

**COURT OF THE LOK PAL (OMBUDSMAN),
ELECTRICITY, PUNJAB,
PLOT NO. A-2, INDUSTRIAL AREA, PHASE-1,
S.A.S. NAGAR (MOHALI).**

(Constituted under Sub Section (6) of Section 42 of
Electricity Act, 2003)

APPEAL No. 05/2025

Date of Registration : 05.03.2025
Date of Hearing : 13.03.2025, 24.03.2025 & 09.04.2025
Date of Order : 28.04.2025

Before:

**Er. Anjuli Chandra,
Lokpal (Ombudsman), Electricity, Punjab.**

In the Matter of:

M/s ABC Sites Private Limited,
Charanjit Enclave (Lohgarh),
Ambala-Chandigarh Highway,
Zirakpur-140603.

Contract Account Number: 3007510405 (NRS)

...Appellant

Versus

Addl. Superintending Engineer,
DS Division, PSPCL,
Zirakpur.

...Respondent

Present For:

Appellant: Sh. KD Parti
Sh. PC Aggarwal,
Appellant's Representatives.

Respondent : Er. Hemant Kumar,
AEE, DS Division,
PSPCL, Zirakpur.

Before me for consideration is an Appeal preferred by the Appellant against the decision dated 29.01.2025 of the Corporate Consumer Grievances Redressal Forum, Ludhiana (Corporate Forum) in Case No. CF-172/2024, with majority by virtue of casting vote of Chairperson (with dissenting opinions of Member/Finance & Permanent Invitee from O/o CE/Comm. PSPCL Patiala that the case is not maintainable) with vote of Independent Member deciding that:

“i. Account of the Petitioner be overhauled as per point no. (xxv) above.

ii. CE/TA & I, PSPCL Patiala shall conduct thorough investigation on the lapses/violations mentioned at page no. 41 of the above speaking orders/any other violation in this case by the Officials/Officers of PSPCL and fix responsibilities.”

Point No. (xxv) of the decision dated 29.01.2025 of the corporate Forum is reproduced as under:

“Keeping in view the above, Forum with majority by virtue of casting vote of Chairperson(with dissenting opinions of Member/Finance & Permanent Invitee from O/o CE/Comm. PSPCL Patiala that the case is not maintainable) with vote of Independent Member came to conclusion that that account of the Petitioner be overhauled as under: -

- a. As agreed by the respondent, amounts of EMDs deposited by Complainant be considered as ACD.*
- b. Since separate notice cum bill was not served upon Complainant regarding additional security (consumption) and it was added in his energy bills, therefore, punitive action as per Reg. 16.5.5 of Supply Code-2024 is not to be taken, however, LPS & interest is chargeable on unpaid amount of energy bills.*

- c. *Service connection charges amounting to Rs. 335335/- recovered at time of extension in part load from 495kW to 900kW & Rs. 355405/- recovered at time of further extension in part load from 900kW/700kVA to 1900kW/1200kVA, are recoverable.*
- d. *As per instructions of PSPCL, LPS/Interest is payable only on the unpaid portion of the bill after the grace period expires. Therefore, LPS/LPI is chargeable only on the unpaid bill amounting to Rs. 1881645/- paid in installments in 04/2022, as claimed by the Complainant.*
- e. *Total LPS & LPI is required to be worked out as per the inference drawn in points (a) to (d) above.”*

2. **Registration of the Appeal**

A scrutiny of the Appeal and related documents revealed that the Appeal was received in this Court on 28.02.2025 i.e. within the period of thirty days of receipt of the decision dated 29.01.2025 of the CCGRF, Ludhiana in Case No. CF-172/2024. The Appeal filed by the Appellant was not complete as the Appellant did not attach the receipts of deposit of requisite 40% of the disputed amount. The Appellant was asked vide Memo No. 151/OEP/M/s. ABC Sites (P) Ltd. dated 28.02.2025 to submit the same. The Appellant submitted the same on 05.03.2025. Therefore, the Appeal was registered on 05.03.2025 and copy of the same was sent to the Addl. SE/ DS Division, PSPCL, Zirakpur for sending written reply/ parawise comments with a copy to the office of the CCGRF, Ludhiana under intimation to the Appellant vide letter nos. 160-162/OEP/A-05/2025 dated 05.03.2025.

3. Proceedings

With a view to adjudicate the dispute, a hearing was fixed in this Court on 13.03.2025 and intimation to this effect was sent to both the parties vide letter nos. 166-167/OEP/A-05/2025 dated 06.03.2025. As scheduled, the hearing was held in this Court on 13.03.2025 and arguments of both the parties were heard. The next date of hearing was fixed for 24.03.2025. An intimation to this effect alongwith the copies of the proceedings dated 13.03.2025 was sent to both the parties vide letter nos. 173-74/OEP/A-05/2025 dated 13.03.2025.

As scheduled, the hearing was held in this Court on 24.03.2025 and arguments of both the parties were heard. The next date of hearing was fixed for 02.04.2025. An intimation to this effect alongwith the copies of the proceedings dated 24.03.2025 was sent to both the parties vide letter nos. 185-86/OEP/A-05/2025 dated 24.03.2025. On the request of the Appellant's Representative, the hearing was postponed to 09.04.2025 and intimation to this effect was sent to both the parties vide letter nos. 197-98/OEP/A-05/2025 dated 02.04.2025. As scheduled, the hearing was held in this Court on 09.04.2025 and arguments of both the parties were heard. The case was closed for the pronouncement of the speaking orders.

4. Submissions made by the Appellant and the Respondent

Before undertaking analysis of the case, it is necessary to go through written submissions made by the Appellant and reply of the Respondent as well as oral deliberations made by the Appellant's Representative and the Respondent along with material brought on record by both the parties.

(A) Submissions of the Appellant

(a) Submissions made in the Appeal

The Appellant made the following submissions in its Appeal for consideration of this Court:-

- (i) The Appellant was having a NRS Category Connection, bearing Account No. 3007510405 with Sanctioned Load of 990 kW/700 kVA under DS Division, PSPCL, Zirakpur in the name of M/s. ABC Sites Private Limited, Zirakpur. As per Memo No. 287-89 dated 26.04.2018 of O/o CE/Commercial, PSPCL, Patiala, the Appellant had applied for a connection for commercial-cum-Hotel project. The connectivity to the project was to be provided by erecting a new feeder, the cost of which was ₹ 22,40,821/- and it was to be deposited by the Appellant on sanction of estimate at the time of execution of work. As per Memo No. 7748 dated 23.12.2024 of the Respondent, the Appellant had requested the Respondent to release him partial load of 495

kW/300 kVA on 29.05.2018 for its project till new feeder was erected for which estimate no. 83145 amounting to ₹ 1,33,626/- was sanctioned. The Demand Notice No. 22594 dated 04.07.2018 was issued to the Appellant asking him to deposit of ₹ 25,50,714/- (₹ 22,40,821/- + ₹ 2,06,277/- as proportionate cost of feeder + ₹ 1,33,626/- as cost of new line). This amount of ₹ 25,50,714/- was deposited by the Appellant vide transaction no. 150712 dated 30.08.2018. The part load of 495 kW/300 kVA was released in 11/2018, thereafter the Appellant had applied for extension in the already availed part load of 495 kW/300 kVA to 990 kW/700 kVA for which he was charged ₹ 1,26,000/- as Additional Security Consumption and ₹ 3,35,335/- as cost of conductor on 05.04.2022. As per the SAP chronology, the Appellant deposited this amount of ₹ 4,61,335/- (₹ 1,26,000/- + ₹ 3,35,335/-) on 07.04.2022. Thereafter the Appellant applied for extension in his yet partially availed load of 990 kW/700 kVA to 1990 kW/1200 kVA on 14.03.2023 for which he was charged amount of ₹ 2,62,500/- as Additional Security Consumption and ₹ 3,55,405/- as service connection charges. As per the SAP system chronology, this amount of ₹ 6,17,905/- (₹ 2,62,500/- + ₹ 3,55,405/-) was deposited on 03.01.2024. This way, from the date of application for new connection to till date, the Appellant

deposited security (consumption), AACD, Security (meter) and service connection charges at different times as demanded by the Respondent for initial load and partial load availed later. However, the Appellant claimed that amount deposited on account of ACD, Meter Security, AACD had not been updated timely causing loss of interest and further that AACD was charged directly in his energy bills without issuance of Supplementary bill/notice leading to levy of LPS/LPI and the amounts charged/recovered on account of service connection charges at various stages after deposit of amount of ₹ 25,50,714/- vide receipt no. 150712 dated 30.08.2018 as cost of feeder etc. were not recoverable and these should be refunded with interest. The Appellant had received bill dated 24.06.2024 which included ₹ 22,69,240/- under head unpaid arrears. The Appellant claims that the amount shown as unpaid arrears in bill dated 24.06.2024 of ₹ 22,69,240/- was not payable by him, instead PSPCL was to pay him ₹ 14,72,094/- being excess amount recovered by Respondent alongwith interest.

- (ii) Accordingly, the Appellant filed case in Corporate Forum, Ludhiana. Seeing no clarity in complaint, the case was fixed for pre-hearing in order to know the actual dispute, its amount and the factual position of the case. During pre-hearing on

31.07.2024, complainant was directed to submit proper complaint describing issues of the dispute and amount in dispute clearly. The Appellant again submitted revised complaint on 10.08.2024 vide e-mail but it was still not clear and he was again directed to revise it and submit again. Finally, the Appellant submitted revised complaint on hearing dated 28.08.2024 and it was admitted. During further hearings, the Forum observed that some payments were claimed as ACD/AACD by the Appellant was related to other charges as per Respondent, due to which both the Appellant and Respondent were directed to reconcile the difference and submit status report.

- (iii) ACD/AACD were not updated timely causes interest/LPI by not updating the connection was applied on 23.05.2018 and ₹ 10,000/- vide R-147660 on 23.03.2018 and thereafter ACD/MS as ₹ 1,26,000/- + ₹ 30,010/- were paid vide R-148388 dated 23.05.2018. But the PSPCL had not updated the ACD/MS and it was remain till 01.04.2021, when this appears in the SAP chronology. Interest on that amount was to be paid.
- (iv) The Respondent had violated their own Instruction No. 93.1 of ESIM-2018 & Regulation 16.5.3 of Supply Code-2014. No separate bill-cum-notice was issued, before charging the amount direct in the bill. It was verbally explained that ₹ 4,43,991/- as

ACD & balance amount was surcharge ₹ 3,65,484/-. No detail was provided in writing. No acknowledgement was produced during hearing. This amount was also not updated and this amount will affect further AACD to be calculated. The PSPCL had admitted during the proceedings.

