

**CONSUMER GRIEVANCES REDRESSAL FORUM, SHIMLA**

**Complaint No 1421/202405/11**

**M/s Ind-Sphinx Precision Ltd. – Unit B**

**Vs**

**HP State Electricity Board Ltd and ors**

**Complaint No 1421/202405/12**

**M/s MT Autocraft (Unit 6)**

**Vs**

**HP State Electricity Board Ltd and ors**

**Complaint No 1421/202405/13**

**M/s Micro Turners (Naryal Unit)**

**Vs**

**HP State Electricity Board Ltd and ors**

**BRIEF FACTS OF CASES–**

- (1) Complaints have been filed under regulation 16, 17 and 18 of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 by -
  - (a) Complaint No 1421/202405/11: M/s Ind Sphinx Precision Ltd – Unit B, 1, Taksal Road, Parwanoo, Kasauli Marg, HP - 173220, bearing Account No 100012000667;
  - (b) Complaint No 1421/202405/12: M/s MT Autocraft (Unit 6), Village Naryal, Parwanoo, HP - 173220, bearing Account No 200010000102;
  - (c) Complaint No 1421/202405/13: M/s M/s Micro Turners (Naryal Unit), Village Naryal, Parwanoo, HP - 173220, bearing Account No 100012000657;
- (2) In the matter the HP State Electricity Board Ltd is the Respondent;
- (3) In the complaints, Complainants are primarily aggrieved by the non-action of the Respondent to give rebates on approved energy charges for additional power consumption in the year beyond the level of previous year provided to existing industries and rebate on approved energy charges provided to existing industries which have undergone expansion/ undergoing expansion (hereinafter referred to as expansion rebate). These rebates are provided in Tariff Orders passed by the Ld HPERC;

- (4) The nature of complaints being similar in terms of Complainants being aggrieved by the non-action of the Respondent to give rebates on approved energy charges to the Complainants as provided in the Tariff Orders passed by the Ld HP Electricity Regulatory Commission (or the HPERC), these complaints are hereby disposed by common Order –

**Complainant in complaint No 1421/202405/11:**

- (5) That in terms of Tariff Order by the Ld HPERC for FY 2018-19 (**Annexure C-1** passed on 04.05.2018), there is non-credit by the Respondent of 10% rebate amounting to Rs 69,926.40 (**Annexure C-2**), arising due to additional or excess consumption of 148904 kVAh made by the Complainant in the financial year FY 2018-19 over the previous financial year;
- (6) That in terms of Tariff Order by the Ld HPERC for FY 2019-20 (**Annexure C-3** passed on 29.06.2019), there is non-credit by the Respondent of 15% rebate amounting to Rs 1,94,870.64 (**Annexure C-4**), arising due to additional or excess consumption of 2,76,082 kVAh made by the Complainant in the financial year FY 2019-20 over the previous financial year;
- (7) That in terms of Tariff Order by the Ld HPERC for FY 2020-21 (**Annexure C-5** passed on 06.06.2020), there is non-credit by the Respondent of 10% expansion rebate on energy charges for the period of 3 years starting from 01.06.2019 to 31.05.2022. The expansion, is in terms of increase in contract demand from 450 kVA to 600 kVA which was carried out by it in FY 2018-19;
- (8) That in terms of proviso to the expansion rebate clause contained in Tariff Order by the Ld HPERC for FY 2023-24 (**Annexure C-6** passed on 31.03.2023), the Respondent has not given expansion rebate of 15% for the increase in contract demand from 600 kVA to 800 kVA, carried out in October 2022 Further, in terms of ibid

proviso, it is entitled for rebate for increase in contract demand from 800 kVA to 895 kVA, carried out by it in November 2023;

- (9) That its total entitlement of rebate on foregoing counts works out to Rs 26,41,184.69 (**Annexure C-2, C-4 and C-7**) and in addition to this amount it is also entitled to consequential refund of Electricity Duty and Interest on amount excess billed as per clause 5.7.3 of the Supply Code, 2009;
- (10) In terms of Rejoinder cum written arguments. relevant summary is given as follows -
- (11) That it is not before the Forum for incentives under the Industrial Policy of the Government of HP;
- (12) That in terms of the in-principle approval granted by the Directorate of Industries, Government of HP dated 06.04.2022 (**Annexure C-10**) and because there is addition in plant and machinery in value terms from Rs 7.22 lakhs in FY20 to Rs 8193.99 lakhs in FY24 and because of increase in its Contract Demand several times, this has directly or indirectly resulted in increased business activity and that its consumption has also gone up from year to year;
- (13) That the Tariff orders do not define the word expansion and the only condition attached to the word is contract demand;
- (14) That when Complainant is not given dues as per Tariff Orders then there certainly is contravention of Tariff Orders. However, because this grievance is purely monetary in nature, Complainant does not seek directions from Forum with regard to penal proceedings for contravention
- (15) Moreover, in terms of refunded amount by the Respondent on account of rebate of Rs 42,620/- and 1,10,269/- (**Annexure RA-1**) for FY19 and FY20, adjusted in sundry by the Respondent, the

