CONSUMER GRIEVANCES REDRESSAL FORUM, SHIMLA

Complaint No 1423/202606/10

M/s Kool Pack & Allied Industries

Vs

Himachal Pradesh State Electricity Board Ltd & Others

BRIEF FACTS OF THE COMPLAINT–

(1) The present complaint has been filed under Section 42(5) of the Electricity Act, 2003 read with Regulation 17 of the Himachal Pradesh Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2013 by M/s Kool Pack & Allied Industries, Dharampur, District Solan. The Complainant bears the Consumer ID No. 100011000841 and has a connected load of 300 kW with sanctioned Contract Demand of 75 kVA. The supply is governed by the applicable MIPS Two-Part Tariff.

(2) Himachal Pradesh State Electricity Board Ltd (HPSEBL) is the Distribution Licensee and the Respondent herein.

(3) The Complainant has questioned the correctness of the electrical parameters recorded by the new smart meter installed on 14.11.2025 in place of conventional meter. It has disputed the consequential increase in kVAh consumption and electricity charges. It has also questioned the delay in installation of the check meter. The Complainant quantified the alleged excess billing and sought consequential financial relief.

(4) The Complainant approached the Respondents in April, 2026 and sought checking of the smart meter and associated metering arrangement. It has deposited an amount of Rs.1100/- on 18.04.2026 towards meter challenge/testing charges.

(5) Respondents issued the Meter Test Order on 18.04.2026 but the check meter was not installed immediately. According to the Respondents, a suitable 11 kV HT check meter was not available in Electrical Division, Parwanoo during the relevant period. The check meter was installed on 25.06.2026 with a separate CT-PT unit for comparative assessment.

(6) The Respondents thereafter examined the corresponding meter data. Comparative readings of the main smart meter and check meter, were analyzed. The Respondents rely on this comparison and maintain that the comparison confirmed the correctness of the disputed smart meter.

COMPLAINT–

(7) The Complainant has stated that it is an industrial consumer supplied electricity by the Respondents and is running its industrial unit at Dharampur, District Solan. It has stated that it had been regularly paying the electricity charges raised by the Respondents and had maintained a satisfactory payment record.

(8) The Complainant has stated that before installation of the smart meter, its electricity-consumption pattern, billing amount and Power Factor remained normal and consistent under the earlier conventional meter. According to it, after installation of the smart meter, serious discrepancies began appearing in the electricity bills, including a sudden and abnormal increase in the monthly electricity charges. It has further alleged that the smart meter was installed without obtaining its prior approval and without explaining the advantages, disadvantages or other details of the new metering arrangement.

(9) The Complainant has pleaded that immediately after installation of the smart meter it noticed an abnormal increase in per-unit electricity charges, excessive increase in the total bill without corresponding increase in consumption, drastic reduction in recorded Power Factor, incorrect contract-demand violations, change in billing methodology without prior notice and possible malfunction or misconfiguration of the smart metering system. It has alleged that the effective unit rate, which according to it was earlier around Rs.8–10 per unit, increased to more than ₹30 per unit after installation of the smart meter. It has also referred to the electricity bill for March 2026 of about Rs.2,60,211/- despite there being no corresponding increase in machinery, connected load or operational activity.

(10) The Complainant has stated that a Power Factor Rectifier panel had been installed on the recommendation of the Respondents. According to it, notwithstanding such installation, the bills began showing substantial deterioration in Power Factor. It has further stated that whenever Power Factor was checked by it, the same remained around or above the required level, whereas the bills issued by the Respondents reflected materially lower values.

(11) The Complainant has also alleged that under the earlier metering system billing was being made on the basis of kVAh consumption, whereas after

installation of the smart meter it noticed that kVAh and kWh parameters were being considered for billing purposes. It has further pleaded that no additional machinery, motors or electrical load had been installed during the relevant period and, therefore, the contract-demand violations shown in the bills were arbitrary and contrary to its actual consumption pattern.

(12) The Complainant has stated that it submitted a written complaint dated 16.04.2026 (Annexure- A) before Respondent No.1, received vide Diary No.41 (Annexure- B). Through the said complaint it sought detailed inspection and testing of the smart meter, verification of Power Factor recording, cross-checking of the PFR panel with the metering system, verification of contract-demand calculations, reassessment of bills from the date of installation of the smart meter and an explanation for the abnormal variation in billing and Power Factor.

(13) The Complainant has further pleaded that during discussion with the officials of the Respondents it was advised to install a CT-PT meter for proper and accurate measurement of high-voltage consumption. Acting upon such advice, it deposited prescribed fee on 18.04.2026 vide Receipt No.113501149368 (Annexure- D). According to the Complainant, despite deposit of the prescribed charges, the proposed meter arrangement was not installed immediately. The Complainant, thereafter, submitted a reminder dated 07.05.2026 (Annexure- C) requesting again inspection and verification of the smart meter, expeditious installation of the required metering arrangement and reassessment of the disputed bills

(14) On these pleadings, the Complainant alleged deficiency in service, arbitrary billing, unfair trade practice and violation of the principles of natural justice. It asserted that the cause of action arose after installation of the smart meter and continued because the Respondents were raising disputed bills without resolving the grievance.

(15) The Complainant prayed for inspection and testing of the installed smart meter, CT-PT system and associated billing infrastructure; installation and operationalization of the CT-PT meter; supply of inspection and testing reports; reassessment of the disputed electricity bills; protection against coercive recovery; refund of the alleged excess amount of Rs.6,53,980.92 (Annexure-F); withdrawal of alleged contract-demand violations and Power Factor penalties; adjustment or refund of excess amounts; compensation for harassment and financial loss; and such other relief as

the Forum may deem appropriate.