- (v) The sum of ₹ 11,350/- was deposited on 18.12.2021 as ACD and was credited in the chronology on 20.12.2021. The same was transferred to ACD as ₹ 8,400/-. The fewer amounts had not been justified.
- (vi) That ₹ 7,69,828/- were charged direct on 09.03.2022 without issue of any notice required to be issued under Instruction No. 93.1 of ESIM-2018 & Regulation 16.5.3 of Supply Code-2014. The office was requested to supply information about these charges but fail to supply detail. A letter was also given vide no. NK/57282 dated 21.06.2022. The PSPCL had violated the Instruction No. 93.1, by direct charging the amount, if any notice had been issued, the same may be provided alongwith its acknowledgement. The said amount was paid alongwith LPS/Interest (₹ 7,69,728/-+ ₹ 7,95,601/- surcharge) on 05.01.2023 vide R-190380300 in the bill amounting to ₹ 32,59,270/-, as such the surcharge was not chargeable, needs to be refunded with interest.

- (vii) The PSPCL had again charged ₹ 20,48,179/- directly in the bill on 11.12.2023 without any notice. The PSPCL had to issue bill-cum-notice according to Instruction No. 93.3 of ESIM-2018 & Regulation 16.5.3 of Supply Code-2014 before debiting the charges. If any notice had been issued, the copy of the same be provided with its acknowledgement. The Respondent cannot claim LPS/Interest as they had not issues bill-cum-notice notice as such surcharges/LPS claimed from 11.11.2023 to 18.06.2024 ₹ 3,37,405/- was not chargeable.
- (viii) That ₹ 14,97,590/- charged excess (₹ 3,64,584/- deposited + ₹ 7,95,601/- were excess charged and deposited by the Appellant and ₹ 3,37,405/- were charged) be refunded.
- (ix) ₹ 25,50,714/- vide R-150712 dated 30.08.2018 at initial stage for laying feeder for getting the load/connection.
- (x) ₹ 3,35,335/- vide R-WSB1103589135 dated 06.04.2022 against 1st extension in load (paid total ₹ 4,61,335/-).
- (xi) ₹ 3,55,405/- vide R-1651279583 dated 03.01.2024 against 2nd extension in load (paid total ₹ 6,17,905/-).
- (xii) Total (₹ 25,50,714/-+ ₹ 3,35,335/-+ ₹ 3,55,405/-) ₹ 32,41,454/- had been deposited as service connection charges. The PSPCL had not erected any independent feeder till today although DFA had been made on 29.11.2024.

(As per Page no.31 of the decision) *Regarding signing of Franchisee Agreement (as per NOC terms & conditions) letter no. 3129 dated 18.11.2024 and 3219 dated 29.11.2024 were issued to consumer by the office of AEE commercial Zirakpur. Now, the consumer had submitted the same in Sub Division commercial Zirakpur office on dated 29.11.2024 and the same had sent to Circle office vide this office letter no. 7263 dated 02.12.2024. As per Memo No. 2381-2402 dated 28.10.2021 of the office of CE/Commercial, PSPCL Patiala undertaking (duly notarized) from the consumer is required. The consumer has assured to submit the same by 03.12.2024.*

- (xiii) The Appeal was submitted for the consideration please.
- (xiv) The ACD/AACD be updated now and pay interest on it after adjusting the interest already paid.
- (xv) The excess LPS/LPI deposited by the Appellant be refunded as the PSPCL had violated the Instruction No. 93.1 of ESIM-2018 & Regulation 16.5.3 of Supply Code-2014 and fails to produce any acknowledgement thereof [as per decision xxv(b)].
- (xvi) The excess payments of service charges ₹ 1,33,622/- + ₹ 3,35,335/- + ₹ 3,55,405/- out of ₹ 25,50,714/- vide R- no. 150712 dated 30.08.2018 deposited for the erecting of Independent feeder [as per decision xxv(c)]. Deposited as below:-
 - a) ₹ 1,33,622/- vide R- no. 150712 dated 30.08.2018 (release of connection).

b) ₹ 3,35,335/- vide R- no. WSB1103589135 dated 06.04.2022 (1st extension in load).

c) ₹ 3,55,405/- vide R-no. 1651279583 dated 03.01.2024 (2nd extension in load).

(xvii) The Appellant had applied for a connection for commercial-cum-hotel project with total load of 2471kW/2746 kVA. As per memo no. 287-89 dated 26.04.2018 of CE/Comm., PSPCL, Patiala, the connectivity to this project was to be provided by erecting a new 11 KV feeder of 2.60 KM length @ cost of ₹ 22,40,821/- including cost of HT, CT/PT meter. This cost was purely on tentative basis and was subject to actual amount at the time of execution of work as per Clause 9.3.6 of Supply Code, 2014. The Appellant had requested the concerned office to release partial load of 495 kW/300 kVA on 29.05.2018 for its project. Instead of working on original proposal, another Estimate No. 83145 amounting to ₹ 1,33,626/- was sanctioned by for this work.

(xviii) Demand Notice No. 22594 dated 04.07.2018 was issued to deposit ₹ 25,50,714/- (₹ 22,40,821/-, as per memo no. 287-89 dated 26.04.2018 of CE/Comm., PSPCL Patiala, as originally proposed + ₹ 2,06,277/- as proportionate cost of feeder + ₹ 1,33,626/- as cost of new line for partial load). The Appellant

deposited the amount of ₹ 25,50,714/- vide transaction no. 150712 dated 30.08.2018.

- (xix) The partial load of 495 kW/300 kVA was released during 11/2018 and thereafter the Appellant applied for extension of load from 495 kW/300 kVA to 990 kW/700 kVA for which he was again charged ₹ 1,26,000/- as Additional Security Consumption and ₹ 3,35,335/- as cost of line on 05.04.2022. The Appellant deposited this amount on 07.04.2022 too.
- (xx) The Appellant again applied for extension in load from 900 kW/700 kVA to 1990 kW/1200 kVA on 14.03.2023. And again, amount of ₹ 2,62,500/- as Additional Security Consumption and ₹ 3,55,405/- as service connection charges was charged through demand note. This amount was also deposited on 03.01.2024.
- (xxi) Till now, Appellant had deposited earnest money, security (consumption), security (meter) and service connection charges at different times as demanded by the office for his initial load and partial extensions of loads availed later from the date of application for new connection.
- (xxii) Further additional security (consumption) of ₹ 4,43,991/- in the bill dated 10.11.2020 and ₹ 7,69,728/- in the bill of 01.04.2022 were charged without issuing any notice.

(xxiii) A detailed petition was filed before the Corporate CGRF, in which it was requested that some of the amounts of earnest money, security (consumption) & security (meter) were not updated as a result he was not getting the annual interest on it. Further in the bills for the months of 11/20 and 04/22, additional securities (consumption) were charged without issuing any notice as required in the provisions of the Supply Code. The Appellant did not deposit these amounts but when same were got cleared from the Respondent's office, these amounts were deposited accordingly. As no notice was served to the Appellant, therefore as per Regulation No. 16.5.6 of Supply code, 2014, distribution licensee was not authorised to take any punitive action. But interest @ 18% (as charged on the unpaid bills) had been charged to the Appellant.

(xxiv) Further, Appellant had already deposited ₹ 25,50,714/- (including ₹ 22,40,821/- a full cost of new line as per memo no. 287-89 dated 26.04.2018 of CE/Comm., PSPCL Patiala) therefore, service connection charges of ₹ 1,33,626/- as cost of new line for partial load of 495 kW, ₹ 3,35,335/- recovered at time of extension in part load from 495 kW to 900 kW & ₹ 3,55,405/- recovered at time of further extension in part load from 900 kW/700 kVA to 1900 kW/1200 kVA (although this

load has not yet released) are not chargeable and were refundable.

(xxv) For all these grievances, Appellant approached, corporate CGRF and filed a detailed Appeal.

(xxvi) The Appeal was heard on pre-hearing from 07/24 to 09/24 and then case was admitted by the Corporate Forum and proceedings were started in 10/24. During proceedings on 05.11.2024, Xen/Zirakpur submitted copy of NOC issued to the Appellant by the O/o CE/Comm. vide memo no. 287-89 dated 26.04.2018. As per Clause No. 2 of this NOC, Distribution Franchisee Agreement (DFA) was required to be signed by the Appellant with PSPCL before release of his connection. Forum observed that as the Appellant was a distribution franchisee, therefore his case cannot be heard in the Forum. But eventually Respondent did not ask for the Franchisee Agreement to be signed and released the initial part load and extensions thereof, as such no Distribution Franchisee Agreement (DFA) was signed at that time. The Respondent admitted that the connection was released under NRS category and till date does not fall under Distribution Franchisee Agreement. After long discussion, Forum again decided unanimously to hear the case on merits. The case was

closed for passing speaking order on date 24.12.2024 and order was given on date 29.01.2025.

(xxvii) The divisive order passed by the Forum was as under:

Keeping in view the above, Forum with majority by virtue of casting vote of Chairperson (with dissenting opinions of Member/Finance & Permanent Invitee from O/o CE/Comm. PSPCL Patiala that the case is not maintainable) with vote of Independent Member came to conclusion that that account of the Petitioner be overhauled as under: -

- a. As agreed by the respondent, amounts of EMDs deposited by Appellant be considered as ACD.*
- b. Since separate notice cum bill was not served upon Appellant regarding additional security (consumption) and it was added in his energy bills, therefore, punitive action as per Reg. 16.5.5 of Supply Code-2024 is not to be taken, however, LPS & interest is chargeable on unpaid amount of energy bills.*
- c. Service connection charges amounting to Rs. 335335/- recovered at time of extension in part load from 495kW to 900kW & Rs. 355405/- recovered at time of further extension in part load from 900kW/700kVA to 1900kW/1200kVA, are recoverable.*
- d. As per instructions of PSPCL, LPS/Interest is payable only on the unpaid portion of the bill after the grace period expires. Therefore, LPS/LPI is chargeable only on the unpaid bill amounting to Rs. 1881645/- paid in installments in 04/2022, as claimed by the Appellant.*
- e. Total LPS & LPI is required to be worked out as per the inference drawn in points (a) to (d) above.*

- (xxviii) The Appellant was not satisfied with the above decision and as such preferred to file appeal against it in the Court of Ombudsman, Electricity, Punjab.