Respondents have not considered the lower rates of electricity for night time consumption;

- (16) Also, in rebuttal to the issue of maintainability based on time limitation raised in Reply of the Respondent, the Complainant has submitted that its cause of action is founded on continuous wrong and therefore in accordance with settled law and judgement passed by the Hon'ble Apex Court on 10.01.2022 excluding therein limitation during the covid period from 15.03.2020 to 28.02.2022 and judgement passed on 11.01.2022 in Civil Appeal No 4000 of 2019, the complaint is not barred by limitation;
- (17) On foregoing grounds, submissions and arguments, the Complainant has sought relief in terms of refund of the aforesaid rebate amount of Rs 26,41,184.69 (**Annexure C-2, C-4 and C-7**) including Electricity Duty and Interest.

**Complainant in complaint No 1421/202405/12:**

- (18) Forum finds from examination of complaint that by and large the submissions and pleadings of the Complainant are same/ similar to that in complaint no 1421/202405/11. Relevant summary is -
- (19) That it increased its contract demand from 396 kVA to 450 kVA effected in bills from 01.09.2023 (**Annexure C-1**), increased its contract demand from 450 kVA to 750 kVA effected in bills from 08.02.2024 (**Annexure C-3**) for which Respondent has not given Rebate corresponding to proportionate increase in contract demand in terms of Tariff Order notified by the HPERC for FY 2023-24 (**Annexure C-2**);
- (20) That its total entitlement of rebate on foregoing counts works out to Rs 1,81,460.28 (**Annexure C-4**) and in addition to this amount it is also entitled to consequential refund of Electricity Duty and Interest on amount excess billed as per clause 5.7.3 of the Supply Code, 2009;

- (21) In terms of Rejoinder cum written arguments, the submissions and arguments made by the Complainant are by and large also same/ similar to that in complaint no 1421/202405/11, relevant summary is given as follows --
- (22) That because there is addition in plant and machinery in value terms as Rs 258.77 lakhs in FY20 and Rs 167.82 lakhs in FY21 and because of increase in its Contract Demand several times, this has directly or indirectly resulted in increased business activity and that its consumption has also gone up from year to year;
- (23) On foregoing grounds, submissions and arguments, the Complainant has sought relief in terms of refund of the aforesaid rebate amount of Rs 1,81,460.28 (**Annexure C-4**) including Electricity Duty and Interest.

**Complainant in complaint No 1421/202405/13:**

- (24) Forum finds from examination of complaint that by and large the submissions and pleadings of the Complainant are also same/ similar to that in complaint no 1421/202405/11. Relevant summary is -
- (25) That in terms of Tariff Order by the Ld HPERC for FY 2018-19 (**Annexure C-6** passed on 04.05.2018), there is non-credit by the Respondent of 10% rebate amounting to Rs 2,07,589/- (**Annexure C-5**), arising due to additional or excess consumption of 435170 kVAh made by the Complainant in the financial year FY 2018-19 over the previous financial year;
- (26) That in terms of Tariff Order by the Ld HPERC for FY 2021-22 the Respondent has not given expansion rebate of 15% for the increase in contract demand from 700 kVA to 800 kVA wef 29.03.2022;
- (27) That in terms of Tariff Order by the Ld HPERC for FY 2023-24 (**Annexure C-4** passed on 31.03.2023), the Respondent has not given expansion rebate of 15% for the increase in contract demand from 800 kVA to 985 kVA, wef 01.09.2023 for a period of 3 years up to 31.08.2026;

- (28) That its total entitlement of rebate on foregoing counts works out to Rs 11,44,394.51 (**Annexure C-5**) and in addition to this amount it is also entitled to consequential refund of Electricity Duty and Interest on amount excess billed as per clause 5.7.3 of the Supply Code, 2009;
- (29) In terms of Rejoinder cum written arguments, the submissions and arguments made by the Complainant are by and large also same/similar to that in complaint no 1421/202405/11, relevant summary is--
- (30) That because there is addition in plant and machinery in value terms as Rs 70.21 lakhs in FY20 to Rs 680.51 lakhs in FY24 and because of increase in its Contract Demand several times, this has directly or indirectly resulted in increased business activity and that its consumption has also gone up from year to year;
- (31) On foregoing grounds, submissions and arguments, the Complainant has sought relief in terms of refund of the aforesaid rebate amount of Rs 11,44,394.51 (**Annexure C-5**) including Electricity Duty and Interest.

