with an opinion that the bills in question deem to be disputed when one informs licensee either through some written communication or files a representation before the competent court of law. The disputed amount in question already apprehended as an excess amount stands paid to licensee, subject to the findings of the pleadings. In case the judgement falls in the favour of the Complainant, the disputed amount is considered as an excess amount remained with the Respondent till that date and the bills raised so, automatically construe as erroneous and lands to refund the excess amount retained. So, in exercise to the provisions of clause 5.7.1 read with 5.7.3 warrant refund of excess amount alongwith interest as per provisions and natural law of justice.

This closes the findings on issue -3.



Issue No-4:

1. The Complainant contends under para-3.8 of submissions that he is entitled to avail refund of electricity duty charged on refunded overcharged amount of rebate and further deliberated through arguments as well that the applicability of the electricity duty is purely based on energy charges net of night concession and the rebates, which is also a pattern adopted by the Commercial Section of the Respondents as is displayed in Note 6 of the Electricity Bill attached at Annexure C-II with this Representation.
2. After going through the CGRF order dt 21.01.25, referring to the documents placed on record, detailed arguments advanced on 07/04/2025, mentioning of relevant tariff orders, Himachal Pradesh Electricity Duty Act 2009 and Electricity Duty Rules 2010, this authority in due cognizance to the austerity of the issue, feels it necessary to reproduce relevant extracts of both Electricity Duty Act 2009 and Electricity Duty Rules 2010 for depiction of effective consensus and justice:

A. THE HIMACHAL PRADESH ELECTRICITY (DUTY) ACT, 2009

*“2. (c) **“consumption”** in relation to electricity means electrical consumption per Kilowatt/KVA recorded as KWh or KVAh. by a licensee or consumer;*

3. Levy of electricity duty on consumption or supply of energy. — (1)
*There shall be levied and **paid to the State Government on the energy**, generated from any source, consumed by the Board, any licensee, electricity trader or generating company or **supplied by the Board**, such licensee, trader or company to the consumer, a duty to be called the electricity duty, in the following manner, namely: -*

(v) industrial consumers, —

(a) small industrial consumers - @ 9%,

(b) medium and large industrial consumers - @ 13%,

*(3) **For the purpose of computing the electricity duty, the consumption shown by the meter, starting after the first meter reading date, after the issuance of the notification under subsection (1) of section 3 shall be considered.***





(2) It shall be the duty of the Board or the licensee consuming or **supplying electricity for consumption** to pay or collect the electricity duty from all the consumers in its area of consumption or supply in such form and pay the same to the State Government quarterly or in such manner, as may be prescribed.

4. Collection and payment of electricity duty. —

(1) The State Government shall have the first charge on the electricity duty and **neither the Board nor any licensee shall, without the previous sanction of the State Government, utilize this duty to reimburse itself for any amount**, which the State Government may owe to the Board or the licensee/ or any other agency.

(2) It shall be the duty of the Board or the licensee consuming or supplying electricity for consumption to pay or collect the electricity duty from all the consumers in its area of consumption or supply in such form and pay the same to the State Government quarterly or in such manner, as may be prescribed.

8. Recovery of duty. —

(1) Any electricity duty due under this Act, or penalty imposed under section 7, **which remains unpaid, whether by a consumer to the Board or to the distributing licensee, or by the Board or the distributing licensee to the State Government, shall be recoverable as an arrears of land revenue or by deduction from the amounts payable by the State Government to the Board or the distributing licensee or such consumer.**

11. Power to exempt from payment of electricity duty. —

(1) The State Government may, in public interest, by notification in the **Official Gazette, exempt any licensee, consumer or person from the payment of the whole or part of the electricity duty** for such period and subject to such conditions as may be specified in such notification.

B. THE HIMACHAL PRADESH ELECTRICITY (DUTY) RULES, 2010

Chapter-III

10. Refund of excess duty. -

*If duty has been paid in excess of what is payable under the Act by the consumer or occupier of Diesel Generating Plant, **the Chief Electrical Inspector shall authorize the refund of the excess duty so paid to the consumers concerned.***

Chapter-V

14. Settlement of disputes and appeal thereof. -

(1) In the case of a dispute between **the Board or the licensee and the consumer** regarding the liability of the consumer for the payment of the duty or exemption there from, the Chief Electrical Inspector shall decide the





matter. An appeal against the order of the Chief Electrical Inspector shall lie within 3 months from the date of service of said order to the Principal Secretary, Multipurpose Projects and Power to the State Government.