OBJECTIONS:

- (xxix) The case of the Appellant was heard by the Corporate CGRF on prehearing for about two months and after admitting it again for about one month just to establish its maintainability on the basis that whether Appellant was consumer or distribution franchisee. Xen/DS, Zirakpur, himself agreed that Appellant was not a distribution franchisee but a NRS category consumer. Thereafter case was heard to decide it on merits. But later as per decision of the Forum, two Members of the Forum were again of the view that the case was not maintainable and decided that the case was not maintainable as the Appellant was covered under distribution franchisee agreement. It was a surprising to the Appellant that when already this matter was decided during hearings and case was closed to issue final order then why it was again said that the case was not maintainable and that too without giving opportunity to be heard to the applicant, had they? As per Regulation 2.25 of Forum and Ombudsman, it is clearly defined that opportunity must be given before rejecting the case.

2.25 *The Forum may reject the grievance (other than claim for compensation) at any stage, through a speaking order, under the following circumstances:*

- a) *In cases where proceedings in respect of the same matter and between the same Complainant and the Licensee are pending before any Court, Tribunal, Arbitrator or any other Authority, or a decree or award or a final order has already been passed by any such Court, Tribunal, Arbitrator or authority;*
- b) *In cases which fall under Sections 126, 127, 135 to 140, 142, 143, 146, 152 and 161 of the Act or the matters relating to open access granted under the Act;*
- c) *In cases where the grievance has been submitted to the Corporate or Zonal or Circle or Divisional Forum, as per the monetary jurisdiction, two years after the date on which the cause of action has arisen or submitted to Corporate Forum after two months from the date of receipt of the orders of Zonal or Circle or Divisional Forum; and*
- d) *In the case of grievances which are:*
 - *Frivolous, vexatious, mala fide;*
 - *Without any sufficient cause; or*
 - *Where there is no prima facie loss or damage or inconvenience caused to the Complainant or the consumers who are represented by an association or group of consumers.*

Provided that no grievance shall be rejected unless the Complainant has been given an opportunity of being heard.

Therefore, the case of the appellant must have decided on merits.

(xxx) Further it had been decided by the Forum that amount of EMDs deposited by the Appellant be consider as part of security

(consumption), which was OK. Further regarding additional security, Forum decided that since separate notice cum bill was not served upon Appellant regarding additional security (consumption) and it was added in his energy bills, therefore, punitive action as per Reg. 16.5.5 of Supply Code-2024 was not to be taken, however, LPS & interest is chargeable on unpaid amount of energy bills. The Appellant had deposited the following additional securities charged directly in the bills without issuing any notices:

1. ₹ 4,43,991/- in the bill of 10.11.2020.
2. ₹ 7,69,728/- in the bill of 01.04.2022.

First of all, Respondent had not issued any notice regarding the amount of additional security to be deposited as is mandatory as per clause 16.5 of Supply Code, 2014 reproduced as under:

16.5 Notice for additional security (consumption)

16.5.3 *Where the consumer is required to pay the additional Security (consumption), the distribution licensee shall issue to the consumer a separate notice cum bill specifying the amount payable along with supporting calculations.*

16.5.4 *The consumer shall be liable to pay the additional Security (consumption) within thirty (30) days from the date of service of the notice.*

16.5.5 *1[In the event of any delay in payment, the consumer shall for the actual period of default pay interest thereon at the SBI's base rate prevalent on first of April of the relevant year plus 2% without*

prejudice to the licensee's right to disconnect supply of electricity, under these

16.5.6 *In case, demand for additional security (consumption) is included in the current energy bill instead of separate notice cum bill as mentioned in regulation 16.5.3, then distribution licensee shall not be authorized to take punitive actions as provided in regulation 16.5.5. Regulations*

The very purpose of this Regulation was that if the notice of additional security (consumption) had not been served then no punitive action was required to be taken. But in the decision of the Corporate Forum, a very harsh action had been purposed to charge the LPS & interest on unpaid amount of energy bills which is more than 18%. Otherwise, In the event of any delay in payment of additional security, the consumer shall for the actual period of default pay interest thereon @ SBI base rate plus 2%, which comes out just about 8%. It was the fault of the Respondent as no notice for additional security was served to the Appellant, as such no punitive action was required to be taken against the Appellant.

(xxxi) Further Appellant applied for a partial load of 495 KW/300 KVA out of total sanctioned load of 2471 kW/2746 kVA. AEE/Comml., Zirakpur issued Demand Notice No. 22594 dated 04.07.2018 to deposit ₹ 25,50,714/- (₹ 22,40,821/-, as per memo no. 287-89 dated 26.04.2018 of CE/Comm., PSPCL Patiala + ₹

2,06,277/- as proportionate cost of 11 kV feeder + ₹ 1,33,626/- as cost of new link line for partial load). The Appellant deposited the amount of ₹ 25,50,714/- vide transaction no. 150712 dated 30.08.2018.

Thereafter Appellant applied for extension of load from 495 kW/300 kVA to 990 kW/700 kVA for which he was again charged ₹ 3,35,335/- as cost of line on 05.04.2022. The Appellant deposited this amount on 07.04.2022.

The Appellant again applied for extension in load from 900 kW/700 kVA to 1990 kW/1200 kVA on 14.03.2023. Again, ₹ 3,55,405/- was charged as service connection charges. This amount was also deposited on 03.01.2024, but this load had not yet been released.

This was very strange that when a tentative amount of ₹ 25,50,741/- (against the estimated cost of ₹ 22,40,821/-, as per memo no. 287-89 dated 26.04.2018 of CE/Comm., PSPCL Patiala) had already been deposited then why service connection charges are being charged for initial partial load and extensions thereof.

The following additional amounts of service connection charges and cost of 11 kV lines had been deposited by the Appellant:

- a. ₹ 2,06,277/- as proportionate cost of 11 kV feeder + ₹ 1,33,626/- as cost of new link line for initial partial load of 495 kW/300 kVA.
- b. ₹ 3,35,335/- charged as cost of line for extension of load from 495 kW/ 300 kVA to 990 kW/700 kVA.
- c. ₹ 3,55,405/- charged as service connection charges for extension in load from 900 kW/700 kVA to 1990 kW/1200 kVA on 14.03.2023. This load was yet to be released.

The relevant Clause 9.3.6 of Supply Code, 2014 was reproduced below:

9.3.6 *1[After execution of work of the electric line or electrical plant as the case may be, the distribution licensee shall be entitled to demand from the applicant the total amount of expenditure actually incurred (recoverable amount) and adjust Security (works) against such recoverable amount. In the event of Security (works) being in excess of the recoverable amount, the excess amount shall be determined by the distribution licensee within sixty (60) days from the date of release of connection and refunded by adjustment against electricity bills of the immediately succeeding months. In case the distribution licensee fails to refund the excess amount and adjust it against electricity bills of the immediately succeeding months, the distribution licensee shall be liable to pay interest on the excess amount at SBI's Base Rate prevalent on first of April of the relevant year plus 2% for the period of delay beyond sixty (60) days of the date of release of connection till the excess amount is adjusted. The amount of such interest shall be adjusted against the electricity bills thereafter.*

As per the above Clause, distribution licensee was entitled to demand from the Applicant the total amount of expenditure actually incurred (recoverable amount) and adjust Security (works) against such recoverable amount. But in the present case, the original work as approved by CE/Commercial, Patiala vide memo no. 287-89 dated 26.04.2018 has not yet been started and the Appellant, time and again had been asked to deposit extra SCC and cost of lines for partial load and extensions thereof.

Further the time limits specified as per Clause 8 of Supply Code were as under:

8. TIME LIMITS FOR RELEASE OF NEW CONNECTION/ ADDITIONAL LOAD/DEMAND.

¹¹[8.1 *The distribution licensee shall provide supply of electricity to the premises pursuant to the application submitted under Regulation 6 within time limits mentioned hereunder:*

- a) Where no augmentation, erection and extension of distribution main, erection/augmentation of distribution transformer or power transformer is required for effecting such supply, the supply shall be provided within Seven (7) working days for DS/NRS category consumers and Fifteen (15) working days for other than DS/NRS consumers from the date of submission of application complete in all respects in case of consumers covered under regulation 6.2.1 and from the date of compliance of the Demand Notice in case of consumers not covered under regulation 6.2.1.*
- b) In cases where augmentation/extension of a distribution main or augmentation of power transformer or erection/augmentation of distribution transformer is required but there is no requirement of*

erecting and commissioning a new HT/EHT line or grid sub-station or power transformer, the supply shall be provided within the period specified hereunder;

<i>Type of service connection requested</i>	<i>Period from date of application in cases covered under 6.2.1 and from the compliance of Demand Notice for cases covered under 6.2.2 within which the distribution licensee shall provide supply</i>
<i>Low Tension (LT) supply</i>	<i>30 days</i>
<i>High Tension (HT) supply</i>	
- 11000V	<i>45 days</i>
- 33000V	<i>75 days</i>
<i>Extra High Tension (EHT) Supply</i>	<i>90 days</i>

Provided that the distribution licensee may, at the earliest but not later than fifteen days before the expiry of the time schedule, seek approval of the Commission, for extension of period specified above, in cases where the magnitude of work involved for extension/augmentation of the supply system is such that the distribution licensee may reasonably require more time.]

- c) In cases where supply of electricity requires erection and commissioning of a new sub-station or power transformer including HT/EHT line, if any, (other than service line), the distribution licensee shall within fifteen days of receipt of application, submit to the Commission a proposal for erection of the sub-station or power transformer and/or HT/EHT line together with the time required for their commissioning. The Commission shall, after hearing the distribution licensee and the applicant(s) concerned, decide the time frame for erection of the sub-station or power transformer and/or HT/EHT line. The distribution licensee shall erect and commission the sub-station or power transformer*

and/or HT/EHT line and commence supply of electricity to the applicant(s) within the period approved by the Commission.