**Respondent:**

- (32) On the other hand, briefly the Respondent in its Reply has submitted—
- (33) That rebate for FY 2018-19 is directly hit by condition of limitation of 2 years under regulation 19(c) of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 (or the CGRF Regulations);
- (34) That the complainant only increased its contract demand and has mis-read and mis-appreciated the true import of expansion rebate;
- (35) That mere increase in contract demand does not entail the Complainant to get expansion rebate and that extension in contract demand is only to be used to determine quantum of rebate and

therefore the action of Respondent to not give rebate is legal and valid;

- (36) That rebate on electricity duty corresponding to expansion rebate is not admissible,;
- (37) On foregoing grounds, the Respondent has prayed for dismissing the complaints.

**ORDER**

- (38) Forum has examined the relevant provisions of the Electricity Act, 2003, various relevant Regulations framed by the Ld HP Electricity Regulatory Commission (or the HPERC) including relevant provisions of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 (or the CGRF Regulations), HP Electricity Supply Code, 2009 and amendments thereto, CEA Regulations, various Tariff Order passed by the Ld HPERC and record as facts along with pleadings of the parties. This Forum has heard the parties at length. The considered opinion of the Forum has been gathered after considering the fair facts, evidences and correspondence placed on record and arguments adduced by both the parties;
- (39) Before the Forum delves into the issues of rebates raised in the instant complaints, it is imperative to reproduce for sake of convenience the provisions of rebates on additional consumption over the previous year and on expansion rebates contained under Schedule - Large Industrial Power Supply (LIPS) in various Tariff Orders passed by the Ld HPERC, some of which have been relied upon by the Complainant -
  - (a) **Tariff Order passed on 04.05.2018 by the Ld HPERC for FY 2018-19 (applicable w.e.f 01.04.2018 to 30.06.2019)-**

Quote

.....

**Complaint No 1421/202405/11**

**Complaint No 1421/202405/12**

**Complaint No 1421/202405/13**

.....

**\*Note:**

*a. For existing industrial consumers, a rebate of 10% on energy charges shall be applicable for additional power consumption beyond the level of FY 2017-18*

*b. For new industries coming into production after 01.04.2018 the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years*

.....

.....

**Un-Quote**

**(b) Tariff Order passed on 29.06.2019 by the Ld HPERC for FY 2019-20 (applicable w.e.f 01.07.2019 to 31.05.2020) --**

**Quote**

.....

.....

**\*Note:**

*a. For existing industrial consumers, a rebate of 15% on energy charges shall be applicable for additional power consumption beyond the level of FY 2018-19*

*b. For new industries which have come into production between 1.04.2018 to 30.06.2019, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years*

*c. For new industries coming into production after 01.07.2019 the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years*

.....

.....

**Un-Quote**

**(c) Tariff Order passed on 06.06.2020 by the Ld HPERC for FY 2020-21 (applicable w.e.f 01.06.2020 to 31.05.2021) --**

**Quote**

.....

.....

**\*Note:**



*a. For new industries coming into production after 01.06.2020, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years.*

*b. For existing industries which have undergone expansion in the FY 2018-19 onwards and/or shall be undergoing expansion in this financial year i.e. FY2020-21, energy charges shall be 10% lower than the approved energy charges corresponding to the respective category for a period of three years for quantum of energy consumption corresponding to proportionate increase in contract demand.*

*Provided that such expansion if undertaken during 1.07.2019 to 31.05.2020, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years for quantum of energy consumption corresponding to proportionate increase in contract demand.*

.....

.....

**Un-Quote**

**(d) Tariff Order passed on 31.05.2021 by the Ld HPERC for FY 2021-22 (applicable w.e.f 01.06.2021 to 31.03.2022)-**

**Quote**

.....

.....