(16) Thereafter, the Complainant filed a rejoinder to the reply of the Respondents. In the rejoinder, it denied the Respondents' objection regarding maintainability and locus standi and maintained that the grievance directly related to alleged malfunction of the smart meter and consequent inflated billing and was therefore maintainable before the Forum. It also denied suppression of material facts and stated that it had never been supplied any official, signed or transparent report confirming accuracy of the disputed meter.

(17) In reply to the Respondents' reliance upon law laid by Hon'ble Apex Court in the aforementioned matters, the Complainant asserted that those judgments concerned recovery of legitimate dues arising from billing errors whereas the present case concerned a disputed meter. The Complainant has placed reliance on judgement of Hon'ble Jharkhand High Court in M/s K.R. Industrial Projects Pvt. Ltd. Vs. Bihar State Electricity Board & Others (2003) which, according to Complainant, mandates billing based on actual verifiable usage, not on computer generated data and refers to the statement that electrical inspector needs to ascertain the defect upon receiving the complaint.

(18) The Complainant further denied the Respondents' preliminary contention that the increased billing was attributable to its own operational inefficiency. It stated that the machinery and load had remained substantially the same for several years and that the sudden increase occurred only after replacement of the meter.

(19) On merits, the Complainant did not dispute the basic particulars relating to connected load, sanctioned Contract Demand, payment record and tariff category. It, however, disputed the Respondents' assertion that the main meter and check meter readings were identical. According to it, the raw data showed deviations and the Respondents had failed to satisfactorily explain why the Power Factor, earlier remaining healthy, declined after installation of the smart meter. It also questioned the violation charges raised for March and April 2026.

(20) The Complainant objected to the delay in installation of the check meter. It described the period from 18.04.2026 to 25.06.2026 as an unexplained delay in addressing the meter challenge and invoked the principle that no

person can take advantage of his own wrong. It relied upon the authority of Hon'ble High Court H.P. in matter titled as M/s B.R. Food & Health Vs. Himachal Pradesh State Electricity Board Ltd. (HP High Court, 2025) in support of the proposition that a consumer should not be burdened with financial consequences caused by a mistake or omission attributable to the Board.

(21) The Complainant also clarified that it respects the Government policy on smart meters but such a mandate does not equate to a defective meter. It questioned absence of a quality-assurance certificate for the particular meter and also relied upon other judicial authorities referred to in the rejoinder.

(22) The Complainant disputed the Respondents' technical explanation concerning leading or harmonic Power Factor. It relied upon Hon'ble Apex Court judgement in case No.Appeal (Civil) 4789 of 2007 titled as Suresh Jindal Vs. BSES Rajdhani Power Ltd. & Others, decided on 11.10.2007 and contended that merely relying on MDM data maintained by the Respondents was not sufficient. It further objected to the Respondents repeatedly describing the two meters as recording "practically identical" consumption and claimed that the comparative readings filed by it showed a wider difference.

(23) The Complainant also stated that the transition to kVAh-based billing without adequate notice, coupled with the alleged malfunctioning meter, amounted to unfair practice. It further contended that the Respondents had not produced a technical inspection report, Power Quality Analysis Report, APFC inspection report, capacitor-bank testing report, meter-accuracy report or other expert evidence proving that the deterioration in Power Factor was attributable to the consumer's installation.

(24) The Complainant pleaded that it had installed and maintained an Automatic Power Factor Rectifier, CT-PT system and allied reactive-power compensation equipment. It stated that the Respondents had not shown that the APFC relay, capacitor banks, CTs, PTs or associated switching equipment were defective. It further contended that voltage fluctuation, phase imbalance, Total Harmonic Distortion, transient disturbances, interruptions and unstable system voltage could affect operation of capacitor banks and APFC relays.

(25) The Complainant acknowledged that the Supply Code requires maintenance of prescribed Power Factor, but asserted that this obligation must operate together with the Distribution Licensee's obligation to supply electricity within prescribed quality parameters and through an accurate metering system. It relied upon Hon’ble Punjab and Haryana High Court judgement in M/s Mohta Industries Ltd. Vs. Punjab State Electricity Board for the proposition advanced by it concerning billing based on technically reliable and legally sustainable measurements.

(26) The Complainant maintained that the comparison undertaken by the Respondents on 06.07.2026 was not acceptable to the Complainant and alleged that the Main Meter and check meter readings did not match. It further alleged that the Respondents had failed to justify the abnormal increase in charges and prayed that the complaint be allowed in terms of the reliefs sought.

(27) After final arguments by both the parties, this Forum reserved the order on 18.08.2026 with the direction to the Complainant to file written arguments before 22.08.2026 as per their request. The Complainant filed written arguments dated 21.08.2026. In those written arguments, it again reiterated the submissions made in the complaint and rejoinder.

(28) For the first time in the written arguments, the Complainant specifically relied upon the H.P. Electricity Supply Code provisions concerning the timeline for checking a disputed meter and upon the HPERC (Distribution Performance Standards) Regulations, 2010. It pleaded that the prescribed timelines were 56 working hours in urban areas, 120 working hours in rural areas and 160 working hours in remote areas, and sought to rely upon the compensation mechanism provided under that regulatory framework.

(29) The Complainant further contended in the written arguments that non-availability of a suitable check meter or CT-PT unit was an internal administrative matter of the Distribution Licensee. It argued that the delayed check-meter comparison beginning after 25.06.2026 could not by itself retrospectively establish accuracy of the smart meter for the earlier disputed period.

(30) The written arguments again invoked the principle that a party should not take advantage of its own default and relied upon the authority of the Hon’ble High Court of HP in M/s B.R. Food & Health Vs. Himachal

Pradesh State Electricity Board Ltd.(2025). The Complainant sought to extend that principle to the financial consequences allegedly arising from delayed verification of the meter.

