

**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. 32/2022

Date of Registration : 15.06.2022
Date of Hearing : 20.06.2022/24.06.2022
Date of Order : 24.06.2022

Before:

**Er. Gurinder Jit Singh,
Lokpal (Ombudsman), Electricity, Punjab.**

In the Matter of:

Sh. Janak Raj S/o Sh. Parkash Chand,
Sweety Traders, Sunder Nagar,
Ludhiana-141001.

Contract Account Number: 3002800323 (MS)

...Appellant

Versus

Addl. Superintending Engineer,
DS Sunder Nagar (Spl.) Division,
PSPCL, Ludhiana.

...Respondent

Present For:

Appellant: Sh. Gurdev Kumar,
Appellant's Representative.

Respondent : Er. J.S.Jandu,
Addl. Superintending Engineer
DS Sunder Nagar (Spl.) Division,
PSPCL, Ludhiana.

Before me for consideration is an Appeal preferred by the Appellant against the decision dated 26.05.2022 of the Consumer Grievances Redressal Forum (Forum), Ludhiana in Case No. CGL-470 of 2021, deciding that:

“Keeping in view of the above Forum observes and decides that as the Respondent himself admitted/ submitted during the hearing of the case that security amount of Rs. 15864/- needs to be adjusted against AACD notice and updated accordingly by Respondent himself and interest calculations to which Petitioner agreed therefore, there stands no dispute which needs the interference of the Forum, Interest be allowed after approval of competent authority.”

2. Registration of the Appeal

A scrutiny of the Appeal and related documents revealed that the Appeal was received in this Court on 15.06.2022 i.e. within the period of thirty days of receipt of decision dated 26.05.2022 of the CGRF, Ludhiana in Case No. CGL-470 of 2021 by the Appellant. The Appellant was not required to deposit requisite 40% of the disputed amount as the Appeal was on account of adjustment of the ACD security amount already deposited by him. Therefore, the Appeal was registered on 15.06.2022 and copy of the same was sent to the Addl. SE/ DS Sunder Nagar (Spl.) Divn., PSPCL, Ludhiana for sending written reply/ parawise comments with a copy to the office of the CGRF,

Ludhiana under intimation to the Appellant vide letter nos. 609-611/OEP/A-32/2022 dated 15.06.2022.

3. Proceedings

With a view to adjudicate the dispute, a hearing was fixed in this Court on 20.06.2022 at 01.00 PM and an intimation to this effect was sent to both the parties vide letter nos. 623-624/OEP/A-32/2022 dated 17.06.2022. None appeared on 20.06.2022. A copy of proceedings dated 20.06.2022 was sent to both the parties vide letter nos. 641/642/OEP/A-32/2022 dated 20.06.2022. Next date of hearing was fixed on 24.06.2022 at 11.20 AM as per request of Appellant's Representative because he was not feeling well and could not attend the Court on 20.06.2022. Hearing was held on 24.06.2022 and arguments of both the parties were heard.

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 alongwith 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 Medium Supply Category Connection, bearing Account No. 3002800323 with sanctioned load of 92.33 kW and Current Demand as 99.999 kVA running under DS Sunder Nagar (Spl.) Divn., Ludhiana.
- (ii) The Respondent had raised demand of ₹ 2,25,827/- as AACD (Security amount) in April, 2021. But the Appellant was not satisfied with this demand and approached the Forum but the decision of the Forum was vague. The Forum in its decision, had mentioned that ₹ 15,864/- had already been adjusted but it had not been adjusted till date. No clear cut instruction was given in its decision to adjust the security amount already deposited against the notice and interest on security amount was also not given.
- (iii) As per instruction of the PSPCL Memo No. 297/302/DD/SR-103 dated 26.03.2021, security needs to be adjusted as per prevalent rates applicable time to time. From 10.05.2001 onwards, security rate for MS consumer is ₹ 750/- per kW.

- (iv) The Respondent admitted that the Appellant had deposited Securities of ₹ 23,250/- (18750 ACD & 4500 Meter Security) in 2005. But this security was deposited for extension of load of 25.00 kW (67.4 to 92.33). What about the securities already deposited upto the load of 67.40 kW? How with the security of ₹ 18,750/-, load of 92.33 kW was released by the PSPCL? The Respondent had not accounted for all the Securities deposited by the Appellant during release/ extension of loads. If the receipt of securities were not available with the PSPCL, action should be taken as per Memo No. 297/302/DD/SR-103 dated 26.03.2021 of Commercial Wing and all the Securities of the Appellant should be updated with the prevalent rate list provided in Circular. So, notice of AACD needs to be revised after adjusting the security amount already deposited and interest should also be paid till date on security amount already deposited from time to time.
- (v) The Appellant prayed to decide his case as per Memo No. 297/302/DD/SR-103 dated 26.03.2021 of Commercial Wing and to revise the notice after adjusting all the securities deposited up to 92.33 kW load and interest be given on them up to date.