**13. Rebate for New and Expansion Industries:**

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

*b. For new industries which have come into production between 01.07.2019 to 31.05.2020, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years.*

*c. For new industries which have come into production between 01.06.2020 to 31.05.2021, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years.*

*d. For new industries coming into production on or after 01.06.2021, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years.*

*e. For existing industries which have undergone expansion during 01.04.2018 to 30.06.2019 and/or during 01.06.2020 to 31.05.2021, energy charges shall be 10% lower than the approved energy charges corresponding to the respective category for a period of three years for quantum of energy consumption corresponding to proportionate increase in contract demand.*

*Provided that such expansion if undertaken during 1.07.2019 to 31.05.2020 and/or shall be undergoing expansion on or after 01.06.2021, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years for quantum of energy consumption corresponding to proportionate increase in contract demand.*

*f. It is clarified that the above-mentioned rebate on energy charges shall be applicable during normal and peak hours. In case of night hours, night time concession shall only apply.*

*g. In case of units registered under HP Industrial Policy 2019, but not falling under the respective category of small, medium, large industrial power supply as notified by the Commission, the rebate on energy charges (as per relevant tariff category) shall be applicable for new units as well as for existing units which have undergone expansion similar to the applicability of rebate on Industrial power supply.*

.....

.....

Un-Quote

**(e) Tariff Order passed on 29.03.2022 by the Ld HPERC for FY 2022-23 (applicable w.e.f 01.04.2022 to 31.03.2023) --**

Quote

.....

.....

**13. Rebate for New and Expansion Industries:**

*a. For new industries which have come into production between 01.04.2018 to 30.06.2019, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years.*

*b. For new industries which have come into production between 01.07.2019 to 31.05.2020, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years.*

*c. For new industries which have come into production between 01.06.2020 to 31.05.2021, the energy charges shall be 10% lower than the approved energy charges for the respective category for a period of 3 years.*

*d. For new industries which have come into production on or after 01.06.2021, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years.*

*e. For new industries coming into production on or after 01.04.2022 upto 31.12.2022, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years. Provided in case the GoHP Industrial Policy is continued beyond 31.12.2022, the above incentive shall continue upto 31st March, 2023.*

*f. For existing industries which have undergone expansion during 01.04.2018 to 30.06.2019 and/or during 01.06.2020 to 31.05.2021, energy charges shall be 10% lower than the approved energy charges corresponding to the respective category for a period of three years for quantum of energy consumption corresponding to proportionate increase in contract demand.*

*g. Provided that such expansion if undertaken during 1.07.2019 to 31.05.2020 and/or during 01.06.2021 to 31.03.2022 and/or shall be*

*undergoing expansion on or after 01.04.2022 upto 31.12.2022, the energy charges shall be 15% lower than the approved energy charges for the respective category for a period of 3 years for quantum of energy consumption corresponding to proportionate increase in contract demand. Provided in case the GoHP Industrial Policy is continued beyond 31.12.2022, the above incentive shall continue upto 31st March, 2023.*

*h. It is clarified that the above-mentioned rebate on energy charges shall be applicable during normal and peak hours. In case of night hours, night time concession shall only apply.*

.....

.....

**Un-Quote**

**(f) Tariff Order passed on 31.03.2023 by the Ld HPERC for FY 2023-24 (applicable w.e.f 01.04.2023 to 31.03.2024) -**

**Quote**

.....

.....

***13. Rebate for New and Expansion Industries:***

- a. For new industries, which have come into production between 01.07.2019 to 31.05.2020, the Energy Charges shall be 15% lower than the approved Energy Charges for the respective Category for a period of 3 years.*
- b. For new industries, which have come into production between 01.06.2020 to 31.05.2021, the Energy Charges shall be 10% lower than the approved Energy Charges for the respective Category for a period of 3 years.*
- c. For new industries, which have come into production from 01.06.2021 onwards, the Energy Charges shall be 15% lower than the approved Energy Charges for the respective Category for a period of 3 years.*
- d. For existing industries, which have undergone expansion during 01.06.2020 to 31.05.2021, Energy Charges shall be 10% lower than the approved Energy Charges corresponding to the respective Category for a period of three years for quantum of energy consumption corresponding to proportionate increase in Contract Demand.*

*Provided that such expansion, if undertaken during 1.07.2019 to 31.05.2020 and/or during 01.06.2021 to 31.03.2023 and/or shall be undergoing expansion on or after 01.04.2023, the Energy Charges shall be 15% lower than the approved Energy Charges for the respective Category for a period of 3 years for quantum of energy consumption corresponding to proportionate increase in Contract Demand.*

- e. Example: In case of Contracted Demand is increased by an industry from 2 MVA to 3 MVA, the monthly units consumption for the purpose of lower Energy Charges shall be considered in proportion of the Original Contracted Demand and increased Contracted Demand. i.e., in case of the monthly consumption is 6 LUs, the lower Energy Charges shall be applicable on 2 LUs while 4 LUs shall be billed at the regular Energy Charge.*

- f. The above-mentioned rebate on Energy Charges shall be applicable during normal and peak hours. In case of night hours, night-time concession shall only apply.*

.....