Provided that, where such sub-station or power transformer and/or HT/EHT line is covered in the Investment Plan approved by the Commission, the distribution licensee shall complete the erection of such sub-station or power transformer and/or HT/EHT line within the time period specified in such Investment Plan or period approved by the Commission, whichever is earlier.

Provided further that where the distribution licensee fails to submit the proposal as mentioned above, the time period as prescribed in regulation 8.1(b) shall apply.

8.2 It shall, however, be the responsibility of the distribution licensee to have requisite arrangements with the Transmission Licensee(s), wherever required, to ensure that the required supply at High Tension/ Extra High Tension is made available within the time frame specified under this Regulation in cases where the applicant seeks supply of electricity at voltage level of 33000 Volts & above.

So, in the present case, the work of erection of 11 kV line was required to be completed within 45 days, which had not yet even started even after more than five years. Had the work completed in stipulated time, then the part load and extension thereof could have been released without any delay as the total load of 2471 kW/2746 kVA would have been kept reserve for the Appellant.

The Appellant had already deposited ₹ 25,50,714/- which includes ₹ 22,40,821/- as full cost of new line as per memo no. 287-89 dated 26.04.2018 of CE/Comml., PSPCL Patiala),

service connection charges of ₹ 1,33,626/- as cost of new line for initial partial load of 495 kW, ₹ 3,35,335/- at time of extension in part load from 495 kW to 900 kW & ₹ 3,55,405/- at time of further extension in part load from 900 kW/700 kVA to 1900 kW/1200 kVA.

The Corporate Forum had held the service connection charges amounting to ₹ 3,35,335/- recovered at time of extension in part load from 495 kW to 900 kW & ₹ 3,55,405/- recovered at time of further extension in part load from 900 kW/700 kVA to 1900 kW/1200 kVA, as recoverable without referring/quoting any regulation, which was against the rules.

So, the above amounts recovered from the Appellant in excess of ₹ 22,40,821/- as full cost of new line as per memo no. 287-89 dated 26.04.2018 of CE/Comml., PSPCL Patiala, as service connection charges / cost of 11 kV line / proportionate cost of 11 kV line are not as per any regulation/rules as such required to be refunded alongwith interest.

- (xxxii) Further the Appellant had applied for extension in load and CD from 900 kW/700 kVA to 1900 kW/1200 kVA and submitted the test report on 03.01.2024 along with the necessary charges demanded by the AEE, Zirakpur, but the same had not yet been

released even after a time of about one year. On the contrary, the demand surcharge had been imposed on the various dates as mentioned below.

a.	April/2024	:	42,225/-
b.	May/2024	:	1,32,525/-
c.	June/2024	:	1,94,175/-
d.	July/2024	:	91,575/-
e.	August/2024	:	2,12,250/-
f.	September/2024	:	1,59,525/-
g.	November/2024	:	15,900/-

Non-release of extension of demanded load even after a time of one year is entirely a failure on part of the distribution office for which appellant was not required to be penalised as such the above demand surcharges were illegal.

(xxxiii) In view of the above, the orders of Corporate CGRF are required to quashed in the interest of justice. The following reliefs be granted to the Appellant:

- a) As no notice-cum-billing alongwith supporting calculation for additional security was served to the Appellant which was mandatory as per regulation, as such no punitive action or LPI/interest was required to be charged against the same.
- b) Security (consumption) deposited from time to time be consolidated and interest be credited accordingly from year-to-year basis.

- c) As the Appellant had already deposited ₹ 25,50,714/- (₹ 22,40,821/-, as full cost of line as per memo no. 287-89 dated 26.04.2018 of CE/Comm., PSPCL Patiala+ ₹ 2,06,277/- as proportionate cost of feeder + ₹ 1,33,626/- as cost of new line for initial partial load) vide transaction no. 150712 dated 30.08.2018, therefore, the additional amounts of ₹ 2,06,277/- as proportionate cost of 11 kV feeder + ₹ 1,33,626/- as cost of new link line for initial partial load of 495 kW/300 kVA, ₹ 3,35,335/- charged as cost of line for extension of load from 495 kW/ 300 kVA to 990 kW/700 kVA and ₹ 3,55,405/- charged as service connection charges for extension in load from 900 kW/700 kVA to 1990 kW/1200 kVA on 14.03.2023 be refunded alongwith interest from the date of its deposit.
- d) Xen/Zirakpur be directed to complete the work in a time bound manner and thereafter actual cost be recovered/refunded as per Clause 9.3.6 of Supply Code.
- e) Demand surcharges charged from April/24 to Nov./24 be also refunded along with interest as the DS office had failed to release its extension of load in a prescribed time period.

(b) Rejoinder to Reply of the Respondent Dated (19.03.2025)

- (i) The Respondent had admitted & replied to para 1 to 5 as a matter of record.
- (ii) The para no.6, the AACD amounting to ₹ 4,43,991/- was debited by PSPCL directly in the bill of 10/2020 without issue supplementary bill-cum notice and violated the rules/ reg. 16.5.6 of Supply Code-2014 & instruction as per ESIM-2018 Instruction No. 93.1. The Appellant had not paid sundry and demanded the detail which was never provided by Respondent, as such the Appellant had not paid that arrear and paid currant energy bill till 07/21 and ultimately it was forced to deposit this amount along with LPS/Interest in the month of 7/2021 to the tune of ₹ 3,65,484/-. It was admitted by the Respondent (RA) during the proceeding in CGRF dated 01.10.2024 para 11 that notice was not traceable. This amount was not cleared. It was also mentioned during reconciliation with PSPCL. As regarding the AACD of ₹ 7,69,828/- the notice was produced before CGRF but it is pointed out that no acknowledgment was produced with this notice. The total LPS/Interest comes to ₹ 8,31,641/- as such the surcharge [₹ 7,95,601/- + ₹ 36,040/-] was and now PSPCL replied that surcharge had been refunded as such reply was not correct and admitted. But on receiving the detail vide Memo

No.657 dated 19.03.2025 shows a sum of ₹ 3,83,421/- had been refunded. This means that PSPCL can charge 18% +LPS but cannot refund at his own FAULT. Because ₹ 3,65,484/- charged against AACD ₹ 4,43,991/- and ₹ 8,31,641/- charged against AACD of ₹ 7,69,828/-.

- (iii) Similarly PSPCL admitted & replied Para 7 to 10 was a matter of record.
- (iv) The Para No.11 was incorrect hence not admitted, as stated in Para No. 2 above, the refund was incorrect calculated as per detail supplied vide Memo No. 567 dated 19.05.2025. It was not according to the chronology where charges were levied.
- (v) Similarly PSPCL admitted & replied Para 11 was a matter of record.
- (vi) The Para no. 1 decision which has not been accepted.
- (vii) That Para no. 2, the PSPCL had admitted that no notice was available in the record but amount was directly charged in the bill, and no such detail was provided to us as such PSPCL can not charge the LPS/Interest till provide the detail. The PSPCL has levied LPS/Interest to the tune of ₹ 3,65,484/- but refunding only ₹ 2,22,00/- + ₹ 1,80,573/- + ₹ 12,237/- = ₹ 2,15,010/-. The LPS has not been adjusted.

Similarly another AACD ₹ 7,69,828/- notice was not issued/produced with its acknowledgment in CGRF, the LPS/Interest was charged ₹ 8,31,641/- was levied but sorry to say ₹ 15,395/- + ₹ 43,175/- + ₹ 36,560/- = ₹ 95,130/- had been refunded. The LPS has not been adjusted. These must be refunded in the interest of justice.

- (viii) That the Appellant comply with the Clause of NOC and paid the amount intimated by PSPCL as ₹ 22,40,821/- along with Proportionate cost of ₹ 2,02,677/- and estimate cost ₹ 1,33,626/- total ₹ 25,50,714/- vide Receipt No.150712 dated 30.08.2018 against DN No.22594 dated 04.07.2018 online. The Respondent has yet not lay out the Independent Feeder. The load was reserved by PSPCL in the very binging while issue NOC. The change of 20 MVA T/F to 31.5 MVA at this stage does not fault of the Appellant. The Appellant was not responsible for the major elapse done by PSPCL.
- (ix) Since the load was partially availed as per provision made in ESIM, the PSPCL had not laying in depending feeder, and prepaid fresh estimate on every extension demanded, it was their fault and penalizing the Appellant in the shape of Service Connection Charges as ₹ 1,33,626/- + ₹ 2,20,667/- + ₹ 3,31,335/- + ₹ 3,55,405/- total ₹ 10,41,043/- were paid beside full cost of

feeder was deposited. This amount needs to be refunded with interest.

- (x) As per provision in Regulation of ESIM, the Appellant can avail opportunity partially load the condition in reply had no means. The Appellant had applied full load then PSPCL will erect the Feeder. This condition was not levied in NOC. Had they released the extension of load we had not suffered by way of DEMAND Surcharge which may also be refunded with interest.

(c) **Rejoinder to Reply of the Respondent Dated (24.03.2025)**

- (i) The amount of ₹ 22,04,821/- was deposited as cost of line on 30.08.2018.
- (ii) As per Instruction No. 9.3.6 of Supply Code-2014 when amount was deposited in 2018 and Respondent had failed to erect the independent feeder, the entire cost paid by the Appellant was ₹ 22,40,821/- vide R. no. 150712 dated 30.08.2018 be refunded after 60 days with interest on SBI rate plus 2% as laid down in the ibid instructions, reproduced below.

“9.3. Security (works) for the Electric Line or Electrical Plant

9.3.6.¹[After execution of work of the electric line or electrical plant as the case may be, the distribution licensee shall be entitled to demand from the applicant the total amount of expenditure actually incurred (recoverable amount) and adjust Security (works) against such recoverable amount. In the event of Security (works) being in excess of the recoverable amount, the

excess amount shall be determined by the distribution licensee within sixty (60) days from the date of release of connection and refunded by adjustment against electricity bills of the immediately succeeding months. In case the distribution licensee fails to refund the excess amount and adjust it against electricity bills of the immediately succeeding months, the distribution licensee shall be liable to pay interest on the excess amount at SBI's Base Rate prevalent on first of April of the relevant year plus 2% for the period of delay beyond sixty (60) days of the date of release of connection till the excess amount is adjusted. The amount of such interest shall be adjusted against the electricity bills thereafter."