(31) The Complainant also relied upon Section 55 of the Electricity Act, 2003 and the Central Electricity Authority (Installation and Operation of Meters) Regulations. It contended that the responsibility for recording, maintaining and verifying consumer-meter data rests upon the Distribution Licensee and that production of computer-generated data alone should not be treated as conclusive when the meter itself is disputed.

(32) The Complainant reiterated that the later check-meter comparison did not automatically validate the earlier disputed bills. The Complainant again disputed the description of the readings as "practically identical". It maintained that the entire period from installation of the smart meter could not be validated merely on the basis of a later comparison.

(33) Right to independent/third-party meter testing was also first time raised in these written arguments. The Complainant stated that under the amended H.P. Electricity Supply Code, where a consumer disputes the result of testing carried out by the licensee, testing may be undertaken at a third-party testing facility selected from agencies approved by the Commission. It therefore sought an independent third-party technical test of the disputed metering arrangement.

(34) The Complainant also reiterated that the delay in verification was not attributable to it and again challenged the Respondents' Power Factor defence. It maintained that the Respondents had not proved that the entire disputed amount of Rs.6,53,980.92 was attributable to deterioration in Power Factor.

(35) The written arguments further relied upon historical consumption and Power Factor patterns and asserted that the abnormal increase began after installation of the smart meter. It also repeated that the Respondents' defence rested largely upon their own meter data, MDM data and internal comparison.

(36) The Complainant referred again to judgement of Hon'ble Jharkhand High Court in M/s K.R. Industrial Projects Pvt. Ltd. Vs. Bihar State Electricity Board & Others for its persuasive value regarding disputed meter correctness. It also relied upon Hon'ble Himachal Pradesh High Court in

M/s Him Fresh Produce Private Ltd. Vs. Himachal Pradesh State Electricity Board Ltd. & Others, CWP No.1063 of 2020, decided on 18.05.2026, for the jurisdiction of the CGRF over billing grievances.

(37) The Complainant maintained that the disputed amount of Rs.6,53,980.92 had never been admitted by the Complainant and that payments made during continuation of supply could not amount to acceptance of the underlying demand. It sought protection against continuing disputed recovery and stated that only lawfully and technically established consumption should be recovered.

(38) In the concluding portion of the written arguments, the Complainant sought a finding that the Respondents had failed to undertake timely verification, independent third-party testing, reassessment of the account, refund or adjustment of the alleged excess amount, protection against disputed recovery, withdrawal or recalculation of surcharge, compensation and costs.

REPLY OF THE RESPONDENTS–

(39) The Respondents have raised preliminary objections to the maintainability of the complaint. They have pleaded that the complaint is misconceived, devoid of merit and not maintainable either in law or on facts. The Respondents have further pleaded that the Complainant has no cause of action or locus standi because it has neither been deprived of a legal right nor suffered injury to any legally protected interest. They have denied any deficiency in service or illegality on their part. They have also alleged that the Complainant has not approached the Forum with clean hands and has suppressed the result of the check-meter verification, which, according to them, established that the installed smart meter was recording consumption correctly.

(40) In the preliminary submissions, the Respondents also referred to recovery of legitimate electricity dues arising from billing errors and relied upon the judgments of the Hon'ble Apex Court in the matters titled as M/s Prem Cottex Vs. Uttar Haryana Bijli Vitran Nigam Ltd. & Others in Civil Appeal No.7235 of 2009, decided on October 5, 2021, and Assistant Engineer (D1), Ajmer Vidyut Vitran Nigam Ltd. Vs. Rahamatullah alias Rahamjulla, (2020) 4 SCC 650.

(41) The Respondents have further pleaded that they acted in accordance with

the Electricity Act, 2003, the Central Electricity Authority (Installation and Operation of Meters) Regulations, the H.P. Electricity Supply Code, 2009 and the Tariff Orders issued by HPERC. They have denied the allegations of arbitrary billing, illegal demand and deficiency in service.

(42) According to the Respondents, the increase in the electricity bills was not caused by any malfunction of the smart meter or billing system but was a consequence of deterioration in the Power Factor maintained at the Complainant's premises. They have pleaded that under the applicable kVAh-based tariff, the billed apparent energy is directly influenced by the Power Factor and that the installation of smart meters was part of a regulatory programme rather than an arbitrary action of the licensee.

(43) On merits, the Respondents have admitted the basic status of the Complainant as an HT industrial consumer with connected load of 300 kW and sanctioned Contract Demand of 75 kVA, and is supplied electricity under the MIPS Two-Part Tariff category.

(44) In response to the Complainant's assertion regarding its earlier consumption and Power Factor, the Respondents have stated that the earlier supply was recorded through Non-Smart HT Meter No.11376113. They have given the CT and PT particulars of the earlier meter and CT-PT unit. They have further stated that on 14.11.2025 the meter was replaced by Smart Meter No.SZ0022464 while the existing CT-PT unit remained unchanged. According to them, the configuration of the smart meter was maintained in accordance with the existing metering arrangement. They have relied, upon data of main meter data and the check meter data comparison (Annexure RA-1) as proof of the accuracy of the smart meter.

(45) The Respondents have stated that upon receipt of the Complainant's application, received vide Diary No.41, and after deposit of Rs.1100/- towards the meter challenge/testing fee on 18.04.2026 vide Receipt No.113501149368, Meter Test Order No.000816 dated 18.04.2026 was issued for testing the disputed meter. They have thus maintained that action was initiated immediately after the prescribed testing charges were deposited.

(46) The Respondents have, however, admitted that the check meter could not be installed immediately because a suitable HT check meter and CT-PT

unit were not available. They have described this as a logistical issue and not negligence. According to them, after the required equipment became available, check meter No.SZ0020009 with the stated CT and PT ratios, along with a separate CT-PT unit, was installed on 25.06.2026 for parallel testing of the disputed smart meter.