.....

**Un-Quote**

- (40) Now coming to complaint No 1421/202405/11, with regard to the issue of rebate on additional or excess consumption existing in a year vis-à-vis that in the previous year, as raised by the Complainant, Forum finds from Reply by the Respondent that it has already given the said rebate to the Complainant. However, while acknowledging the receipt of rebate, Complainant has contended that the said rebate is short in terms of non-consideration of this rebate by the Respondent on the consumption during the night hours;
- (41) In the said complaint No 1421/202405/11, once the Respondent has given the said rebate on additional consumption existing in a year vis-à-vis that in the previous year as specified in the ibid Tariff Orders passed by the Ld HPERC, the Forum is of the considered opinion that it shall not interfere with this action of the Respondent to not grant the rebate on night time consumption. From perusal of the provisions of ibid Tariff Orders on rebates passed by the Ld HPERC, Forum finds that only those Tariff Orders passed by the Ld HPERC on and after 31.05.2021 provided for such rebate to not be considered on the night hour consumption. The Tariff Orders before this date were silent on this aspect. For the Forum to make or even say or suggest such rebate to be applicable on night hour consumption before the said date of 31.05.2021 shall on the part of the Forum clearly amount to assumptions, presumptions and putting words into Orders passed by the Ld HPERC which Forum feels as being patently wrong and also beyond the jurisdiction of this Forum. Thus the Forum rejects the contention of the Complainant that the said rebate is applicable for night hour consumption as well. The issue is accordingly disposed in complaint No 1421/202405/11;

- (42) Further, in complaint No 1421/202405/13, with regard to the issue of rebate on additional or excess consumption existing in a year vis-à-vis that in the previous year, as raised by the Complainant, the Respondent in its Reply has not denied that it has not paid the said rebate;
- (43) In the said complaint No 1421/202405/13, the Forum is of the opinion that if the Respondent has not given the said rebate on additional or excess consumption existing in a year vis-à-vis that in the previous year as specified in the Tariff Orders, then the Forum holds that the Complainant is entitled to this rebate on the same lines as given in complaint no 1421/202405/11 and it shall not be in interest of justice to raise issue of time limitation as has been contended by the Respondent. Accordingly, the Respondent is directed to work out the said rebate on the same lines as given in complaint No 1421/202405/11 and adjust it in future bills of the Complainant in complaint No 1421/202405/13. However, on similar lines as has been stated in para supra by the Forum, the Forum is not inclined to pass any Orders with regard to this rebate on night time consumptions made by the Complainant. The issue is accordingly disposed in complaint No 1421/202405/13;
- (44) Once the issues on rebate on additional or excess consumption existing in a year vis-à-vis that in the previous year as specified in the Tariff Orders are settled in respect of instant complaints No 1421/202405/11 and 1421/202405/13, the only issue that remains to be settled is that of expansion rebates raised by the Complainants in all of the three instant complaints --
- (45) The Forum now proceeds to determine the issue of entitlement of expansion rebate as raised by the Complainants on grounds that they had increased the Contract Demand (kVA) from time to time –
- (46) In the considered opinion of the Forum, public money cannot be doled out or squandered at mere whims and fancies of individuals and have to be considered and dealt meticulously with caution by

those on whom the responsibility to do so is bestowed. Same is the point in case for expansion rebates that have been specified by the Ld HPERC in the Tariff Orders passed by it;

- (47) From examination of the provisions of expansion rebates for Industries contained in Tariff Orders reproduced in para supra, the Forum finds that the ibid Tariff Orders do not define the word or expression 'expansion'. It is a known fact that the word 'expansion' implies physical increase of factors such as size, number, importance etc. What constitutes expansion in industry, like whether industries merging/splitting or industries undergoing increase/decrease in production or industries increasing/decreasing capital/manpower with or without increase in capacity or the point of start/end of infusion of capital or some yardstick by the Respondent's technical parameters/standards, has not been spelt out in the Tariff Orders so as to enable the Respondent to assess the fact, quantum and effective time of expansion for the purpose of meting out the said expansion rebates. Addition of buildings, structures, manpower, capital infusion in company, investments in other companies etc obviously cannot become the basis to give rebates for power consumption;
- (48) Rebate for the Industries department may pertain to conditions as may be specified by it. However in the opinion of the Forum, here the expansion rebates as laid out in the Tariff Orders passed by the Ld HPERC for the electricity distribution company being the Respondent herein, certainly cannot pertain to expansion other than that of electrical nature;
- (49) Thus, before the said expansion rebates against electrical expansion are allowed by the Forum to the Complainant, at the outset it becomes imperative to conclusively confirm its actual time of occurrence and quantum, within any overall expansion undertaken by the consumer Complainant. In accordance with the provisions of Tariff Orders on rebates, it is only after the electrical expansion has

been established, can the said rebate be determined or calculated at the specified rates for the energy consumption corresponding to proportionate increase in Contract Demand (in kVA);

- (50) The contention raised by the Complainant that increase in Contract Demand is expansion, can be settled by merely determining the question of 'expansion' vis-à-vis the definition of Contract Demand given in the Supply Code notified on 26.05.2009 by the HPERC. The definition is reproduced as follows: –

Quote

.....