But in the case of the Appellant line had not been erected so far. So, interest should be paid from the date of deposit to the date of actual refund up to such time period of 60 days was not applicable in the Appellant's case. As such the interest from 01.09.2018 to 31.03.2025 becomes ₹ 13,49,161/-.

- (iii) The Corporate Forum, Ludhiana had ignored this instruction, in which it was very much clear that the excess amount was to be refunded in energy bill by determining the excess amount within 60 days from the release of connection and after 60 days licensee (PSPCL) was liable to pay interest on excess amount at SBI's base rate on first of April of the relevant year PLUS 2% for the period of delay beyond 60 days of the date of release of connection in the energy bills.
- (iv) The LPS had been calculated and separate sheet of ₹ 23,44,884/- was attached.

- (v) The interest had been calculated separately as ₹ 5,95,892/- where PSPCL had calculated as ₹ 3,84,421/- only which was incorrect.
 - (vi) The PSPCL can deduct TDS as per rules before allowing interest to the Appellant.
 - (vii) On 05.06.2023, the Respondent had demanded ₹ 20,48,179/- as ACD whereas the Appellant was demanding refund of ₹ 2,87,656/- [₹ 23,35,835/- (-) ₹ 20,48,177/-].
 - (viii) The net amount payable by the Respondent was ₹ 2,87,656/- as ACD difference & ₹ 22,40,821/- as a cost of line plus interest of ₹ 13,49,161/- & ₹ 9,07,696/- as 40% amount of the disputed amount paid by the Appellant; total of everything amount to ₹ 48,85,334/-.
- (d) Rejoinder to Reply of the Respondent Dated (09.04.2025)**
- (i) The office of the Respondent was attended by the Appellant and the Respondent had agreed to refund the surcharge for one month.
 - (ii) The amount of the AACD had been added in the bills of the Appellant and the surcharge was charged for several months. The Appellant cleared the bills after a few months alongwith surcharge to avoid disconnection.

- (iii) The Respondent had shown its ability to refund the surcharge as it had been added in the bill and became a defaulting amount after one month. As per Regulation 16.5.6, no punitive action can be taken, if the distribution licensee had included AACD in the current bill.
- (iv) All these had been clearly submitted in the petition by the Appellant.
- (v) It was submitted that the Respondent may be directed to refund the surcharge on the various amount by considering this amount as AACD which had been added in the bills without giving the proper notice as per Regulations of the PSERC. It should not be considered as defaulting amount.

(e) Submission during hearing

During hearings on 13.03.2025, 24.03.2025 & 09.04.2025, the Appellant's Representatives reiterated the submissions made in the Appeal & the Rejoinders and prayed to allow the same.

(B) Submissions of the Respondent

(a) Submissions in written reply

The Respondent submitted the following written reply for consideration of this Court:-

- (i) It was matter of record.
- (ii) It was matter of record.
- (iii) It was matter of record.
- (iv) It was matter of record.
- (v) It was matter of record.
- (vi) The Appellant was charged ₹ 4,43,991/- dated 10.11.2020 through bill but the Appellant did not pay the amount of AACD till migration of account from Non-SAP to SAP System. During migration of data, the amount inclusive of surcharge/interest was migrated in SAP System. The amount including bill amount dated 18.07.2021 was deposited by the Appellant and until that date, surcharge/interest was charged to the Appellant. The detailed notice of AACD belongs to 2020, therefore the copy of this notice was not available in the office of the Respondent. As per decision of Corporate Forum, Ludhiana in Case No. CF-172/2024, the surcharge and interest levied on the amount of AACD had been refunded to the Appellant. The amount of ₹ 7,69,828/- was charged as AACD to the Appellant on 09.03.2022 and copy of the notice was attached in the SAP System. As per decision of Corporate Forum, Ludhiana in Case No. CF-172/2024, the surcharge and interest levied on the amount of AACD had been refunded to the Appellant.

- (vii) It was matter of record.
- (viii) It was matter of record.
- (ix) It was matter of record.
- (x) It was matter of record.
- (xi) As per decision of the Corporate Forum, Ludhiana, the account of the Appellant had been overhauled and sundry was posted in the account of the Appellant.
- (xii) It was matter of record.
- (xiii) It was the decision of the Corporate Forum, Ludhiana as the Respondent had represented the case before the Forum.
- (xiv) The Appellant was charged through bill of ₹ 4,43,991/- dated 10.11.2020 but the Appellant did not pay this amount of AACD till migration of Non-SAP to SAP System. During migration of data this amount inclusive of surcharge/interest was migrated in SAP System. This amount including bill amount dated 18.07.2021 was deposited by the Appellant and until that date, surcharge/interest was charged to the Appellant. The detailed notice of AACD belongs to 2020, therefore the copy of this was not available in the office of the Respondent. As per decision of Corporate Forum, Ludhiana in Case No. CF-172/2024, the surcharge and interest levied on the amount of AACD had been refunded to the Appellant.

The amount of ₹ 7,69,828/- was charged as AACD to the Appellant on 09.03.2022 and while charging the amount in the account of the Appellant the copy of the notice was attached in the SAP System. Hence, it was clear that notice was sent to the Appellant but due to some reasons it was not received by him. As per decision of Corporate Forum, Ludhiana in Case No. CF-172/2024, the surcharge and interest levied on the amount of AACD had been refunded to the Appellant.

- (xv) The NOC was issued to the Developer/Builder by office of Chief Engineer/Commercial, PSPCL, Patiala vide letter no. 287-89 dated 26.04.2018 against RID No. 18456 for load 2471 kW/2746 kVA. As per Clause 3 of the NOC, the developer was liable to pay ₹ 22,40,821/- as feeder erection cost, cost of HT CT/PT unit and HT meter. On 29.05.2018, the Appellant had requested the Respondent for partial release of load till the time actual feeder was erected for its project. As per the request of the Appellant (release of partial load of 495 kW/300 kVA), Estimate No. 83145 amounting to ₹ 1,33,626/- (cost of new link) and ₹ 2,06,277/- (proportionate cost of 11 kV feeder) was framed as per CC No. 60/2014. The Demand Notice No. 22594 dated 04.07.2018 for ₹ 25,50,714/- (₹ 22,40,821/- + ₹ 2,06,277/- + ₹ 1,33,626/-) was issued to the Appellant. The load extension from

900 kW/700 kVA to 1990 kW/1200 kVA was not released yet due to conditional feasibility. This load can only be released after augmentation of 20 MVA power transformer at 66 kV Sub Station, Ramgarh, Bhudha to 31.5 MVA. This load demanded by the Appellant was being given from nearest feeder hence no new feeder had been erected. The augmentation work of the power transformer had been completed on dated 23.12.2024. The extended load demanded by the Appellant will be released soon.

(xvi) Since the extended load demanded by the Appellant had not been released yet, therefore, demand surcharge imposed in various bills was chargeable. The feeder from where the supply to the Appellant was being fed was enough in capacity to supply the extended load. Once the Appellant will request for the complete load, as per NOC, new feeder will be erected.

(b) Additional Submission of the Respondent (Dated 24.03.2025)

(i) As intimated by AEE Tech-1, Bhabat, the Appellant had applied for partial load. This load demanded by the Appellant was currently being given from the nearest 11 kV Pritham Feeder hence no new feeder had been erected. The feeder from where the supply to the Appellant was being fed was capable enough in capacity to supply the extended load.

(ii) At the time of applying the connection dated 13.11.2018, the load of the meter of the Appellant was 495 kW/300 kVA. After that, the Appellant had applied for load extension from 495 kW/300 kVA to 900 kW/700 kVA on 07.04.2022 and further applied for load extension from 900 kW/700 kVA to 1990 kW/1200 kVA. In these only meter equipments were changed. As no material was required against these estimates, hence no IWR and EMB were prepared.

(iii) The calculation sheet of amount of ₹ 3,83,421/- was given as refund to the Appellant after the implementation of decision of the Corporate Forum, Ludhiana by the AEE/Commercial, PSPCL, Zirakpur vide letter no. 657 dated 19.03.2025.

(c) Additional Submission of the Respondent (Dated 09.04.2025)

(i) As intimated by AEE Tech-1, PSPCL, Bhabat, at the time of applying the connection on 13.11.2018 (Appellant had applied for partial load of 495 kW/300 kVA). This load demanded by the Appellant was fed from 11 kV Ambala Road feeder. Thereafter, the Appellant had applied for load extension from 495 kW/300 kVA to 900 kW/700 kVA on 07.04.2022 and furthermore from 900 kW/700 kVA to 1990 kW/1200 kVA, that being given from the nearest 11 kV Pritham feeder. The feeder from where the

supply to the Appellant was fed was capable enough in capacity to supply the extended load demanded by the Appellant.

- (ii) Minutes of meeting regarding calculation of refund given to the Appellant, as conveyed by AEE/Commercial, PSPCL, Zirakpur was attached herewith.

(d) Submission during hearing

During hearings on 13.03.2025, 24.03.2025 & 09.04.2025, the Respondent reiterated the submissions made in the written reply to the Appeal & in additional submissions and prayed for the dismissal of the Appeal.

5. Analysis and Findings

The issue requiring adjudication is the legitimacy of the decision dated 29.01.2025 of the Corporate CGRF, Ludhiana in Case No. CF-172/2024.

My findings on the points that emerged and my analysis is as under:

- (i) The CCGRF, Ludhiana in its order dated 29.01.2025 observed as under:-

“Forum observed that as per memo no. 287-89 dated 26.04.2018 of O/o CE/Comm. PSPCL Patiala, the complainant had applied for a connection for commercial cum Hotel project.