(b) Submission during hearing

During hearing on 24.06.2022, the Appellant's Representative (AR) reiterated the submissions made in the Appeal and prayed to allow the same. He was satisfied with the action taken by the Respondent on the Appeal.

(B) Submissions of the Respondent

(a) Submissions in written reply

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

- (i) The Appellant was having a MS Category Connection, bearing Account No. 3002800323 with sanctioned load of 92.330 kW and Contract Demand as 99.99 kVA under DS Sunder Nagar (Spl.) Divn., Ludhiana.
- (ii) The Appellant had applied for a new connection of 4.844 kW under SP category after depositing of ACD of ₹ 300/- on 17.01.1983 (assumed as per Memo No. 297/302/DD/SR-103 dated 26.03.2021 because amount of ACD was not available in record). After that the Appellant had applied for extension of load from 4.844 kW to 11.952 kW after deposit of ACD amounting to ₹ 930/- vide BA16 Receipt No. 439/19996 dated 11.06.1987 which was confirmed from Service Connection Register. The Appellant had applied for extension of load to

31.052 kW from 11.952 kW on 28.09.1995 after deposit of amount of ACD amounting to ₹ 5,000/- (20kW*250/-) assumed as per Memo No. 297/302/DD/SR-103 dated 26.03.2021 because amount of ACD was not available in Service Connection register. As per billing ledger, the Appellant had applied for load extension of 36.348 kW in 1996 after deposit of ACD amounting to ₹ 13,875/- (37kW*375/-) assumed as per Memo No. 297/302/DD/SR-103 dated 26.03.2021 because amount of ACD was not available in record and new load of the Appellant became 67.400 kW. Further, the Appellant had applied for an additional load of 24.935 kW from 67.400 kW after submission of ACD amounting to ₹ 23,250/- vide BA16 Receipt No. 318/81624 dated 14.07.2005.

- (iii) The instructions of PSPCL vide Memo No. 297/302/DD/SR-103 dated 26.03.2021 were applicable only if concerned office had not any record about the connection and credit of amount will be given after Pre-audit.
- (iv) The credit of interest on security of ₹ 47,802/- (i.e. after deduction of TDS) would be given to the Appellant after Pre-audit because of instructions as per Memo No. 297/302/DD/SR-103 dated 26.03.2021.

- (v) AACD of ₹ 2,33,213/- was updated in account of the Appellant as per chronology and the decision of the Forum had already been implemented.

(b) Submission during hearing

During hearing on 24.06.2022, the Respondent reiterated the submissions made in the written reply to the Appeal and prayed for the dismissal of the Appeal. However, it was admitted that the security amount already adjusted in Notice No. 874 dated 08.03.2021 was incorrect and hence needs revision now.

6. Analysis and Findings

The issue requiring adjudication is the legitimacy of Notice No. 874 dated 08.03.2021 for deposit of Security (Consumption) amounting to ₹ 2,25,887/- after adjusting already deposited security amounting to ₹ 7,386/-.

My findings on the points emerged, deliberated and analysed are as under:-

- (i) The Appellant's Representative (AR) reiterated the submissions made in the Appeal. He pleaded that the Respondent had raised demand of ₹ 2,25,887/- as AACD (Security Amount) in April, 2021 and the Appellant was not satisfied with this demand and approached the Forum. No clear instructions were given by the

Forum in its decision to adjust the Securities already deposited against the notice and interest on Security was also not given. He pleaded that the Respondent had not accounted for all the security amounts deposited by the Appellant during release/extension of loads. If the receipts of security amounts were not available with the PSPCL, action should be taken as per Memo No. 297/302/DD/SR-103 dated 26.03.2021 of the CE/Commercial, PSPCL and the security amount should be updated as per the prevalent rate list provided in the said Memo. So, notice of ACD needs to be revised after adjusting the security amount already deposited and interest should also be paid from the date of security amount already deposited from time to time.