(47) The Respondents have stated that the main meter and check meter data were thereafter analysed and compared on 06.07.2026. According to them, both meters recorded practically identical consumption and no abnormal variation was found. They have further relied upon the consumption data available on the Meter Data Management Portal and have asserted that the MDM data corroborated the readings of both meters. On that basis they have contended that the disputed smart meter was recording accurately and correctly.

(48) The Respondents have denied that installation of the smart meter was arbitrary or that the Complainant had a right to insist upon a meter of its own choice. They have pleaded that replacement of the earlier meter by Smart Meter No.SZ0022464 on 14.11.2025 was undertaken pursuant to the prevailing statutory and policy framework.

(49) In support of the above submission, the Respondents have referred to the Central Electricity Authority (Installation and Operation of Meters) Regulations and subsequent amendments, the Revamped Distribution Sector Scheme and directions of the Ministry of Power regarding transition to smart/pre-payment meters. They have further referred to the H.P. Electricity Supply Code amendments providing for phased smart metering and have contended that the consumer cannot dictate the technology or type of meter whereas the meter has been installed in accordance with the applicable regulatory framework.

(50) With respect to the technical challenge to the smart meter, the Respondents have stated that the comparison of the Main Meter with the check meter on 06.07.2026 showed practically identical consumption. They have also contended that the earlier meters and the smart meter cannot be compared merely on historical Power Factor values because the newer meter records a wider range of electrical parameters.

(51) The Respondents have explained that smart meters conforming to the CEA Regulations and applicable Indian Standards record Active Energy in

kWh, Apparent Energy in kVAh, Reactive Energy, vector Power Factor, harmonic components and other prescribed parameters. According to them, older meters did not comprehensively measure all such parameters, particularly under conditions involving harmonics, non-linear loads, leading Power Factor and vector calculations. They therefore contend that the difference between earlier and later Power Factor values does not itself establish any defect in the smart meter.

(52) The Respondents have further submitted that the lower Power Factor recorded after installation of the smart meter represented the actual electrical condition prevailing at the Complainant's premises. They have stated that deterioration of Power Factor may occur because of defective capacitor banks, failure of APFC panels, unbalanced loading, harmonic distortion, ageing equipment, inadequate maintenance or operation of non-linear loads. According to them, these are conditions on the consumer's side and are not created or controlled by the Distribution Licensee.

(53) The Respondents have emphasised that the smart meter merely records the electrical parameters existing at site and does not create additional consumption or manipulate electrical quantities. They have relied upon what they describe as substantial agreement between the main meter, check meter and MDM data and have asserted that there is no technical evidence proving that the smart meter was defective, inaccurate or over-registering consumption.

(54) The Respondents have denied the allegation that the electricity bills were arbitrary. They have stated that the bills were generated in accordance with the Tariff Orders of HPERC, the Electricity Act, 2003, the H.P. Electricity Supply Code and the applicable Regulations. According to them, billing is automatically carried out on authenticated meter data obtained through the MDM system and there was no arbitrary multiplying factor, manual alteration or discretionary billing.

(55) Regarding the Complainant's objection to kVAh billing, the Respondents have stated that the Complainant falls under the MIPS Two-Part Tariff category and that energy charges are required to be determined on a kVAh basis in terms of the applicable HPERC Tariff Orders. According to them, the difference between kWh and kVAh consumption is dependent upon the Power Factor maintained by the consumer and deterioration of Power

Factor consequently increases kVAh consumption.

(56) The Respondents have further submitted that kVAh-based billing is a deliberate tariff mechanism intended to encourage consumers to maintain an optimum Power Factor. They have referred to Clause 2.1.7 of the H.P. Electricity Supply Code, 2009 and have asserted that maintenance of the prescribed average monthly Power Factor is the responsibility of the consumer.

(57) In reply to the Complainant's allegation that the increase in electricity charges was unrelated to its consumption, the Respondents have reiterated that the increase was attributable to deterioration of Power Factor under the applicable MIPS Two-Part Tariff. They have also referred to the provisions for Power Factor surcharge where the prescribed Power Factor is not maintained and have contended that the financial consequences of such deterioration are to be borne by the consumer.

(58) In respect of the complaint dated 17.04.2026 and subsequent representations, the Respondents have admitted receipt of the grievance vide Diary No.41 and deposit of Rs.1100/- as the meter challenge/testing fee. They have reiterated that Meter Test Order No.000816 dated 18.04.2026 was issued and that installation of the check meter was delayed only because a suitable HT check meter and CT-PT unit were unavailable. They have again stated that the check meter was installed on 25.06.2026 and the comparison made on 06.07.2026 showed practically identical consumption without abnormal variation.

(59) In answer to the remaining allegations in the complaint, the Respondents have pleaded that a mere increase in electricity bills after installation of a smart meter cannot lead to an inference that the meter is defective. According to them, the statutory procedure for verification of the disputed meter was followed, simultaneous readings of the main meter and check meter were recorded and the main meter, check meter and MDM data were thereafter examined by the technical officers.

(60) The Respondents have stated that the comparative data showed practically identical energy consumption and corresponding electrical parameters and that no abnormal variation, over-registration or recording error was detected. According to them, this technical verification disproves the allegation that the disputed smart meter was recording excessive

consumption.

(61) The Respondents have maintained throughout their reply that the increase in the bill followed the deterioration in the Complainant's Power Factor. They have explained that under a kVAh-based tariff, reduction of Power Factor leads to an increase in apparent-energy consumption even if active-energy consumption does not increase in the same proportion. According to them, this is a consequence of the tariff framework approved by HPERC and not an arbitrary action of the Distribution Licensee.