The connectivity to the project was to be provided by erecting a new feeder, the cost of which was Rs. 2240821/- and it was to be deposited by the complainant subject to sanction of estimate at the time of execution of work. As per memo no. 7748 dated 23.12.2024 of the Respondent, the complainant requested the Respondent to release him partial load of 495kW/300kVA on 29.05.2018 for his project till new feeder is erected for which estimate no. 83145 amounting to Rs. 133626/- was sanctioned. Demand Notice no. 22594 dated 04.07.2018 was issued to the complainant asking him to deposit Rs. 2550714/- (Rs. 2240821 + Rs. 206277 as proportionate cost of feeder + Rs. 133626/- as cost of new line). This amount of Rs. 2550714/- was deposited by the complainant vide transaction no. 150712 dated 30.08.2018. The part load of 495kW/300kVA was released in 11/2018; thereafter the complainant applied for extension in the already availed part load of 495kW/300kVA to 990kW/700kVA for which he was charged Rs. 126000/- as Additional Security Consumption and Rs. 335335/- as cost of conductor on 05.04.2022. As per the SAP chronology, the Complainant deposited this amount of Rs. 461335/- (126000+335335) on 07.04.2022. Thereafter the complainant applied for extension in his yet partially availed load of 900kW/700kVA to 1990kW/1200kVA on 14.03.2023 for which he was charged amount of Rs. 262500/- as Additional Security Consumption and Rs. 355405/- as service connection charges. As per the SAP system chronology, this amount of Rs. 617905/- (262500 + 355405) was deposited on 03.01.2024. This way, from the date of application for new connection to till date, Complainant deposited security (consumption), AACD, security (meter) and service connection charges at different times as demanded by Respondent for initial load and partial loads availed later. However, the Complainant claimed that amount deposited on account of ACD, Meter security, AACD have not been updated timely causing loss of interest and further that AACD was charged directly in his energy bills without issuance of

Supplementary bill/notice leading to levy of LPS/LPI and the amounts charged/recovered on account of Service connection charges at various stages after deposit of amount of Rs. 2550714/- vide receipt no. 150712 dated 30.08.2018 as cost of feeder etc. are not recoverable and these should be refunded with interest. Complainant received bill dated 24.06.2024 which included Rs. 2269240/- under head unpaid arrears. Complainant claims that the amount shown as unpaid arrears in bill dated 24.06.2024 of Rs. 2269240/- is not payable by him, instead PSPCL is to pay him Rs. 1472094/- being excess amount recovered by Respondent, along with interest. Accordingly, Complainant filed case in Corporate CGRF, Ludhiana. Seeing no clarity in Complaint, the case was fixed for pre-hearing in order to know the actual dispute, its amount and the factual position of the case. During pre-hearing on 31.07.2024, Complainant was directed to submit proper Complaint describing issues of the dispute and amount in dispute clearly. Complainant again submitted revised Complaint on 10.08.2024 vide email but it was still not clear and he was again directed to revise it and submit again. Finally, Complainant submitted revised Complaint on hearing dated 28.08.2024 and it was admitted. During further hearings, Forum observed that some payments were claimed as ACD/AACD by Complainant was related to other charges as per Respondent, due to which both the Complainant and Respondent were directed to reconcile the differences and submit status report. As per the minutes of meeting dated 27.09.2024, efforts for reconciliation were done and points of disputes were tabulated and against which remarks were submitted by both the parties which were left to Forum to decide. In the proceeding dated 01.10.2024, it was decided to register the case subject to deposit of 20% of the disputed amount. Complainant deposited the amount and his case was registered on 23.10.2024 and hearings were started. In the hearing dated 05.11.2024, Respondent submitted copy of NOC issued by the O/o CE/Commercial vide his office memo no. 287-89 dated 26.04.2018,

In hearing dated 12.11.2024, Forum observed that as per clause no. 2 of this NOC, Distribution Franchisee Agreement (DFA) was required to be signed by the Complainant with PSPCL before release of connection as per CC 58/2016 dated 14.12.2016. Both the parties were asked about whether DFA had been signed between them or not, regarding which both the parties stated that they are not aware about the same and requested some more time to check and intimate the factual position in this regard. However, Complainant admitted that electricity connections to the shops of this Mall had been provided by him and billing of the same is being done by him, which indicated that Complainant is a franchisee and DFA had been stood signed. It is observed that had the Distribution Franchisee Agreement been signed then as per clause no. 19 of Draft Model Distribution Franchisee Agreement circulated vide CC 58/2016 dated 14.12.2016, all disputes and differences between PSPCL and Distribution Franchisee would have been subject to the adjudication by an Arbitrator to be mutually agreed upon by both the parties. In light of the above, both the parties were directed to submit copy of signed DFA and comment about the maintainability of this case in this Forum. However, if the DFA has not been signed then the respondent should explain the reasons that how the connection/extensions had been released and further both the parties were directed to comment upon the maintainability of this case in that situation.

After long discussions on 19.11.2024, 26.11.2024 & 03.12.2024, Forum had observed that the Complainant had not signed the Distribution Franchise agreement till then but the O/o Respondent released his connection and allowed extension in load multiple times without signing the Franchisee Agreement as per the conditions of feasibility clearance. Also, Respondent in hearing 19.11.2024 had agreed that the Complainant was a consumer of NRS category, therefore, Forum decided to hear the case on merits.

Forum further observed that Petitioner submitted additional rejoinder in hearing dated 17.12.2024, which included additional disputes regarding demand surcharge charged due to delay in applied extension of load, however those were not part of the Original/revised petition filed by the Complainant on 28.08.2024. However, he is required to be given liberty to file a fresh petition in the appropriate CGRF for the same, if he so desires.

After the reconciliation efforts made by both the parties, summary of the points of dispute is as under: -

1. Whether the amount of EMD is to be considered as ACD or not.
2. LPS & Interest levied on AACD directly charged to the Complainant in his regular energy bills without issuing/serving notice to the complainant is chargeable or not.
3. Whether the Service connection charges amounting to Rs. 335335/- recovered for extension in part load from 495kW to 990kW and subsequently Service connection charges amounting to Rs. 355405/- for extension in part load from 900kW/700kVA to 1900kW/1200kVA were recoverable from the Petitioner when full cost of independent feeder had already been recovered from him.
4. Verification of correctness of Rs. 2048179/- charged as AACD in bill dated 29.11.2023.
5. Bill of 04/2022 of Rs. 1881645/- was paid in installments; whether LPS/LPI was chargeable on the unpaid amount or on full amount as it was paid in installments and not in one go.
6. Applicability of the LPS & Interest charged during the entire period in which the above said events took place.

After going through written submissions made by the Complainant in the Complaint, written reply of the

Respondent, rejoinders and their replies along with the relevant material brought on the record, the points raised above are discussed as under:

Point – 1: During hearing dated 05.11.2024, Respondent agreed that EMD's deposited by Complainant is to be considered as ACD, therefore there remain no disputes in respect of this point.

Point -2: Forum observed that as per Regulation 16.5.3 of Supply Code-2014, Respondent was required to issue separate notice specifying the amount of AACD payable along with supporting calculations. Respondent had submitted copies of notices existing in the CRM in the name of the Complainant however, he could not submit documentary evidence to prove that these notices were served upon the Petitioner, hence it is observed that no notice was issued to the complainant. In this regard, Reg. 16.5 dealing with notice for additional security(consumption) of Supply Code-2014 as under: -

"16.5.3 Where the consumer is required to pay the additional Security (consumption), the distribution licensee shall issue to the consumer a separate notice cum bill specifying the amount payable along with supporting calculations.

16.5.4 The consumer shall be liable to pay the additional Security (consumption) within thirty (30) days from the date of service of the notice.

16.5.5 In the event of any delay in payment, the consumer shall for the actual period of default pay interest thereon at the SBI's base rate prevalent on first of April of the relevant year plus 2% without prejudice to the licensee's right to disconnect supply of electricity, under these Regulations.

16.5.6 In case, demand for additional security (consumption) is included in the current energy bill instead of separate notice cum bill as mentioned in regulation 16.5.3, then distribution licensee shall not be authorized to take punitive actions as provided in regulation 16.5.5."

The above regulation is quite clear that in cases(s) where AACD has been charged in bill directly without issuing any notice, punitive action as per clause 16.5.5 is not to be taken however, LPS/LPI becomes applicable automatically, as the

amount stands included in his energy bills. However, the correctness of the amount(s) of AACD at every stage of charging is required to be verified by the Respondent. Since, separate notice cum bill was not served upon Complainant and it was added in his energy bills, therefore, punitive action as per Reg. 16.5.5 of Supply code 2024 is not to be taken however, LPS & interest is chargeable on unpaid amount of energy bills.

Point – 3: Forum observed that complainant had paid cost of erection of independent feeder on 30.08.2018, which was to be erected by the Respondent within 45 days as per Reg. 8.1(b) of PSERC Supply code 2014, which has not been erected even uptill now. The complainant cannot be penalized for this inordinate delay on part of the Respondent. Had this feeder been erected in time, the complainant would have availed part load from his own feeder itself. Under these circumstances, recovery of service connection charges from the complainant each and every time he applied for part load or extension in it, is not justified. Therefore, service connection charges amounting to Rs. 335335/- recovered at time of extension in part load from 495kW to 900kW & Rs. 355405/- recovered at time of further extension in part load from 900kW/700kVA to 1900kW/1200kVA are not chargeable and are refundable.

Point – 4: Forum observed that amount of Rs. 2048179/- has been charged in his bill dated 29.11.2023 which pertains to the Additional Security (Consumption) as per SAP chronology. It is observed that total security(consumption) of the complainant is required to be worked out as per the related amounts deposited by the complainant from time to time. Therefore, after adjusting the EMD and additional Security (Consumption) as discussed at point no. 1 & 2, amount of additional Security (Consumption) required to be paid in 11/2023 be worked out and any excess/shortfall be recovered/refunded accordingly.

Point – 5: In this regard, Forum observed that as per PSPCL instructions, LPS/Interest is payable only on the unpaid portion

of the bill after the grace period expires. Therefore, LPS/LPI is chargeable only on the unpaid amount of the bill.

Point – 6: In this regard, Forum observed that LPS & LPI is required to be worked out as per the inference drawn in points 1 to 5.

Forum further observed that NOC for 1.946 Acres Commercial cum Hotel Project was granted to the complainant by appointing him a 'Distribution Franchisee'. Clause-2 of the NOC issued to the Complainant by O/o CE/Commercial, PSPCL, Patiala vide his office Memo No. 287-89/Commercial cum Hotel project Zirakpur/RID 18456 dated 26.04.2018 read as under: -

"As per online application filed by you, requiring single point supply under Reg 6.6.2 of Supply Code-2014; the same shall be allowed by appointing you as Distribution Franchisee for making electricity available within the area under the project. For this purpose, Distribution Franchisee Agreement, as per CC: 58/2016 dated 14.12.16, shall have to be signed by you before release of connection".

