

**PUNJAB STATE POWER CORPORATION LTD  
CONSUMERS GRIEVANCES REDRESSAL FORUM  
P-1, WHITE HOUSE, RAJPURA COLONY ROAD, PATIALA  
PHONE: 0175-2214909 ; FAX : 0175-2215908**

Appeal No: CG-47 of 2013

Instituted On: 17.04.2013

Closed On: 06.06.2013

**M/s Bansal Ispat Udyog,  
G.T. Road, Sirhind Side,  
Mandi Gobhindgarh.**

**.....Appellant**

**Name of Op/Division: Mandi Gobindgarh**

A/c No.: **GB 21- 61520**

Through

Sh. Budh Ram Jindal, PR

V/s

**PUNJAB STATE POWER CORPORATION LTD**

**.....Respondent**

Through

**Er. Rajinder Singh Sarao, ASE/OP. Divn. Mandi Gobindgarh.**

**BRIEF HISTORY**

The petitioner has filed appeal No. CG-47 of 2013 dated 17.04.2013 against the decision of ZDSC, Central Zone, Ludhiana dated 22.02.2013, deciding that " the amount charged for difference of Service Connection Charges as revised vide commercial Circular No. 68/2008 dated 22.12.2008 are correct and recoverable".

The consumer applied for LS connection for Steel Rolling Mill for 2200 KW load and 2490 KVA Contract Demand, vide A&A No. 51564 dated 04.01.2005. The Demand Notice (DN) was issued by AEE/Commercial Mandi Gobindgarh vide memo No. 1580 dated 31.03.2005. The compliance of DN was not made by the applicant within the validity period as such his application was cancelled. Thereafter, the applicant deposited all the financial charges such as ACD, Service Connection Charges, CD charges, fees for Revival and extension in DN, vide BA-16 receipt No. 589/93807 dated 21.06.2007 for Rs. 36,73,800/- but did not submit the test report. The case for revival of cancelled application was referred to Chief Engineer/Commercial by SE/Op. Khanna on dated 29.08.2007. The Chief Engineer/Commercial, Patiala vide Memo No. 31055 dated 17.03.2008 allowed the revival of cancelled application and extension in Demand Notice period upto 30.04.2008 in relaxation of rules, for submission of test report/other formalities etc. The AEE/Commercial Op. Division Mandi Gobindgarh vide memo No. 897 dated 02.04.2008 asked M/s Bansal Ispat Udyog to submit test report before 30.04.2008, otherwise the application for Large Supply Connection shall be considered as cancelled. However, the applicant did not submit the test report for about 3 years. On the request of the consumer the period of DN was again extended by Chief Engineer/Central Ludhiana upto 30.04.2011, vide his office memo No. 3577 dated 29.03.2011. The extension in DN was allowed as per provisions of Commercial Circular No. 44/2010 dated 21.12.2010, Electricity Supply Instruction Manual, Electricity Supply Code, other instructions issued from time to time and subject to deposit of requisite charges. Thereafter the consumer submitted his test report on dated 1.4.2011 and the connection was released on 16.04.2011.

The rates of SCC were revised vide CC No. 68/2008 dated 22.12.2008. The Internal Audit party of PSPCL pointed out difference of ACD for Rs. 7,38,200/- and SCC for Rs. 9,75,000/- vide HM No. 15 dated 20.07.2012. The AEE/ Gobindgarh asked the consumer vide memo No. 2263 dated 24.07.2012 to deposit Rs. 17,13,200/- (Rs.9,75,000 +Rs.7,38,200/-) upto 03.08.2012 and thereafter along-with 10% late payment surcharge of Rs. 1,71,320/-. The consumer did not agree to it and got referred his case for review by ZDSC after depositing 20% of the disputed amount. The ZDSC

heard the case on 22.02.2013 and decided that the amount of SCC charged is correct and recoverable and difference of ACD will be charged as per the latest instructions of PSPCL i.e. in case of security consumption.

Being not satisfied with the decision of ZDSC, the appellant consumer filed an appeal in the Forum for relief of Rs. 11,46,320/- ( SCC Rs.9,75,000 + late payment surcharge Rs.1,71,320/-). The Forum heard the case on 30.04.2013, 07.05.2013, 16.05.2013 and finally on 06.06.2013. Then the case was closed for passing speaking orders.