.....

1.2.15      *“contract demand” expressed in kVA units means the maximum demand contracted by the consumer in the agreement with the licensee and in absence of such contract, the contract demand shall be determined in accordance with the Tariff Order;*

.....

.....

Un-Quote

- (51) From the ibid definition of Contract Demand (in kVA) it becomes clear that Contract Demand is merely a demand contracted or agreed between the consumer and the licensee and cannot in any way be construed to mean expansion. In accordance with the Tariff Orders passed by the Ld HPERC and in the practical application of the Contract Demand (kVA), the actual Maximum Demand (in kVA) recorded on a meter, is evaluated vis-à-vis this Contract Demand (kVA) and in absence of any contracted demand then such is assumed in accordance with the provisions of Tariff Orders. Thus the Contract Demand is simply a contractual term or expression;
- (52) From the definition of Contract Demand (in kVA) given in the Supply Code when read in conjunction with the provision of rebate on expansion given in the ibid Tariff Orders, it becomes clear to the Forum that Contract Demand can be applied only to determine or calculate the proportionate increase in energy consumption and this

is only after the condition of expansion, which here is electrical expansion, has been conclusively established;

- (53) Therefore for the Forum to hold that increase in Contract Demand is expansion shall out rightly be wrong. Also for the simple reason that the contracted demand between Complainant and Respondent can be permanent or temporary and can from time to time be decreased and then increased, and then again decreased and then again increased etc, such contracted demand, being a contractual term, cannot be construed to mean physical expansion. Seen from another angle, physical expansion cannot mean to have taken place when the Contract Demand is increased or that such physical expansion to have been removed when the Contract Demand is decreased. It may also be a condition that there is revision of Contract Demand accompanied with increase in consumption in a particular month vis-à-vis that in a previous month however without expansion. Thus, the contention raised by the Complainant that increases in Contract Demand implies expansion certainly cannot garner the support of the Forum. This assumption and argument of Complainant is flawed and is neither in tune with the extant provisions of the Regulations nor the Tariff Orders passed by the Ld HPERC. Thus, the Forum is constrained to reject the assumption and argument of the Complainant that increase or decrease of Contract Demand (in kVA) implies expansion. As discussed by the Forum in paras supra, such assumption and argument of the Complainant is neither tenable nor valid. In the opinion of the Forum increases in Contract Demand no way establishes physical electrical expansion or even any other expansion. The Forum clearly rejects the contention of the Complainant;
- (54) In view of foregoing discussion, the Forum concludes that while expansion of industry is a physical outcome, the Contract Demand (kVA) is a contractual obligation. Thus the Contract Demand (kVA) or its increase or decrease does not imply expansion or contraction



of Industry and it is only to be applied after establishing and confirming expansions. Here the limited purpose of Contract Demand is only that of calculating the proportionate increase in energy consumption with respect to it and thereafter to determine the applicable rebate. Thus, before this Contract Demand is applied, the physical electrical expansion of Industry will have to be proved and established by the Complainant and duly verified and established in clear unambiguous terms by the Respondent HPSEBL;

- (55) From examination of the complaint, the Forum clearly finds that the Complainants have not proven the physical electrical expansion but have largely based their contention of expansion on arguments, assumptions and surmise that increase or decrease of Contract Demand (in kVA) is expansion which the Forum has rejected in paras supra. In contradiction, the Forum also finds that the Complainants, while stating that increase in contract demand implies expansion when no other meaning has been attached to it by the HPERC in its Tariff Orders, have in the same breath also quoted values of infused capital which has no relevance in the context of the instant complaints. Forum once again rejects the arguments and contentions of the Complainants;
- (56) Forum further finds from examination of complaint No 1421/202405/11 that the Complainant, has tried to establish its case for eligibility of expansion rebate by relying on in-principle approval granted by the Directorate of Industries, Government of HP dated 06.04.2022 (**Annexure C-10**). Forum holds that the context of this approval by the industries department is specific to the Industries department only and neither appropriate nor relevant in context of the distribution licensee which has to grant the rebate on electrical expansion. Forum accordingly rejects the same;
- (57) Further, Forum finds that the Complainants in complaint No 1421/202405/12 and complaint No 1421/202405/13 have placed reliance on some letter by member Secretary Parwanoo dated