(62) The Respondents have also pleaded that they merely implemented the tariff approved by the Commission and had no authority to ignore or modify the prescribed billing methodology. They have stated that the Complainant alone controls its internal electrical installation, capacitor banks, APFC panels, harmonic filters, machinery and load characteristics and, therefore, deterioration attributable to such consumer-side equipment cannot be shifted to the Distribution Licensee.

(63) The Respondents have lastly submitted that, after the smart meter had been verified through the check meter and MDM data, the Complainant had not produced any laboratory test report, independent expert opinion or other technical evidence showing that the meter was inaccurate or defective. On this basis, they have denied the allegations of defective metering, excessive billing, arbitrary demand, negligence, deficiency in service and violation of statutory obligations and have prayed for dismissal of the complaint.

DISCUSSION AND FINDINGS–

(64) In order to effectively decide the complaint, during the hearing stage, the Forum had sought copies of MDM data of smart meter and MRI survey data of removed meter earlier installed on the premises of the Complainant along with the reason for delay in installation of check meter, which were submitted by the Respondent along with MDM data of check meter. The copies of these submissions were also provided to the Complainant.

(65) 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, MYT Tariff Order passed by the Ld HPERC. The Forum has also considered the complaint, reply of the Respondents, rejoinder, documents placed on record as facts along with pleadings of the parties. This Forum has heard the parties. The principal dispute concerns the correctness of the smart meter installed at the Complainant's premises, the consequent kVAh billing, the recorded Power Factor and the allegation that the bills increased abnormally after replacement of the earlier meter.

(66) It is not disputed that the Complainant is an HT industrial consumer under the MIPS Two-Part Tariff. It is also not disputed that the earlier meter was replaced by Smart Meter No. SZ0022464 on 14.11.2025 while the existing CT-PT arrangement remained in service. The Respondents have stated that the smart meter configuration was maintained in conformity with the existing metering arrangement and have relied upon the MDM data and subsequent check meter comparison.

(67) The Complainant raised a grievance regarding the billing and metering in April, 2026. The Respondents have admitted receipt of the grievance vide Diary No.41 and have further admitted that Rs.1100/- was deposited by the Complainant towards the meter challenge/testing fee. Meter Test Order No.000816 was thereafter issued on 18.04.2026.

(68) The Respondents have also admitted that the check meter could not be installed immediately because a suitable HT check meter and CT-PT unit were not available. The check meter was ultimately installed on 25.06.2026 and the comparative data was examined on 06.07.2026. The delay in undertaking the test is, therefore, a matter borne out from the Respondents' own record.

(69) The Forum, however, finds that the consequence of such delay has to be examined separately from the question whether the disputed smart meter was actually defective. A procedural or operational delay in arranging the check meter does not, by itself, establish that the meter was recording inaccurately. The correctness of the meter must ultimately be determined from the technical material available on record.

(70) The check meter was installed with a separate CT-PT arrangement for parallel comparison with the disputed smart meter. The Respondents have placed on record the comparison data of the main meter and check meter and have stated that both meters recorded practically identical

consumption. They have also relied upon the corresponding data downloaded from MDM portal.

(71) The Meter Change/Test document placed on record contains a calculation showing the difference in kVAh between the main meter and check meter as approximately 0.46% during the comparison period. This is a very small variation and, on the material before the Forum, does not indicate any abnormal over-registration by the disputed meter.

(72) More importantly, the comparison is not based merely upon one isolated reading. The Respondents have produced the Meter Data Management records and comparative readings of the main meter and check meter. The available material shows that the two independent metering arrangements recorded substantially corresponding energy values during the period of simultaneous operation.

(73) The Forum has also examined the specific objection raised by the Complainant in para 5 of its rejoinder, wherein it disputed the Respondents' description of the main meter and check meter readings as 'practically identical' and relied upon its own comparative statement. The said statement contains day-wise comparison of kVAh, kVAr and Power Factor recorded by the main meter and the check meter. The Forum finds that this document is material because it is the comparison placed on record by the Complainant itself and uses the same basic metering parameters which have been relied upon by the Respondents.

(74) On examination of this comparative statement, the cumulative kVAh consumption after application of the respective multiplying factors is shown as 9,450.40 kVAh for the Main Meter and 9,405.00 kVAh for the check meter. The difference is 45.40 kVAh, which is approximately 0.48% with reference to the check meter consumption. The day-wise readings may show small variations in either direction, but the cumulative comparison does not disclose the 'wide difference' alleged in the rejoinder. Rather, the Complainant's own comparative statement substantially corroborates the check-meter comparison relied upon by the Respondents.

(75) The Forum is of the view that isolated day-wise variations cannot be read separately from the cumulative result of simultaneous metering. For deciding whether the Main Meter was materially over-registering energy,

the cumulative kVAh recorded during the common comparison period is more relevant. The difference of about 0.48% in the comparative statement filed by the Complainant does not establish material over-registration of kVAh by the disputed Main Meter.

(76) The contention of the Complainant that the later check meter comparison cannot establish the correctness of the meter during the earlier period has been considered. Ordinarily, a subsequent test cannot conclusively recreate every operating condition existing in the past. However, in the present case, there is no technical material showing that the meter underwent any repair, reconfiguration or alteration between the disputed period and the check meter test which could explain why it would have been inaccurate earlier but accurate during the test period.

(77) The meter remained the same meter during the relevant period. The MDM data also provides a continuing record of the readings and electrical parameters. In these circumstances, the subsequent parallel verification is relevant corroborative evidence and cannot be discarded merely because the check meter could not be installed immediately after the complaint.