**Proceedings:-**

On 30.04.2013, No one appeared from PSPCL side.

PR submitted authority letter in his favour duly signed by the petitioner and the same has been taken on record.

Representative of PSPCL intimated that reply is not ready and requested for giving some more time.

Secretary/Forum is directed to send the copy of the proceeding to the respondent.

On 07.05.2013, Representative of PSPCL submitted authority letter vide Memo No.1974 dt. 07.05.2013 in his favour duly signed by ASE/Op. Division, Mandi Gobindgarh and the same has been taken on record.

Representative of PSPCL submitted four copies of the reply and the same has been taken on record. One copy thereof has been handed over to the PC.

On 16.05.2013, No one appeared from PSPCL side.

Sr.Xen/Op. Divn.Mandi Gobindgarh informed on mobile that their reply submitted on 07.05.2013 be considered as their written arguments

PR submitted four copies of the written arguments and the same has been taken on record.

Secretary/Forum is directed to send the copy of the proceeding along with copy of written arguments to the respondent..

On 06.06.2013, PR contended during oral discussion that O/O En-in-Chief/Commercial, vide its Memo No. 31055/Indl-100/KHN dt. 17.03.2008 had revived application with the approval of competent authority and extension in demand notice was granted upto 30.4.08. The financial compliance to the D/N was made on 21.06.07. At that time, Circular No. 68/08 was not applicable. It was made effective from 22.12.2008. The applicant submitted an undertaking at the time of making financial compliance on 21.06.2007 as per ESR clause 33.2.1.2 which states that in case applicant failed to submit the T/R or avail the electricity connection, the Board will be at liberty to recover the cost of erection and dismantlement of service line. Neither the Board issued any letter that Board is ready to release the connection nor issued any notice for MMC.

Relying upon the order of Ombudsman Elecyc. case No. 06/2013 that there is no justification in issuing the demand letter after release of connection especially when not mandated by the supply code.

Connection was released on 16.04.2011 whereas the demand letter for additional demand was issued on 24.07.2012

Representative of PSPCL contended that the cancelled application of the consumer was revived by CE/Comm. Patiala vide memo no. 31055 dt. 17-03-2008 and extension in demand notice period was allowed up to 30-04-2008 in relaxation of rules for submission of test report/other formalities. Letter No. 897 dt. 02-04-2008 was written to consumer for the submission of test report before 30.04.2008 by the AEE/Comm. Mandi Gobindgarh, but consumer did not submit test report after that on the request of the consumer CE/Central PSPCL, Ludhiana vide memo no. 3577 dt. 29.03.2011 extended the validity period of demand notice up to 30.04.2011 as per CC No. 44/2010 & as per

latest instructions of supply code and ESIM. Finally consumer submitted test report on 1-4-2011 and the connection was released on 16-4-2011. It is clear that consumer failed to comply with the demand notice and also to submit test report within validity period & revival period also. Therefore service connection charges and other charges were recoverable as per ESR No. 22.14 and ESIM No. 17-7-(iii) ©. As the test report was submitted after the issue of commercial circular No. 68/2008 & also it is a clear cut case of revival of cancelled application/demand notice & not a case of extension in demand notice. Hence the amount of Service Connection charges and ACD as charged by Audit party & upheld by ZDSC Ludhiana were correct .

Both the parties have nothing more to say and submit and the case was closed for passing speaking orders.

#### **Observations of the Forum:-**

After the perusal of petition, reply, written arguments, proceedings, oral discussions and record made available to the Forum, Forum observed as under:-

The appellant consumer applied for LS category connection vide A&A NO. 51564 dated 04.01.2005. However, the application of the consumer was cancelled due to non compliance of demand notice within validity period. The applicant deposited ACD, SCC and fee for revival & extension in DN on dated 21.06.2007 but did not submit test report. The office of CE/Commercial vide letter dated 17.03.2008 allowed the revival of application & extension in DN upto 30.04.2008 for submission of test report/other formalities etc. However, the consumer did not submit test report. the AEE/Commercial, Operation Division Mandi Gobindgarh asked the consumer to submit test report by 30.04.2008, failing which the application for release of connection shall be considered as cancelled.