20.11.2023 (**Annexure C-6**) and dated 12.10.2021 (**Annexure C-8**) respectively, requesting for additional power to the Complainants. Forum holds that these documents also in no way prove the case of the Complainant for eligibility for expansion rebate. Forum accordingly also rejects the same;

- (58) Further, in complaint No 1421/202405/11 the Respondent has placed on record some Sundry Job Order (SJO) dated 09.09.2022 (**Annexure RA-2**) that depicts extension of Complainant's Contract Demand from 600 kVA to 800 kVA. The Forum holds that a Sundry Job Order (SJO) is a mere order by a higher office to a lower office of the Respondent to get some job done. As has already been stated by the Forum that increase in Contract Demand does not imply expansion, thus SJO is neither appropriate nor relevant in context of grant of rebate on expansion. Forum accordingly also rejects the same;
- (59) On the anvil of the foregoing discussion and from examination of the instant complaints, Forum clearly finds that the Complainants have failed to conclusively establish physical electrical expansion and consequently also their entitlement for the expansion rebates. It is for the Complainants to ab-initio prove their case of physical electrical expansion as existing at the start and thereafter, along with the precise time from which such expansion has to be considered by Respondent. The complaints have to be duly supported with respective comprehensive details of electrical expansion. These details may arise from extant provisions of Regulations notified by the HPERC and by the CEA from time to time and such details must have been duly verified by the Respondent and a third party namely Chief Electrical Inspector. The instant complaints are grossly missing on these counts and the Complainants have clearly failed to prove their case for expansion as provided in the ibid Tariff Orders passed. As has already been stated in para supra by the Forum, public money cannot be doled out or squandered at mere whims and

fancies of individuals and have to be considered and dealt meticulously with caution by those upon whom such responsibility is bestowed. Thus, Forum holds and concludes that the Complainants, based on the submissions and arguments made by them, are not eligible for expansion rebate as provided in the Tariff Orders reproduced in paras supra and the Forum accordingly rejects the claims of the Complainants for rebates on expansion as provided in Tariff Orders. The issue of entitlement of the expansion rebates raised by the Complainants are accordingly disposed;

- (60) On the issue of refund of Electricity Duty (ED) raised by the Complainant, Forum is inclined to specifically look into the facet of the Electricity Duty –
- (61) Forum, from bare perusal the HP Electricity (Duty) Act, 2009 Forum finds that Electricity Duty is a levy by the Government. This is collected by the Respondent on behalf of the Government on actual consumption of electricity made by consumer or supply of electricity by the licensee in accordance with the HP Electricity (Duty) Act, 2009. No-where in the Tariff Orders passed by the Ld HPERC has the rebate on expansion or excess consumption, been considered to have the net effect of reduction in actual consumption or on reduction of ED. Other-wise also, such a proposition would be absurd for the simple reason that actual consumption remains actual and not nominal and also because the Electricity Duty is the specific domain of the Government as well as property of the government and not the Respondent or the HPERC. This Electricity Duty while being applicable on electricity consumption or supply is simply calculated on energy charges. Further, Complainant has no-where shown that it has not consumed the electricity which has been billed to it. Thus any monetary rebate, such as rebate on additional consumption or expansion rebate on energy charges cannot have any effect what-so-ever on reduction of ED nor can these entitle the Complainant for its refund.

- (62) In view of foregoing, Forum holds that the Complainant is not at all eligible for any refund of Electricity Duty that may have arisen from rebates being claimed by it or rebates that may have been passed on to the Complainant by the Respondent or the HPERC. The contention of the Complainant for refund of Electricity Duty is thus rejected. The issue is accordingly disposed;
- (63) On the issue of payment of Interest raised by the Complainant, Forum does not find any reference to payment of Interest on rebates in the Tariff Orders passed by the HP Electricity Regulatory Commission. The Forum now proceeds to look into the specific facet of payment of Interest arising from the non-payment of rebates, in accordance with regulations notified by the HPERC -
- (64) On bare examination of sub-regulation 26(2)(ii) of the HPERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 which is in terms of Interest to be paid on undue charges that have been paid by the Complainant consumer, no-where has the Complainant shown to the Forum that the bills paid by the Complainant contained undue charges and neither is any bill disputed by the Complainant which may be carrying undue charges. Non-inclusion of rebate in a bill by the Respondent does not make the bill to become un-due. It has to be shown by the Complainant that the charges included in the bill were not due and which were paid by the Complainant, such as to invoke this provision of regulations, and this aspect is conspicuously missing in the filing by the Complainant;
- (65) Also on bare examination of code 5.7.3 of the HP Electricity Supply Code, 2009, Forum finds this to be with regard to Interest on excess payment made by the Complainant due to erroneous billing and this is also not the case of the Complainant. Merely the non-inclusion of rebate by the Respondent in a bill does not make the bill to become erroneous. This rebate is separate and it may be a case that such rebate is paid separately by the Respondent or is required to be