(78) The Forum has also considered the reliance placed by the Complainant upon judgement of Hon'ble Jharkhand High Court in M/s K.R. Industrial Projects Pvt. Ltd. vs. Bihar State Electricity Board & Others (2003). That judgment was rendered under Section 26(6) of the Indian Electricity Act, 1910 and proceeded on the statutory requirement that a dispute as to correctness of a meter was to be adjudicated by the Electrical Inspector. The Court held that where the Board itself had treated the meter as possibly defective, supplementary billing could not be raised without determination of the meter dispute by the competent authority. The statutory scheme applicable in the present case is materially different.

(79) The principle emerging from the earlier judgments that a billing demand founded upon a defective meter must be supported by proper determination of the meter's correctness remains relevant. However, in the present case, the Respondents did not simply presume correctness of the meter. A Meter Test Order was issued, a check meter was subsequently installed and parallel data was obtained and compared. Therefore, the factual foundation on which the case titled as M/s K.R. Industrial Projects Pvt. Ltd. Vs. Bihar State Electricity Board & Others (2003) was decided is not present here. The said case arose under the earlier statutory

framework. The present dispute is governed by the Electricity Act, 2003, the CEA Metering Regulations and the H.P. Electricity Supply Code, 2009, as amended. Therefore, the earlier procedure cannot be mechanically applied to the present case.

(80) The judgment of the Hon'ble Apex Court in case No.Appeal (Civil) 4789 of 2007 titled as Suresh Jindal Vs. BSES Rajdhani Power Ltd. & Others, decided on 11.10.2007, also recognises the distinction between replacement of a meter and adjudication of a dispute regarding its correctness. The Hon'ble Apex Court observed that the licensee has statutory duties concerning maintenance and testing of meters and that a dispute regarding correctness of a meter has to be dealt with in accordance with the statutory mechanism. The case also emphasises the requirement of technical determination rather than an inference based merely upon the consumer's perception of consumption.

(81) In the present case, technical verification has been undertaken through a check meter and the MDM data has also been examined. The Forum therefore finds that the allegation that the disputed smart meter was over-registering consumption has not been established on records.

(82) The second substantial aspect of the dispute concerns the sharp change in Power Factor after installation of the smart meter. The Respondents have explained that modern smart meters record a wider range of electrical parameters, including apparent energy and vector Power Factor, whereas the earlier meter did not necessarily capture the same parameters in the same manner.

(83) The Respondents have further explained that poor Power Factor may result from capacitor-bank condition, APFC operation, unbalanced loading, harmonics, non-linear loads and other conditions existing within the consumer's installation. They have stated that the smart meter merely records the electrical conditions prevailing at the site and does not itself create a lower Power Factor.

(84) The Forum finds merit in this submission. A meter is a measuring device and the mere fact that meter records a lower Power Factor does not establish that the meter is defective. To reach such a conclusion, it would be necessary to show that the meter has incorrectly measured the electrical quantities passing through it.

(85) Such a conclusion is not supported by the record because the check meter, operating independently, recorded substantially corresponding energy values and electrical parameters. The MDM records also corroborate the readings of the disputed meter. In these circumstances, the difference between the Power Factor historically recorded by the old meter and that recorded by the smart meter cannot by itself be treated as evidence of malfunction of the new meter.

(86) The Forum has further examined the Power Factor issue in the light of the applicable tariff provisions. Under the General Conditions of Tariff, the monthly average Power Factor is calculated from the recorded energy values as Power Factor = kWh/kVAh. Thus, the Power Factor used for billing purposes is not an independent assumed value; it is derived from the kWh and kVAh recorded by the metering system. During the check-meter exercise, the relevant energy parameters, including kVAh and the corresponding Power Factor values of both meters, were compared. The comparative statement filed by the Complainant itself also contains this comparison. The substantial correspondence of the energy recordings therefore lends support to the reliability of the Power Factor recorded by the disputed meter.

(87) The Forum also notices that under the HPERC Tariff Order for FY 2026-27, applicable to the MIPS category, energy charges are prescribed on a kVAh basis and the tariff schedule expressly provides that Power Factor Surcharge (PFS) is 'Not Applicable'. Therefore, deterioration in Power Factor may increase kVAh consumption because Power Factor is the ratio of kWh to kVAh, but a separate Power Factor Surcharge cannot be levied upon a consumer governed by the MIPS tariff where the tariff itself declares PFS to be not applicable. The increase in kVAh-based energy charges arising from the recorded kVAh consumption is distinct from levy of a Power Factor Surcharge.

(88) The Forum has also examined the Complainant's contention that, after installation of the smart meter, the effective rate of electricity increased to more than ₹30 per unit. In support of this contention, the complainant has prepared a comparative statement by dividing the monthly bill amount by the difference between the monthly opening and closing kVAh readings displayed by the smart meter. On examination of the record, the Forum finds that this calculation is not correct. The smart meter is installed

through a CT-PT metering arrangement and the readings displayed by the meter are required to be multiplied by the applicable Multiplying Factor (MF) of 4, determined from the CT-PT ratio of the meter and the connected CT-PT unit. The Complainant, while calculating the alleged per-unit rate, has treated the difference in the displayed kVAh readings as the actual billed consumption without applying this multiplying factor. The bill amount, therefore, cannot be divided merely by the difference in the displayed kVAh readings for determining the effective rate.

The allegation that the effective per-unit tariff itself increased after installation of the smart meter is, therefore, based on an incorrect comparison of the bill amount with meter readings without applying multiplying factor and cannot be accepted. The higher bill amount, if any, has to be examined with reference to the actual multiplied kVAh consumption and other tariff components lawfully applicable under the MIP tariff category and not by treating the raw display reading as the billed energy consumption.