In spite of all this, the consumer neither submitted test report nor came forward for extension in demand Notice for about 3 years. The consumer made request on dated

14.03.2011 for extension in the period of Demand Notice and CE/Central, PSPCL, Ludhana vide letter dated 29.03.2011 allowed extension in DN upto 30.04.2011 on the conditions of Commercial Circular No. 44/2010 and subject to deposit of various charges as per rules of PSPCL. The consumer submitted test report on 01.04.2011 and connection was released on 16.04.2011. The consumer had deposited the SCC on dated 21.06.2007. The rates of SCC were revised vide CC No. 68/2008 dated 22.12.2008. The Internal Audit Party pointed out difference of SCC for Rs. 9,75,000/- recoverable from the consumer on the ground that complete compliance of demand notice was made on dated 01.04.2011 (when the consumer submitted the test report) whereas rates of SCC were revised vide CC No. 68/2008 dated 22.12.2008. The case of the consumer relates to revival of cancelled application and thus difference of SCC are recoverable as per ESIM Instruction No. 17.7(iii), reproduced below:-

*Where an applicant is not able to apply for extension in demand notice within the original/extended period of demand notice and his application has been cancelled or deemed to have been cancelled, such requests may be acceded to by Sr.XEN/Addl.SE(DS) concerned subject to the following conditions:-*

- a) *Consumer deposits the revival fee at twice the rate of demand notice extension fee in addition to normal demand notice extension fee per quarter as applicable.*
- b) *Such an extension in demand notice or revival of cancelled application shall be allowed only for a period of three months to be reckoned from the expiry of the validity of original demand notice.*
- c) *Initial Security and Service Connection Charges as in vogue at the time of revival/extension of demand notice shall be payable.*

Forum also studied the conditions of CC No. 44/2010 and instruction NO. 17.6 ( i) of ESIM, reproduced below:-

*Normally the request for extension in period of demand notice should be made by a prospective consumer before the expiry of validity period of demand notice. However, where a prospective consumer could not comply with the demand notice within the validity period and also could not make request for extension in validity period, his application should not be cancelled for another 3 months. After*

*the expiry of original demand notice period, if any consumer requests for extension in period of demand notice during the period of 3 months it may be acceded to and he may be allowed extension in the demand notice period after recovering requisite extension fee for another period of three months. After the expiry of grace/extended period of 3 months, the application shall be deemed as cancelled and necessary entries in the relevant record about the cancellation of application shall be made. The earnest money shall be forfeited in such cases.*

PR contended that financial compliance of DN was made on 21.06.2007 and that time CC No. 68/2008 was not applicable, it was made effective from 22.12.2008. PR further relied upon the order of Ombudsman Electricity Punjab, case No. 6 of 2013, that there is no justification in revising the DN after the release of connection. Forum observed that order No. 6 of Ombudsman was made on the specific provision in Supply Code Regulation 6.1 which prescribe.' The Terms & Conditions specified in the DN once issued will not be altered except when necessitated by change in applicable laws.'

**The Forum observed that the present case under appeal relates to revival of cancelled application and recovery of difference of SCC due to revision of rates before the revival/extension of DN and ESR clause 33.2.1.2 is not applicable in this case. The consumer is liable to pay SCC in vogue at the time of revival/extension in DN as per instruction No. 17.7(iii) of ESIM. The DN of the consumer was extended upto 30.04.2011 and that time the revised rate as per CC No. 68/2008 were made applicable, so the demand raised on the consumer as difference of SCC is justified.**

**Decision:-**

Keeping in view the petition, reply, written arguments, oral discussions, and after hearing both the parties, verifying the record produced by them and observations of Forum, Forum decides:

- **To uphold the decision of ZDSC taken in its meeting held on 22.02.2013.**
- **That the balance amount recoverable/refundable, if any, be recovered/refunded from/to the consumer along-with interest/surcharge as per instructions of PSPCL.**

- As required under Section 19(1) & 19(1A) of Punjab State Electricity Regulatory Commission (Forum & Ombudsman) Regulation-2005, the implementation of this decision may be intimated to this office within 30 days from the date of receipt of this letter.

**( Rajinder Singh )**  
**CAO/Member**

**(K.S. Grewal)**  
**Member/Independent**

**( Er. Ashok Goyal )**  
**EIC/Chairman**