**COURT OF THE LOK PAL (OMBUDSMAN),**

**ELECTRICITY, PUNJAB,**

**PLOT NO. A-2, INDUSTRIAL AREA, PHASE-1,**

**S.A.S.NAGAR (MOHALI).**

**APPEAL NO. 27/2018**

**Date of Registration : 10.05.2018**

**Date of Hearing : 13.09.2018**

**Date of Order : 24.09.2018**

**Before:**

**Er. Virinder Singh, Lok Pal (Ombudsman) Electricity**

**In the Matter of:**

Dashmesh Medicare Pvt. Ltd,

Village Basoli,

Ambala-Joula Link Road,

Post Office Rani Majra,

Tehsil Dera Bassi.

...Petitioner

Versus

Additional Superintending Engineer,

DS Division,

PSPCL, Lalru.

. ...Respondent

**Present For:**

Petitioner : Sh. R.S. Dhiman,

Petitioner’s Representative (PR).

Respondent : Er. Ajitesh Jindal,

Asstt. Engineer.

Before me for consideration is an Appeal preferred by the Petitioner against the order dated 09.04.2018 of the Consumer Grievances Redressal Forum (Forum) in Case No. CG-36 of 2018, deciding that:

*“Petition was disposed off as settled to the satisfaction of the Petitioner.”*

**2. Facts of the Case:**

The relevant facts of the Case are that:

1. The Petitioner applied for a Large Supply Category connection with sanctioned load of 1233kW and contract demand (CD) of 1200kVA on 19.12.2007. The said connection was got converted into Medium Supply Category connection on 27.07.2013, by getting reduction in sanctioned load to 85.500kW with contract demand (CD) of 95 kVA.
2. On the request dated 22.11.2016 of the Petitioner, its connection was disconnected permanently, vide PDCO No. 082/2005 dated 03.01.2017, effected on 04.01.2017.
3. After disconnection, Security (Consumption) and Security Meter) amounting to Rs. 12,61,500/- (Rs. 1,23,300/- deposited on dated 19.10.2007 as Earnest Money and Rs. 11,38,200/- as balance Security (Consumption) and Security (Meter) deposited on 19.12.2007), required to be refunded to the Petitioner **within one month from the date of termination of agreement** as per provisions contained in Regulation 33.4 of the Supply Code-2014, was not refunded to the Petitioner by the Respondent.
4. Aggrieved, the Petitioner filed a Petition on 07.02.2018 in the Forum, who, after hearing, passed order dated 09.04.2018 (Reference: Page 2, Para 1) stating the Petition was disposed of as settled to the satisfaction of the Petitioner since the Security (Consumption), Security (Meter) and interest thereon for the Year 2016-17 and 2017-18 (upto 28.02.2018) was paid vide cheque no. 285834 dated 20.03.2018 during the course of hearing in the Forum.
5. The Petitioner was still not satisfied and filed an Appeal in this Court with the prayer that the decision ibid of the Forum may be modified as the same contained discrepancies in regard to the amount of Security refunded and interest thereon.
6. **Submissions made by the Petitioner and the Respondent:**

Before undertaking analysis of the case, it is necessary to go through written submissions made by the Petitioner and reply of the Respondent as well as oral submissions made by the Representatives of the Petitioner and the Respondent along with material brought on record by both the sides.

**(a) Submissions of the Petitioner**:

The Petitioner made the following submissions for consideration of this Court:

1. The Petitioner was running a Pharmaceutical Unit at Village Basoli on Ambala-Joula Link Road, Tehsil Dera Bassi. Initially, a Medium Supply (MS) Category connection was taken for this Unit in the year 2006. Thereafter, the load of the connection was extended to 1233 kW and with contract demand (CD) 1200 kVA in the year 2008. Later on, the load of the connection was got reduced to 85.500 kW with contract demand of 95 kVA in 07/2013. Finally, the connection was got disconnected permanently on 04.01.2017. All electricity bills were paid regularly by the Petitioner.
2. A sum of Rs. 12,61,500/- was deposited by the Petitioner in the year 2007 as Security (Consumption) and Security (Meter) for extension of Load. The actual amount of Security (Consumption) deposited initially in the year 2006, at the time of getting its MS Category connection, was not known as the receipt relating to this deposit was not traceable in the Petitioner’s record.
3. After permanent disconnection, the Petitioner made several rounds of the Respondent’s offices for refund of Security which was in Lacs of rupees, but to no avail. As such, the Petitioner submitted a Petition in the Forum. During the proceedings, the Respondent offered to refund Rs 14,71,236/- and the Forum agreed to it despite Petitioner’s reservations that there were some discrepancies in the amount offered by the Respondent. The Petitioner did not agree to this decision due to numerous flaws in it and hence, the present Appeal was filed.
4. The Security deposited by the Petitioner at the time of getting its MS Category connection in the year 2006 had neither been included in the refund calculated by the Respondent nor interest paid on it. The receipt issued by the PSPCL in respect of this deposit was misplaced in the Petitioner’s record. But, details of this deposit must be available with the Respondent.
5. Interest paid by the Respondent was not strictly in accordance with the provisions contained in Regulation 33.4 of the Supply Code-2014, which provided that “*if refund due is delayed beyond a period of one month of termination of the agreement, the distribution license shall without prejudice to other rights of the consumer pay interest on such refund for such period of delay at twice the SBI Base rate prevalent on first of April of the relevant year plus 2%”.*
6. The Petitioner’s load was reduced to 85.500 kW on 27.07.2013. After this date, the Respondent started paying interest on reduced Security (Consumption) and Security (Meter). The excess amount of Security (Consumption) was neither refunded nor interest was paid on it. Interest was required to be paid on the excess amount of Security (Consumption) and Security (Meter) retained by the Respondent - PSPCL beyond 27.07.2013.
7. This Court had allowed interest in a similar Appeal No. 35 of 2017 based on the provisions ibid.
8. The decision of the Forum may be modified suitably in view of the submissions made in the interest of justice.
9. **Submissions of the Respondent:**

The Respondent, in its defence, submitted the following for consideration of this Court:

1. No Medium Supply (MS) Category connection was released to the Petitioner in the year 2006 as stated by the Petitioner who applied for new regular Large Supply Category connection on 19.12.2007.
2. On 27.07.2013, the Petitioner got converted the Large Supply (LS) connection with sanctioned load of 1233 kW with contract demand (CD) of 1200 kVA into Medium Supply Category connection by getting reduction in sanctioned load to 85.500 kW with contract demand (CD) of 95 kVA.
3. The Security (Consumption) and Security (Meter) deposited for the Large Supply Category connection alongwith interest was released vide cheque dated 20.03.2018 during the course of the hearing in the Forum as decided by it.
4. The Petitioner incorrectly stated that the amount of Security refunded after disconnection, was not correct as full Security (Consumption) amounting to Rs. 12,33,000/- and Security (Meter) of Rs. 28,500/- relating to the Medium Supply (MS) Category connection had been transferred/credited to the MS Category connection of the Petitioner. As per record, the amount of Rs. 1,23,300/- and Rs. 2850/- were wrongly entered by the Computer Centre, Chandigarh, omitting the last zero in both the components as it was engulfed in fire during the year 2014. As a result, the Petitioner was paid interest on lesser amount entered ibid during 2014-15 and 2015-16. The Petitioner did not mention about interest on lesser amount entered in records. In its submissions in the Forum also, the Petitioner did not file any rejoinder, in this regard, to the reply of the Respondent. Had the Petitioner raised any objection there, payment of interest on lesser amount entered in records could also have been made correctly.
5. At the time of applying for disconnection and refund of Security, the Petitioner did not submit receipts or particulars of receipts of amount deposited along with a declaration that the Petitioner will not claim refund in the event of receipts getting traced subsequently.
6. During the course of hearing of the case, the Forum directed to make payment of Security (Consumption) and Security (Meter) after obtaining a self declaration from the Petitioner. Accordingly, payment of Security (Consumption) and Security (Meter), after allowing interest for the year 2016-17 and 2017-18 (upto 28.02.2018), amounting to Rs. 14,71,236/-, was made vide cheque no. 285834 dated 20.03.2018.
7. The order passed by the Forum in this case was correct and interest at twice the rates was not admissible to the Petitioner as per provisions of the Supply Code-2014.
8. The Appeal may be dismissed in view of the submissions made above**.**
9. **Analysis:**