- (ii) On the other hand, the Respondent controverted the pleas raised by the Appellant in its Appeal and pleaded that the instructions of PSPCL conveyed vide Memo No. 297/302/DD/SR-103 dated 26.03.2021 were applicable only if concerned office had no record about the connection of the consumer. In the present case, the Respondent had some of the records relating to deposit of Security amounts by the Appellant at different times. The Appellant had applied for a new connection of 4.844 kW under SP category after depositing of ACD of ₹ 300/- on

17.01.1983 (assumed as per Memo No. 297/302/DD/SR-103 dated 26.03.2021 because amount of ACD was not available in record). Lateron, the Appellant had applied for extension of load from 4.844 kW to 11.952 kW after deposit of ACD amounting to ₹ 930/- vide BA 16 Receipt No. 439/19996 dated 11.06.1987 which was confirmed from Service Connection Register. Further, the Appellant had applied for extension of load to 31.052 kW from 11.952 kW on 28.09.1995 after deposit of amount of ACD amounting to ₹ 5,000/- (20kW*250/-) assumed as per ibid memo because amount of ACD was not available in Service Connection register. As per billing ledger, the Appellant had further applied for load extension of 36.348 kW in 1996 after deposit of ACD amounting to ₹ 13,875/- (37kW*375/-) assumed as per ibid memo because amount of ACD was not available in record and new load of the Appellant became 67.400 kW. Further, the Appellant had applied for an additional load of 24.935 kW from 67.400 kW after submission of ACD amounting to ₹ 23,250/- vide BA16 Receipt No. 318/81624 dated 14.07.2005. The credit of interest on security of ₹ 47,802/- (i.e. after deduction of TDS) would be given to the Appellant after Pre-audit because of instructions as per Memo no. 297/302/DD/SR-103 dated 26.03.2021. The AACD

of ₹ 2,33,213/- was updated in account of the Appellant and the decision of the Forum had already been implemented.

- (iii) The Forum in its decision dated 26.05.2022 had observed as under: -

“Forum directed the Respondent to submit relevant record of cash book, service connection register and BA-16 alongwith necessary certificates showing amount is still standing in credit of Petitioner. During the hearings it was observed that Respondent is habitual of making verbal statements instead of written submission and submits documents which serves no purpose and Sr. Xen remains absent from case hearing even after direction from Forum also Petitioner remained absent without prior intimation and appeared only after final opportunity was given, causing undue delay in deciding the case.

Respondent submitted copy of A&A form and comprehensive certificate that receipt of ACD amount of Rs. 23250/- was traced and after adjusting Rs. 7386/- (already updated in SAP), Rs. 15864/- was updated on 03.05.2021 and Rs. 23250/- was not adjusted before.

Forum further observed that when the Respondent himself admitting that security amount of Rs. 15864/- needs to be adjusted against ACD notice and also updated by Respondent then why the interest can't be provided on its own level after approval of competent authority.”

The Forum further decided as under:

“Keeping in view of the above Forum observes and decides that as the Respondent himself admitted/submitted during the hearing of the case that security amount of Rs. 15864/- needs to be adjusted against AACD notice and updated accordingly by Respondent himself and interest calculations to which Petitioner agreed therefore, there stands no dispute which needs the interference of the Forum, Interest be allowed after approval of competent authority.”

This Court is not inclined to agree with the decision of the Forum.

- (iv) The Respondent admitted during hearing on 24.06.2022 that the security amount deposited by the Appellant had not been adjusted correctly.
- (v) I have gone through the written submissions made by the Appellant in the Appeal and by the Respondent in its written reply. It is an admitted fact that the Appellant had deposited some amount on account of Security (Consumption) and Security (Meter) at the time of release of connection and thereafter upon the extension of loads. The Security amount needs to be recalculated after adjusting already deposited Securities. In view of this, the impugned Notice No. 874 dated 08.03.2021 is hereby quashed. The Security amount should be calculated as per Supply Code, 2014 Regulation No. 16.4. A fresh notice should be issued to the Appellant upon recalculation as per Regulation 16.4 of Supply Code, 2014 after adjusting already deposited security amount. The amount of Security calculated as above should be recovered as per Supply Code Regulations. The interest on the already deposited security amount should be given as per Regulation No. 17.1 of

the Supply Code, 2007 and Supply Code, 2014 as applicable from time to time.

7. Decision

As a sequel of above discussions, the order dated 26.05.2022 of the CGRF, Ludhiana in Case No. CGL-470 of 2021 is hereby quashed. The Respondent is directed to recalculate the amount of Security (Consumption) as per Regulation 16.4 of the Supply Code, 2014 after adjusting already deposited Security (Consumption) and the Respondent is directed to issue fresh notice of Security (Consumption) accordingly. Further, the Respondent is directed to give the interest on Security amount deposited by the Appellant as per Regulation No. 17.1 of Supply Code, 2007 and Supply Code, 2014 as applicable from time to time.

8. The Appeal is disposed of accordingly.
9. 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.
10. In case, the Appellant or the Respondent 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.

June 24, 2022
S.A.S. Nagar (Mohali)

(GURINDER JIT SINGH)
Lokpal (Ombudsman)
Electricity, Punjab.