(89) The Forum accordingly finds that the comparative statement prepared by the complainant does not establish that Respondent charged an energy rate exceeding the tariff approved by Ld. HPERC. The apparent rate of more than ₹30 per unit is principally the result of omission of multiplying factor of 4, while converting the smart meter readings into actual consumption. This contention, therefore, does not support the claim for refund of Rs.6,53,980.92, which has itself been worked out by comparing the disputed bills with the historical average bills rather than by identifying any specific tariff rate or billing component wrongly applied by the Respondents.

(90) The Complainant has also questioned the increase in kVAh consumption and consequently in the electricity charges. The Respondents have pleaded that the Complainant is billed under the MIPS Two-Part Tariff and that energy charges are based upon kVAh. They have further explained that deterioration in Power Factor increases apparent energy even where the increase in active energy may not be proportionate.

(91) The Forum finds that the distribution licensee is required to bill a consumer in accordance with the tariff approved by the Commission. The Forum cannot substitute a different billing methodology where the applicable Tariff Order prescribes billing on a kVAh basis. Therefore,

once the recorded kVAh data is found to be technically reliable, the resulting bills cannot be set aside merely because the consumer's earlier bills were lower.

(92) The Complainant has quantified Rs.6,53,980.92 as the alleged excess amount by comparing the total bills raised during the disputed period with the average monthly billing from January 2025 to October 2025. However, the earlier average billing cannot by itself form the basis for determining the correctness of the subsequent bills. Electricity charges under the applicable MIPS tariff are required to be calculated on the actual metered kVAh consumption and other applicable tariff parameters for the relevant billing period, and not by reference to the average amount of earlier bills. As discussed above, the kVAh recorded by the smart meter have also been verified through the check-meter exercise, and no material variation establishing over-recording by the disputed meter has been found. Therefore, merely because the bills after installation of the smart meter were substantially higher than the average of the earlier bills does not establish excess recovery. In the absence of any specific error in the recorded consumption, applicable tariff rate or computation of the bills, the claim for refund or adjustment of Rs.6,53,980.92, calculated only on the basis of comparison with the historical average billing, cannot be accepted.

(93) The Forum has also considered the judgment of the Hon'ble Himachal Pradesh High Court in matter titled as M/s B.R. Food & Health Vs. Himachal Pradesh State Electricity Board and others, in CWP No.3852 of 2020 and 1992 of 2021, decided on 03.04.2025. In that case, the Hon'ble High Court upheld the principle that a consumer cannot be burdened with surcharge where the delay or mistake causing the surcharge was attributable to the Board itself. The Hon'ble Court, however, also recognised that charges representing actual electricity consumed remained recoverable.

(94) The said judgment does not assist the Complainant in seeking refund of the principal energy charges in the present case because there is no finding here that the energy consumption was incorrectly recorded. The present demand arises from meter-recorded consumption under the applicable tariff and not from a subsequently discovered multiplying-factor error of the nature considered in aforesaid judgement. The contention of the

Complainant that the delay on the part of the Respondents in installation of the check meter should, by application of the aforesaid judgment, entitle it to refund/adjustment of the energy charges is also not acceptable. The subsequent check-meter exercise did not establish any material over-recording by the disputed meter and, therefore, the delay in installation of the check meter, by itself, cannot convert the electricity charges for actual metered consumption into an excess or unlawful recovery. The principle laid down in the aforesaid judgment may protect a consumer against surcharge burden arising solely on account of delay attributable to the licensee, but it does not extinguish the liability to pay the principal electricity charges.

(95) The Respondents had also relied upon law laid by Hon'ble Apex Court in the matter titled as M/s Prem Cottex Vs. Uttar Haryana Bijli Vitran Nigam Ltd. & Others in Civil Appeal No.7235 of 2009, decided on October 5, 2021, and Assistant Engineer (D1), Ajmer Vidyut Vitran Nigam Ltd. Vs. Rahamatullah alias Rahamjulla, in Civil Appeal No. 1672/2020 decided on February 18, 2020 concerning recovery of short-billed statutory electricity dues. Those judgments are not central to the present controversy because this is not essentially a case of retrospective recovery arising from a clerical multiplying-factor mistake. The real controversy before the Forum is whether the smart meter recorded the Complainant's consumption correctly. For the reasons already recorded, the Forum finds that the available technical evidence supports the correctness of the meter.

(96) The Forum also takes note of the Complainant's grievance regarding delay between issuance of the Meter Test Order on 18.04.2026 and installation of the check meter on 25.06.2026. The Respondents have themselves stated that suitable meter and CT-PT unit were not available during the intervening period. The delay is therefore attributable to availability of equipment with the licensee.

(97) The Complainant, in its written arguments submitted on 21.08.2026, has referred to the timelines prescribed under the HPERC (Distribution Performance Standards) Regulations, 2010 and has also sought compensation on account of delay in meter testing. This specific claim based upon these Regulations was raised in the written arguments after the matter had already been heard and reserved for orders on 18.08.2026, subject to filing of written submissions by 22.08.2026.

(98) The Forum is required to dispose of complaints within the period prescribed under the governing CGRF Regulations. Reopening the evidence at this stage for determination of compensation under the HPERC (Distribution Performance Standards) Regulations, 2010 would require examination of the applicable classification of the area, computation of working hours, applicable exceptions, procedural requirements for claiming compensation and the relevant regulatory provisions. The present complaint is therefore required to be decided on the merits already adjudicated.

(99) The Forum nevertheless finds that disposal of the present complaint should not extinguish any statutory remedy available to the Complainant under the HPERC (Distribution Performance Standards) Regulations, 2010, if the Complainant otherwise satisfies the requirements prescribed therein. The Complainant may therefore approach the competent authority in accordance with those Regulations, and such claim, if made, shall be considered independently on its own merits.