The issue requiring adjudication is the legitimacy of the amount of refund of Security (Consumption), Security (Meter) and interest thereon subsequent to termination of agreement on 04.01.2017 on permanent disconnection of the Petitioner’s connection as per applicable regulations.

*The points emerged are analysed and deliberated as under:*

1. Petitioner’s Representative (PR) contended that the Petitioner had initially taken a Medium Supply Category connection in the year 2006 for running a Pharmaceutical Unit and subsequently got its load extended in the year 2008. PR added that the Security deposited by the Petitioner at the time of taking MS Category connection in the year 2006 was neither refunded to the Petitioner nor credited to its LS Category connection account.

The Respondent contested the contention of the PR and stated that no Medium Supply Category connection was released in the year 2006 to the Petitioner who applied only for new Large Supply Category connection on 19.12.2007.

*I observe that during the course of hearing, the Petitioner could not place on record of this Court, on being so directed, any evidence in support of its contention in this regard and stated that the Petitioner did*

*not have any supporting document, as such, it could not offer any comments on this issue.*

1. PR next contended that the Petitioner deposited a sum of Rs. 12,61,500/- comprising Rs. 1,23,300/- as Earnest Money and Rs. 11,38,200/- as Security (Consumption) and Security (Meter) on 19.12.2007 at the time of applying for/taking Large Supply Category connection which was subsequently got converted into Medium Supply Category connection on 27.07.2013. PR added that the Petitioner finally got its aforesaid MS Category connection disconnected permanently vide PDCO dated 03.01.2017, effected on 04.01.2017. After permanent disconnection, the Petitioner made several requests to the Respondent’s offices for refund of Security which was in lacs of rupees, but to no avail. As such, the Petitioner submitted a Petition in the Forum for release of Security with interest. During the proceedings, the Respondent offered to refund Rs. 14,71,236/- and the Forum agreed to it despite Petitioner’s reservations that there were some discrepancies in the amount offered by the Respondent. The Petitioner did not agree to this decision due to numerous flaws in it and hence, the present Appeal was filed.

The Respondent, in its defence, submitted that the Petitioner incorrectly stated that the amount of Security refunded after disconnection, was not correct as full Security amounting to Rs. 12,33,000/- and Security (Meter) of Rs. 28,500/- relating to the Medium Supply (MS) Category connection had been credited to the MS Category connection of the Petitioner. As per record, the amount of Rs. 1,23,300/- and Rs. 2850/- were wrongly entered (by omitting the last zero in both the components) by the Computer Centre, Chandigarh, which was engulfed in fire during the year 2014. As a result, the Petitioner was paid interest on lesser amount entered during 2014-15 and 2015-16. The Petitioner did not mention about interest on lesser amount entered in records. In its submissions in the Forum also, the Petitioner did not file any rejoinder, in this regard, to the reply of the Respondent. Had the Petitioner raised any objection there, payment of interest on lesser amount entered ibid in records could also have been made.At the time of applying for disconnection and refund of Security, the Petitioner did not submit receipts or particulars of receipts of amount deposited along with a declaration that the Petitioner will not claim refund in the event of receipts getting traced subsequently. During the course of hearing of the case, the Respondent informed the Forum that payment of Security (Consumption) and Security (Meter) will be made after obtaining a Hand Receipt and a declaration from the Petitioner. In compliance, the Petitioner submitted the Hand Receipt and letter dated 12.03.2018 stating as under:

*“We don’t have the original receipts. We will supply, whenever we are able to find it. The receipts may be cancelled in your account. We will not claim the payment of these receipts in case we are able to find the original receipts.”*

Accordingly, payment of Security (Consumption) and Security (Meter) after allowing interest for the year 2016-17 and 2017-18 (upto 28.02.2018) amounting to Rs. 14,71,236/- after deducting TDS, was made by the Respondent vide cheque no. 285834 dated 20.03.2018.