However, part load of 495kW/700 was released to the Complainant in 11/2018, which was later extended to 990kW/700kVA and then to 1990kW/1200kVA without getting signed the Franchisee Agreement in brazen violation of the conditions of the NOC as described above. Forum observed some of the following violations in the present case: -

1. Distribution franchisee agreement has not been signed as per the condition of NOC issued to him and partial load was released to the complainant.
2. No estimate was framed/got sanctioned for erecting independent feeder as required in NOC and work has not yet been started.
3. Complainant was allowed to release connections to other applicants on his own without getting the DFA signed.

4. As per record provided by Respondent, no bank guarantee, if required, has been taken from the Complainant as per the requirement of the NOC.

Hence, this case is required to be investigated by CE/TA & I, PSPCL Patiala and responsibilities of the delinquent Officials/Officers are required to be fixed for various lapses on their part.

However, Member/Finance did not agree to the above opinion of the Independent Member and expressed his dissent as under: -

“It is observed that on the request of complainant’s Company on dated 14.11.2017 against RID-18456, for issue of NOC for release of electricity connection, Company (i.e. M/s ABC sites Pvt. Ltd) was granted NOC by appointing it as Distribution Franchisee under regulation 6.6.2 of supply code 2014 for making electricity available within the area under the project, by the office of CE/Commercial PSPCL Patiala vide memo no. 287-89 dated 26.04.2018. Clause 2 of the NOC read as under:

“As per online application filed by you, requiring single point supply under 6.6.2 of Supply code 2014; the same shall be allowed by appointing you as Distribution Franchisee for making electricity available within the area under the project. For this purpose, Distribution Franchisee Agreement, as per CC: 58/2016 dated 14.12.16, shall have to be signed by you before release of connection.”

It is also observed that the connection to the complainant’s Company was to be released only after signing of Distribution Franchisee Agreement as per Feasibility Clearance granted vide memo no. 287-89 dated 26.04.2018. The connection was released without signing of Distribution Franchisee Agreement. This is clear violation of the Electricity Act-2003 because Single Point Supply connection cannot be given to a private person/entity. Distribution Franchisee Agreement was signed on dated 29.11.2024 as intimated by

Respondent vide Memo no. 7277 dated 02.12.2024 after about 06 years of release of connection to unauthorized applicant.

It is also observed that issues raised by the Complainant in his complaint is regarding refund of, service connection charges deposited for availing part of load/extension in load, LPS/LPI charged on non-payment of AACD etc. is prior to date of signing the Franchisee Agreement. It is further observed that neither Respondent in his replies nor during the hearings submitted whether this forum have jurisdiction on the complaint filed by instant Complainant or not. However, it is an admitted fact that the Complainant is a Distribution Franchisee under Regulation 6.6.2 of the Supply Code, 2014 and the parties have entered into a franchisee agreement, as such are bound by the conditions of franchise agreement. Clause 19 of the model franchisee agreement reads as under:

"19. In case of any dispute between PSPCL and Distribution Franchisee, matter shall first attempt to be resolved by means of mutual negotiation and amicable resolution and upon failure of such amicable resolution within a period of 30 days, all such disputes and differences shall be adjudicated by means of Arbitration by a sole arbitrator to be mutually agreed to by the parties. The Arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996. The place of arbitration shall be Chandigarh/Patiala and the language of arbitration shall be English."

Since there is specific provision in the franchise agreement for the settlement of disputes between the distribution licensee and the Distribution Franchisee, therefore, I am of the view that Forum shall direct the Complainant to proceed as per clause 19 of the Franchisee Agreement and in view of the above, the complaint be dismissed accordingly".

However, Independent Member disagreed to the dissenting views expressed by Member/Finance and reiterated his opinion as under:

“The complaint is maintainable in CCGRF because it is related to the period prior to the signing of the Franchisee Agreement. The complainant had, submitted his complaint in CCGRF on 06.07.2024 and all the issues were obviously related to the period prior to that date. At that point of time no Franchise Agreement was in existence. It was submitted by the Respondent vide his office Memo No. 6961 at 19.11.2024 that the complainant M/s ABC Sites Pvt. Ltd. bearing account no. 300751040 was a consumer having NRS connection. He had further submitted vide his office Memo no. 7271 dated 21/12/2024 as under: -

“Regarding signing of Franchisee Agreement (as per NOC terms & conditions) letter no. 3129 dated 18.11.2024 and 3219 dated 29.11.2024 were issued to consumer by the office of AEE commercial Zirakpur. Now, the consumer has submitted the same in Sub Division commercial Zirakpur office on dated 29.11.2024 and the same has sent to Circle office vide this office letter no. 7263 dated 02.12.2024. As per Memo no. 2381-2402 dated 28.10.2021 of the office of CE/Commercial, PSCL Patiala undertaking (duly notarized) from the consumer is required. The consumer has assured to submit the same by 03.12.2024”.

It is quite obvious from the above that no Franchise Agreement was in existence during the disputed period and it came into existence on 29.11.2024, only after Forum raised queries about the same during proceedings of the case. I am still firm on my opinion that conditions of the Franchise Agreement are applicable only with effect from the date of its signing on 29.11.2024 not prior to that, even if it was not signed and connection was released/extended in violation of the conditions of NOC. Further marathon discussions were held, during proceedings on 19.11.2024, 26.11.2024 and 3.12.2024 and both the parties were given opportunity to submit their respective position on the issue. Neither of the parties contested hearing of the complaint in CCGRF, rather the Respondent submitted vide his office Memo no. 6961

dated 19.11.2024 that the complaint was a consumer of NRS category, Forum ultimately in its hearing dated 3.12.2024 decided unanimously to hear the case on merits. In view of the forgoing discussions, I am of the firm opinion that the complaint was within the jurisdiction of CCGRF and it should be decided on merits in the CCGRF.

So far as various violations are concerned, I have already proposed enquiry regarding the same by CE/Technical Audit PSPCL, Patiala in order to identify violations and fix responsibilities of delinquent officer/officials for the same”.

However, Permanent Invitee from the O/o EIC/Commercial, PSPCL, Patiala, did not agree to the above opinion of Independent Member but he concurred with the opinion of Member/Finance.

Chairperson/Forum expressed his opinion as under: -

“The complaint was submitted by the Complainant in 07/2024, however, keeping in view the nature of the case it was heard on pre-hearing and after satisfaction of the Forum, the same was registered on 23.10.2024. During proceedings on 05.11.2024, Respondent submitted copy of NOC dated 24.06.2018 issued to the Complainant by the O/o CE/Comm. vide memo no. 287-89 dated 26.04.2018. During proceeding dated 12.11.2024, Forum observed that as per clause no. 2 of this NOC, Distribution Franchisee Agreement (DFA) was required to be signed by the Complainant with PSPCL before release of his connection. Both the parties stated that no DFA had been signed for this connection and Respondent stated that connection was released under NRS category. After lengthy and detailed discussions, Forum on 03.12.2024 decided unanimously to hear the case on merits. Case was heard on merits and finally closed on 24.12.2024 for passing speaking orders. During the entire period of proceedings maintainability of this case was never questioned by the Respondent and the Forum as Complainant was not a Distribution Franchisee at that time. Opinions of

Member/Finance & Permanent Invitee of the O/o CE/Comm., that the Complaint is not maintainable at this stage is their own, when it had already been unanimously decided on proceeding dated 03.12.2024 to decide the case on merits. Therefore, in the interest of the justice, I am of the opinion that at this stage, the case is required to be decided on merits. Therefore, I concur with the opinion of Independent Member on the issue of maintainability of the case in the Forum as well as on merits”.

Member/Finance and Permanent Invitee from the O/o EIC/Commercial, PSPCL, Patiala, further commented on the opinion expressed by Chairperson and Member Independent, as under:

“The contradiction aroused due to the mere submission of the respondent that the connection of the consumer was under NRS category, whereas complainant’s company is engaged in the business of Development of real estate projects and developed a 1.946 acre commercial cum hotel project at Chandigarh Ambala highway at Zirakpur, for which single point supply connection has been granted by PSPCL. It is therefore understood that the complainant’s application for NOC was for distribution franchisee and the connection was released & used for the same very purpose, as evident from the fact that, Complainant admitted that electricity connections to the shops of the Mall had been provided by complainant’s company and billing of the same is being done by complainant’s company, so the complainant factually falls under distribution franchise for all intents and purposes. Further, the distribution/resale of power by any category of consumer is not permissible under the Electricity Act. In view of forgoing discussion, we are of the firm opinion that complaint should not be decided on merit by considering NRS consumer which may cause legal complication at later stage and results into violation of Electricity Act 2003/Supply Code and orders of honorable PSERC. Therefore, it is again reiterated that Forum should direct the Complainant

to proceed as per clauses of the Franchisee Agreement and in view of the above, the complaint be dismissed accordingly”.

Chairperson and Independent Member reiterated their earlier opinion and commented further as under:

‘There is no confusion regarding the category of the complainant. He has definitely become a Distribution Franchisee with effect from his signing the Franchisee Agreement i.e. 29.11.2024, however the dispute before the Forum is related to the period prior to that, hence the complaint cannot be declared non-maintainable at this stage on the basis of the provisions of a Distribution Franchisee Agreement which was non-existent during the entire disputed period. Further, till now it has only been decided to consider and decide the case on merits.

Forum has gone through the written submissions made by the Appellant in the appeal, written reply of the Respondent as well as other material brought on record. Keeping in view the above facts and discussion, Forum is of the opinion as under:

- a) As agreed by the respondent, amounts of EMDs deposited by Complainant be considered as ACD.
- b) Since separate notice cum bill was not served upon Complainant regarding additional security (consumption) and it was added in his energy bills, therefore, punitive action as per Reg. 16.5.5 of Supply Code-2024 is not to be taken, however, LPS & interest is chargeable on unpaid amount of energy bills.
- c) Complainant had paid cost of erection of independent feeder on 30.08.2018, which was to be erected by the Respondent within 45 days as per Reg. 8.1(b) of PSERC Supply Code 2014, which has not been erected even up till now. The complainant cannot be penalized for this inordinate delay on part of the Respondent. Had this feeder been erected in time, the complainant would have availed part/full load from his own feeder itself. As such,

recovery of service connection charges from the complainant each and every time he applied for part load or extension in it, is not justified. Therefore, service connection charges amounting to Rs. 335335/- recovered at time of extension in part load from 495kW to 900kW & Rs. 355405/- recovered at time of further extension in part load from 900kW/700kVA to 1900kW/1200kVA are not chargeable and are refundable.