(100) The Complainant has further sought third-party testing of the disputed smart meter. The specific prayer for third-party testing was pressed first time in the written arguments dated 21.08.2026 after conclusion of oral hearing. The applicable HP Electricity Supply Code, 2009 provides a mechanism for further testing where a consumer disputes the result of testing undertaken by the licensee.

(101) The Forum has already found, on the basis of the check meter comparison and MDM data, that no defect in the disputed meter has been established in the present proceedings. Therefore, the Forum does not consider it necessary to keep the present complaint pending for another round of meter testing, particularly when such testing would require further time and the complaint has to be disposed of within the prescribed regulatory period.

(102) At the same time, if the Complainant continues to dispute the accuracy of the meter notwithstanding the findings recorded in this order, it shall remain at liberty to invoke the procedure for third-party meter testing provided under the applicable HP Electricity Supply Code and the regulations framed thereunder. Such exercise, if initiated, shall be undertaken in accordance with the prescribed procedure and shall not be treated as having been foreclosed by this order.

(103) On an overall consideration of the record, the Forum finds that, although there was delay in installation of the check meter, the technical verification subsequently undertaken does not establish any defect or material over-registration by the disputed smart meter. The Respondents' comparison is also substantially corroborated by the comparative statement filed by the Complainant, which shows cumulative kVAh of 9,450.40 through the Main Meter and 9,405.00 through the check meter, a difference of about 0.48%. The kWh and kVAh parameters relevant for determination of average Power Factor have thus been subjected to comparative verification. The higher electricity charges cannot be treated as proof of defective metering merely because they exceed the historical average. At the same time, under the applicable MIPS tariff, a separate Power Factor Surcharge is not applicable. The claim for refund or adjustment of Rs.6,53,980.92, calculated by comparison with historical average bills, is therefore not established.

ORDER

In view of the discussion and findings recorded above, the complaint is disposed of with the following directions:

A. The challenge to the correctness of Smart Meter No. SZ0022464 is rejected. The parallel check-meter data substantially corresponds with the recording of the disputed smart meter.

B. The prayer for reassessment or overhaul of the electricity account and for refund or adjustment of Rs.6,53,980.92 is rejected, there being no established defect in the disputed meter or illegality in applying the applicable kVAh-based tariff. The said amount has been worked out by comparing the disputed bills with the historical average bills and such comparison, by itself, does not establish excess recovery.

C. The delay in installation of the check meter is borne out from the record. Since the claim for compensation under the HPERC (Distribution Performance Standards) Regulations, 2010 and the request for third-party testing were specifically raised in the written arguments after conclusion of oral hearing, and further enquiry would require additional proceedings, the present complaint is not kept pending for these purposes. The Complainant shall, however, remain at liberty to approach the competent authority for compensation, if otherwise admissible under the applicable Distribution Performance Standards Regulations, and to seek third-party testing in accordance with the procedure prescribed under the H.P. Electricity Supply Code, 2009, as amended. Such requests, if made, shall be considered independently in accordance with law and shall not be treated as foreclosed by this order.

D. All other prayers of the Complainant, including the prayer for compensation, costs and refund of the alleged excess amount in the present proceedings, stand rejected, subject to the liberty specifically granted above.

The complaint along with all pending miscellaneous applications are accordingly disposed of in the aforesaid terms.

The parties are left to bear their own costs.

Order is announced before the parties present today on 01.09.2026 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.

Sd/-	Sd/-	Sd/-
(Rakesh Chand Negi) **(Member)**	(Madan Dhiman) **(Member)**	(Harinder Thakur) **(Chairman)**

CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI, SHIMLA-9.

No. CGRF/Complaint No. 1423/202606/10 **Dated: -**

Complaint No.: - **1423/202606/10**
Date of Admission: - **30.06.2026**
Quorum: - **Er. Harinder Thakur, Chairman.**
Er. Rakesh Chand Negi, Member.
Er. Madan Dhiman, Member.

M/s Kool Pack & Allied Industries,
Dharampur, District, Solan,
Himachal Pradesh, Pin-173211 **Complainant**

V/s.

1. The Superintending Engineer, HPSEBL,
Powerhouse Road, Saproon, Solan.
173211 (HP).

2. The Sr. Executive Engineer Engineer, HPSEBL,
Near HRTC Office, Sector-1, Taksal, Parwanoo
Distt. Solan-173220 (HP).

3. The Assistant Engineer
Electrical Sub-Division HPSEBL, Dharampur,
District Solan (HP).

Respondents

Final hearing: - 18/08/2026

Complainant 1. Sh. Atul Sharma, Ld. Advocate.

Respondent 1. Sh. Rajesh Kashyap, Ld. Advocate.
2. Er. Vikas Gupta Addl. S.E, E.D., Parwanoo.
3. Er. Kunal Sahni A.E, ESD, Dharmpur.

Date of Decision: - 01.09.2026

Notice

Registered

CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI SHIMLA-171009.

No. CGRF/Complaint No. 1423/202606/10 **Dated:-**

M/s Kool Pack & Allied Industries,
Dharampur, District, Solan,
Himachal Pradesh, Pin-173211 **Complainant**

V/s.

HPSEBL & Others. **Respondents**

Complaint No. 1423/202606/10

1. The Superintending Engineer, HPSEBL,
Powerhouse Road, Saproon, Solan.
Himachal Pradesh, 173211 (HP).

2. The Sr. Executive Engineer Engineer, HPSEBL,
Near HRTC Office, Sector-1, Taksal, Parwanoo
Distt. Solan-173220 (HP).

3. The Assistant Engineer
Electrical Sub-Division HPSEBL, Dharampur,
District Solan (HP).

Respondents

The Certified copy of final order dated 01.09.2026 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.

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