3. Let us examine the contentions of Complainant in line with above relevant extracts of provisions in miniscule manners. This authority conceives that the complainant has misconception on implementation of above provisions and overlooked the spirit of above mandates and is trying to fetch meaning of the relevant Act & Rules of his own benefit only by referring to the provisions in isolation, not in conjunction. In view of this lapse of understanding on the part of Complainant, this authority deduces the following crux from the above directives:

- a. It is mirror clear from above provisions of Electricity Duty Act 2009 under section 3 on **“Levy of electricity duty on consumption or supply of energy”** that the Electricity Duty is levied on consumption of energy and for the purpose of computation of the electricity duty, the consumption **shown by the meter, starting after the first meter reading date is taken.** This is clearly an indicative that for levy of Electricity Duty, the Govt. is concerned with actual consumption of energy irrespective of rebate on energy given by any agency except Govt. It also provides transparent meaning that the energy taken for computation of Electricity Duty is the reading taken starting after the first reading date as per above provisions which is independent of all kinds of rebates announced by any agency, except Govt. Hence, the contention of the Complainant in the absence of any such directives / orders / notification issued by the Government in terms of section **“11. Power to exempt from payment of electricity duty”**, is not tenable in the instant case and construes as remained unpaid towards Govt.& in terms of Section 8(1) of Electricity Duty Act 2009 under **“Recovery of**





duty” warrants recovery at concerned ends if allowed without notification of Govt.

- b. That in terms of above provisions of Electricity Duty Act 2009 read with relevant extracts of **clause 10 “Refund of excess duty” of Electricity (Duty) Rules 2010**, it is amply clear without doubt that if duty has been paid in excess of what is payable under the Act by the consumer, **the Chief Electrical Inspector shall authorize the refund of the excess duty so paid to the consumers concerned**. Thus, the said contention does not establish its viability in the instant case.
- c. In this context this authority also agrees with the findings of Ld. CGRF under para-39&40 of said order dt. 21/01/25 which for the sake of reference, the very relevant part is reiterated as under:
“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”
- d. This authority feels alarming after referring to the contentions of the Complainant under para-3.8 of the Representation read with above mentioned relevant provisions of Electricity Duty Act 2009 and Electricity Duty Rules 2010 and is convinced without any doubt that it is only the domain of Government to allow rebate/refund on Electricity Duty and in case, earlier such rebate stands granted contrary to the above provisions without any order/notification issued by the Government in accordance with Section 11(1) of Electricity Duty Rules 2010 **“Power to exempt from payment of electricity duty ”** warrants recovery in terms of Section 8(1) of Electricity Duty Act 2009 under **“Recovery of duty** as reproduced above.

4. After delving above statutory provisions of both Electricity Duty Act 2009 & Electricity (Duty) Rules 2010, being prerogative of the Government, affirms





that the Issue No-4 appears to be dispute between the Complainant & Licensee and qualifies the mandate of clause 14 of Himachal Pradesh Electricity Duty Rules 2010 for raising the dispute, the specific part of the said clause is recapped as *“(1) In the case of a dispute between **the Board or the licensee and the consumer** regarding the liability of the consumer for the payment of the duty or exemption there from, the Chief Electrical Inspector shall decide the matter.”*

5. This authority feels it pertinent to mention here that in all of its respective Tariff orders, the Hon'ble Commission has categorically mentioned in **“General Conditions of Tariff and Schedule of Tariff”** under para-B which is replicated for the sake of reference as under:

“B. The rates mentioned in this Schedule of Tariff are exclusive of electricity duty, taxes and other charges already levied or as may be levied by the Government of Himachal Pradesh from time to time.”

6. In view of forgoing findings, this authority draws considered opinion that settlement on this account does not fall in the jurisdiction of this authority and the Complainant can avail alternate remedy of competent court of law in terms of **clause-14. “Settlement of disputes and appeal thereof.”** of Himachal Pradesh Electricity Duty Rules 2010 which provides for both **“Adjudicatory Authority”** and **“Appellate Authority”** for settlement of Electricity Duty related disputes. Hence, the contention on this account does not hold good.

This closes the findings on issue -4





L-Order:

1. In terms of findings under Issue No.3, the order passed by the Consumer Grievance Redressal Forum (CGRF) at Kasumpti Shimla on dated 21.01.25 in Complaint No. 1453/202405/14 is upheld partially.
2. The Respondent Board is directed to overhaul the accounts of the Complainant after authenticating from the record the period and the amount of rebate if any remaining to be refunded in terms of provisions.
3. The Respondent Board is further directed to pay interest in terms of findings under Issue No.-3 and in terms of prevalent provisions for the amount of rebate till it remained as an excess amount with Respondent considering the period of three years until expires while overhauling the accounts thereof.
4. The amount of interest to be computed in terms of clause 5.7.3 of Supply Code (2nd Amendment) dt. 31st July, 2018 for the period till applicable read in conjunction with the Regulation 26a(ii) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievance Redressal Forum and Ombudsman) (Second Amendment) notified on 20th January, 2022 for the period falling within the scope of amended Regulation 26a(ii) in due cognizance to the prospective effect of such amendments, not in isolation.
5. Under the powers drawn in terms of Regulation 37 (3)(d) (e) of Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013, both Complainant and Respondent Board are directed to keep awareness of the subsequent Amendments to be issued by the Government and Hon'ble Commission respectively to avoid litigations and violations in future thereof.



Surpal



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

6. The Respondent Board is further directed to 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 onus on individuals.
7. No cost to litigation.
8. In terms of above findings, the Complaint filed by M/s MT Autocraft (BTW), Near Doon School Haripur Road, Barotiwala, Distt. Solan (H.P) is hereby disposed of.
9. 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: 21/04/2025

Shimla


Electricity Ombudsman