**Complaint No 1421/202405/11**

**Complaint No 1421/202405/12**

**Complaint No 1421/202405/13**

calculated on a yearly basis. Further, the eligibility for Rebate has to be assessed by the distribution licensee, on a claim raised by the consumer;

- (66) In view of foregoing, the Forum holds that the Complainant is not at all eligible for any Interest arising from delayed payment of the rebates either of the nature of additional consumption or of the nature of expansion rebates on energy charges. Thus, the contention of the Complainant with regard to refund of Interest on rebates is also rejected. The issue is accordingly disposed;
- (67) Summing up, Forum concludes that while the claim of Complainant in complaint No 1421/202405/13 for rebate on additional consumption existing in a year vis-à-vis that in the previous year is allowed to the extent it has been given by the Respondent in complaint No 1421/202405/11, the claims of all the Complainants in the instant complaints on account of rebate on night hour consumption, on account of rebate on expansion due to increases in contract demands, on account of refund of Electricity Duty and on account of refund of Interest are rejected by the Forum.

On aforesaid terms, the complaint No 1421/202405/13 is **Partly Allowed** and the complaint No 1421/202405/11 and complaint No 1421/202405/12 are **Dismissed**. Complaints are disposed accordingly;

Parties are left to bear their own costs.

Order is announced before the parties present today on 27.11.2024 at Shimla in open Forum.

Certified copies of this Order be supplied to the parties. The complaint along with this Order be consigned to record room for safe custody.

**Date: 27.11.2024**  
**Shimla**

--Sd--  
**Anil Sharma**  
(Member)

--Sd--  
**Vikas Gupta**  
(Member)

--Sd--  
**Tushar Gupta**  
(Chairperson)

**CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI, SHIMLA-9.**

**Complaint No.: - 1421/202405/12**

**Date of Admission: -31.05.2024**

**Quorum: - Er. Tushar Gupta, Chairman  
Er. Vikas Gupta, Member  
Sh. Anil Kumar Sharma Member**

**In ref:-**

M/s MT Auto craft (UNIT-6)  
Village Naryal Parwanoo HP

**Complainant**

**V/s.**

HPSEBL & Others.

**Respondents**

1. The Executive Director (Pers.),  
HPSEBL, Vidyut Bhawan,  
Shimla-171004.
2. The Sr. Executive Engineer,  
Electrical Division, HPSEBL  
Parwanoo Distt Solan.
3. The Assistant Engineer,  
Electrical Sub-Division  
HPSEBL, Parwanoo,  
District Solan (H.P.)

**Respondents**

**Final hearing:- 23.10.2024.**

**Counsels:-**

Complainant 1. Sh. Rakesh Bansal (Authorized Representative)

Respondent 1. Sh. Rajesh Kashyap, Advocate  
2. Sh. Kamlesh Saklani, U.S. Law

**Date of Decision:- 27.11.2024**

**Notice**

**Registered**

**CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI SHIMLA-171009.**

**No. CGRF/Complaint No. 1421/202405/12**

**Dated:-**

M/s MT Auto craft (UNIT-6)  
Village Naryal Parwanoo HP

**Complainant**

**V/s.**

HPSEBL & Others.

**Respondents**

**Complaint No. 1421/202405/12**

1. The Executive Director (Pers.),  
HPSEBL, Vidyut Bhawan,  
Shimla-171004.
2. The Sr. Executive Engineer,  
Electrical Division, HPSEBL  
Parwanoo Distt Solan.
3. The Assistant Engineer,  
Electrical Sub-Division  
HPSEBL, Parwanoo,  
District Solan (H.P.)

**Respondents**

The Certified copy of final order dated 27.11.2024 passed by the Hon'ble Forum in the aforesaid complaint is enclosed find herewith for further necessary action at your end please. The compliance be reported/ intimated within one month after the receipt of order in the office.

**DA:-As above.**

**Sd/-**

Secretary,  
Consumers Grievances Redressal Forum,  
HPSEBL, Kasumpti Shimla-9.