- d) As per Clause no. 21 of General Conditions of tariff for FY 2022-23, LPS/Interest is payable only on the unpaid amount of the bill after due date of payment. Therefore, LPS/LPI is required to be charged on the unpaid amount, of the bill of 04/2022 amounting to Rs. 1881645/- after due date, as claimed by the Complainant.
- e) Total LPS & LPI is required to be worked out as per the inference drawn in points (a) to (d) above.

However, Chairperson Forum agreed to the above opinion except that at point (c) in which it has been opined that Service connection charges amounting to Rs. 335335/- recovered at time of extension in part load from 495kW to 900kW & Rs. 355405/- recovered at time of further extension in part load from 900kW/700kVA to 1900kW/1200kVA are chargeable because these were the temporary arrangements for release of initial load/partial extensions till the actual work as per the feasibility clearance is done.”

- (ii) I have gone through the written submissions made by the Appellant in its Appeal as well as in the Rejoinders, written reply & additional submissions of the Respondent, & the data placed on the record by both the parties as well as oral arguments of both the parties during the hearings on 13.03.2025, 24.03.2025 & 09.04.2025. The Appellant’s Representative pleaded that the

Appellant applied for the load of 2471 kW/2746 kVA for its Commercial cum Hotel project & as per NOC issued to the Appellant vide Memo No. 287-89 dated 26.04.2018 of O/o CE/Commercial, PSPCL, Patiala, the electrical connectivity to this project was to be given by erecting a new 11 kV feeder emanating from proposed new 66 kV Substation at Ramgarh Bhuda at a tentative cost of ₹ 22,40,821/- subject to actual sanction of estimate at the time of execution of work. The Appellant requested the Respondent to release partial load of 495 kW/300 kVA on 29.05.2018 for its project. Instead of working on the original sanctioned proposal, another Estimate No. 83145 amounting to ₹ 1,33,626/- was sanctioned by for this work. Demand Notice No. 22594 dated 04.07.2018 was issued to deposit ₹ 25,50,714/- (₹ 22,40,821/-, as per memo no. 287-89 dated 26.04.2018 of CE/Commercial, PSPCL Patiala, as originally proposed + ₹ 2,06,277/- as proportionate cost of feeder + ₹ 1,33,626/- as cost of new line for partial load). The Appellant deposited the amount of ₹ 25,50,714/- vide transaction no. 150712 dated 30.08.2018. The partial load of 495 kW/300 kVA was released during 11/2018 from 11 kV Ambala road feeder emanating from 66 kV Bhabhat Substation. Thereafter, the Appellant applied for extension of load from 495 kW/300 kVA

to 990 kW/700 kVA for which it was again charged ₹ 1,26,000/- as Additional Security Consumption and ₹ 3,35,335/- as cost of line on 05.04.2022. The Appellant deposited this amount on 07.04.2022. The load was extended to 990 kW/700 kVA. The Appellant again applied for extension in load from 900 kW/700 kVA to 1990 kW/1200 kVA on 14.03.2023. And again, amount of ₹ 2,62,500/- as Additional Security Consumption and ₹ 3,55,405/- as service connection charges for release of load from 11 kV Pritham feeder emanating from the 66 kV Substation at Ramgarh Bhuda was charged which was also deposited by the Appellant on 03.01.2024. He pleaded that no work has been done by the Respondent for erecting a new 11 kV feeder for which the Appellant had deposited a tentative cost of ₹ 22,40,821/- on 30.08.2018. The Appellant's Representative submitted that now the Appellant did not need any further extension in load & prayed for the refund of ₹ 22,40,821/-, deposited by the Appellant on 30.08.2018, alongwith the interest.

- (iii) During hearing, the Respondent submitted that the proposed 66 kV Substation at Ramgarh Bhuda was erected in year 2020. This Court asked the Respondent then why the work had not been started on new 11 kV feeder for the Appellant in the year 2020, to which he replied that once the Appellant will request for the

complete load, as per NOC, new feeder will be erected. This Court then asked the Respondent to explain why an amount of ₹ 22,40,821/- was recovered from the Appellant in year 2018 when it asked for the release of partial load only & not the complete load as per NOC to which he could not reply. This Court further asked him that if the work had not started, then why the refund of ₹ 22,40,821/- has not been given to the Appellant to which he replied that the Appellant had not withdrawn its application for the original demand of load of 2471 kW/2746 kVA.

- (iv) It is observed by this Court that as per Clause 3 of the NOC issued to the Appellant vide Memo No. 287-89 dated 26.04.2018 of O/o CE/ Commercial, PSPCL, Patiala, the electrical connectivity to this project was to be given by erecting a new 11 kV feeder emanating from proposed new 66 kV Substation Ramgarh Bhuda at a tentative cost of ₹ 22,40,821/- subject to actual sanction of estimate at the time of execution of work. In the present case, the Appellant applied for the release of partial load of 495 kW/300 kVA on 29.05.2018 for its project. For releasing this partial load, the Respondent raised Demand Notice No. 22594 dated 04.07.2018 to deposit ₹ 25,50,714/- (₹ 22,40,821/-, as per NOC issued vide Memo No. 287-89 dated 26.04.2018 of CE/Commercial, PSPCL Patiala, as originally

proposed for new 11 kV feeder emanating from proposed new 66 kV Substation at Ramgarh Bhuda + ₹ 2,06,277/- as proportionate cost of feeder + ₹ 1,33,626/- as cost of new line for release of partial load from 11 kV Ambala road feeder emanating from 66 kV Bhabhat Substation).

- (v) It is observed by this Court that the Respondent erred in raising the demand of ₹ 22,40,821/- in year 2018, at the time of releasing partial load, as it was clearly mentioned in the NOC that this was the tentative cost for erecting a new 11 kV feeder emanating from proposed new 66 kV Substation at Ramgarh Bhuda. This Substation was erected in the year 2020 only as told by the Respondent to this Court. As per NOC, the demand should have been raised on actual sanction of estimate at the time of execution of work as per Regulation 9.3.6 of Supply Code-2014 and Policy/ Instructions of PSPCL at the time of release of load.
- (vi) Even after the erection of the new 66 kV Substation at Ramgarh Bhuda, the Respondent admitted that no work was undertaken by the PSPCL to provide new 11 kV feeder to the Appellant from this Substation. Even when the Appellant applied for the extension of partial loads in years 2022 & 2023, the Respondent raised fresh demand for service connection charges, which were

paid by the Appellant on both the occasions. It is, therefore, established well beyond doubt that at the time of releasing partial load in year 2018, the Respondent had recovered the tentative cost for erecting a new 11 kV feeder emanating from proposed new 66 kV Substation at Ramgarh Bhuda ₹ 22,40,821/- from the Appellant on 30.08.2018, but did not spend any amount for the same.

- (vii) This Court is of the opinion that PSPCL appears to be waiting for the Appellant to ask for the release of complete load of 2471 kW/2746 kVA for erecting a new 11 kV feeder for the Appellant. However, the Appellant has stated that it does not want any further extension in load. This Court relied on Regulation 9.3.6 of Supply Code-2014, reproduced as under:

“After execution of work of the electric line or electrical plant as the case may be, the distribution licensee shall be entitled to demand from the applicant the total amount of expenditure actually incurred (recoverable amount) and adjust Security (works) against such recoverable amount. In the event of Security (works) being in excess of the recoverable amount, the excess amount shall be determined by the distribution licensee within sixty (60) days from the date of release of connection and refunded by adjustment against electricity bills of the immediately succeeding months. In case the distribution licensee fails to refund the excess amount and adjust it against electricity bills of the immediately succeeding months, the distribution licensee shall be liable to pay interest on the excess amount at SBI’s Base Rate prevalent on first of April of the relevant year plus 2% for the period of

delay beyond sixty (60) days of the date of release of connection till the excess amount is adjusted. The amount of such interest shall be adjusted against the electricity bills thereafter.”

Since PSPCL did not take any action to construct the new 11 kV feeder for the Appellant, ₹ 22,40,821/- alongwith the interest as per Regulation 9.6.3 should be refunded to the Appellant. The date of release of partial load in year 2018 should be treated as date of release of connection & the interest should be given till the date of actual credit of this amount in the electricity account of the Appellant.

- (viii) The other issue raised by the Appellant was that the Respondent had adjusted the amount of additional security (consumption) from the bill amount deposited by it, due to which LPS & interest was charged on unpaid amount of the bill. The Respondent controverted this claim of the Appellant & submitted that LPS & interest for the first month has already been refunded to the Appellant as per the decision of the Corporate Forum, Ludhiana. It is observed by this Court that both in year 2020 & 2022, the Appellant neither challenged the bill nor did it deposit the amount of additional security (consumption) charged to it in its bills through sundry charges in time. The Appellant deposited these amounts later on without raising any dispute. Therefore,

this Court agrees with the order of the Corporate Forum, Ludhiana in this regard.

- (ix) It is observed by this Court that in the present case, the amount of additional security (consumption) was charged to the Appellant as sundry in the months of October & December without issuing any notice to the Appellant. The Respondent is directed to strictly adhere to the instructions given in Regulation 16.4 & 16.5 of Supply Code-2014 & corresponding Regulation 42 of Supply Code-2024 in this regard.

6. Decision

As a sequel of above discussions, the order dated 29.01.2025 of the Corporate Consumer Grievances Redressal Forum, Ludhiana in Case No. CF-172/2024 is amended. In addition to the overhauling of the account of the Appellant as per point no. (xxv) of the above order of the CCGRF, Ludhiana, the Respondent is required to refund the amount of ₹ 22,40,821/- alongwith the interest as per Regulation 9.6.3 of Supply Code-2014 to the Appellant. The date of release of partial load in year 2018 should be treated as date of release of connection & the interest should be given till the date of actual credit of this amount in the electricity account of the Appellant.

- 7.** The Appeal is disposed of accordingly.

8. As per provisions contained in Regulation 3.26 of Punjab State Electricity Regulatory Commission (Forum and Ombudsman) Regulations-2016, the Licensee will comply with the award/order within 21 days of the date of its receipt.
9. In case, the Appellant or the Respondent is not satisfied with the above decision, he 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.

April 28, 2025
S.A.S. Nagar (Mohali).

(ANJULI CHANDRA)
Lokpal (Ombudsman)
Electricity, Punjab.