*I observe that the plea of the Respondent that the Security was not refunded as the Petitioner did not produce original Receipts in support of the amount deposited, is not valid as the Respondent had to refund the Security (Consumption) and Security (Meter) within one month of the date of termination of Agreement and pay interest for the period of delay (04.02.2017 till the date of full and final refund), as per provisions contained in Regulation 33.4 of the Supply Code-2014, reproduced as under:*

*“1[Where an agreement for supply of electricity is terminated as per the provisions of the Supply Code, the distribution licensee shall refund the Security (Consumption) and Security (meter), after making adjustments for the amounts outstanding against the consumer within one month of the date of termination of the agreement. If a refund due is delayed beyond a period of one month of termination of the agreement, the distribution licensee shall, without prejudice to other rights of the consumer, pay interest on such refund for such period of delay at Bank Rate ( as on 1st April of each year) as notified by RBI plus 4%.]”.*

1. During the course of hearing, the Calculation Sheet showing the amount of Security received and refunded and Interest due and paid was analysed but the same was not found legible/self explanatory. Accordingly, the Respondent was directed to submit a fresh Calculation Sheet, after incorporating all the facts/events. In response, a Calculation Sheet, duly signed by the Addl. S.E, DS Division, PSPCL, Lalru (Respondent), was submitted in this Court on 14.09.2018, giving the following

details:

Security (Consumption) Rs. 12,33,000

Add Security (Meter) Rs. 28,500

Total Security (A) Rs. 12,61,500

Interest for the period 2016-17 (B) Rs. 1,42,550

Interest for the year 2017-18

(upto 28.02.2018) (C) Rs. 1,28,357

Total Interest: (B + C) = (D) Rs. 2,70,907

Less TDS 10% (E) Rs. 27,091

Net Interest paid (D – E) = (F) Rs. 2,43,816

Total amount (A + F) = (G) Rs. 15,05,316

Less cost of CT-PT unit found burnt

in ME Lab (Challan dated 28.03.018) (H) Rs. 34,080

Net Amount Paid (G-H) Rs. 14,71,236

I find that the Respondent admitted, during the course of hearing, that a sum of Rs. 2,01,648/- on account of interest for the year 2013-14 to 2017-18 (upto 28.02.2018) was yet to be paid to the Petitioner.

From the above analysis, it is concluded that the Respondent is liable to pay interest on Security (Consumption) and Security (Meter) deposited by the Petitioner, amounting to Rs. 12,61,500/- in terms of provisions contained in Regulation 33.4 of the Supply Code-2014 for the period from 04.02.2017 to the date of final payment of interest, as discussed above in terms of provisions contained in Regulation 33.4 of the Supply Code-2014.

1. **Decision:**

**As a sequel of above discussions, it is held that the balance payment of interest for the period from 2013-14 to 2017-18 (upto 28.02.2018) amounting to Rs. 2,01,648/-, as calculated by the Respondent alongwith interest on deposit of Security (Consumption) and Security (Meter) of Rs. 12,61,500/- for the period from 04.02.2017 to the date of final payment of interest shall be paid to the Petitioner in terms of provisions contained in Regulation 33.4 of the Supply Code-2014.**

1. The Appeal is disposed off accordingly.
2. In case, the Petitioner or the Respondent (Distribution Licensee) is not satisfied with the above decision, it is at liberty to seek appropriate remedy against this order from the appropriate Bodies in accordance with Regulation 3.28 of the Punjab State Electricity Regulatory Commission (Forum and Ombudsman) Regulations – 2016.

(VIRINDER SINGH)

September 24, 2018 LokPal (Ombudsman)

S.A.S. Nagar (Mohali) Electricity, Punjab.