CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI, SHIMLA-09.
No. CGRF/Complaint No. 1413/1/21/047

Complaint No.: - 1413/1/21/047
Date of Admission: - 14.01.2021
Quorum: - Dr. M.G Sharma, Chairman
Er. Vikas Gupta, Member.
Sh. K.S. Dhaulta, Member

M/s Himalayan Plastics Ltd.
Shed No 9-10 Industrial Estate
Chambaghat Tehsil &, District
Solan (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,
Solan , Distt. Solan (HP).

3. Assistant Executive Engineer,
Electrical Sub-Division No.3 HPSEBL,
Solan, Distt. Solan (HP). **Respondents**

Final hearing:- **21.09.2021**

Present for:-

Complainant 1. Sh. O.C Sharma, Advocate

Respondent 1. Sh. Anil Kumar God, Advocate
2. Er. Dinesh Thakur A.E.

Date of Decision: - **21.09.2021**

<u>ORDER</u>

Brief facts:-

1. Complainant is a consumer of electricity of HPSEBL having connected load 498.29 KW with a contract demand of 250 KVA under LIPS category of supply.
2. The complainant company had deposited an amount of Rs. 6, 11,767/- as security deposit with the respondents for the energy supply. The average monthly energy consumption works out to Rs. 1,30,600/- approximately as has been calculated for the period January 2020 to December,2020 by taking into consideration the monthly energy bills raised during the aforesaid period. In terms of provisions of sub-regulation (1) of Regulation (4) of HPERC (Security Deposit) Regulation 2005 notified on 30.03.2005, the consumer shall at all times maintain with the licensee an amount equivalent to consumption charges for the billing cycle period, as security during the period of the agreement for supply of energy to such consumers remains in force.
3. The complainant vehemently argued that the Respondent HPSEBL can as per regulations ibid retain an amount equivalent to consumption charges for billing cycle period. Thus respondents can't retain excess amount of Rs. 4,81,167/- as security, which is in excess of monthly energy bill, the average of which has been worked out to the tune of Rs. 1,03,400/- for the period Jan-2020 to Dec-2020. The complainant has been repeatedly requesting to retain the security amount equivalent to consumption charges for billing period as per regulations ibid. However, the same has not been acceded to and resulted in present complaint. The complainant seek refund Rs. 4,81,167/- in terms of HPERC Regulations, 2005 on the matter.
4. The ibid Security Deposit Regulation under clause 4(1) deals with security Deposit for supply of electricity. The complainant in an attempt before the Hon'ble Forum interpreting the facts and regulations ibid to seek refund as claimed.
5. The respondent in reply and rebuttal argued strongly that it is bound by the HPERC Security Deposit Regulation No 8 which specifically pertains to refund of security. The said regulation clearly stipulates conditions precedent to security refund. It expressly provide that " Refund of Security Deposit, can be made only :-

a) If applicant terminates the supply of electricity agreement.

b) Contract demand/ connected load is reduced by the consumer

c) Billing Cycle is reduced.

6. Further Respondent HPSEBL submitted that in the present case none of the conditions contained in regulation 8 above, are fulfilled by the complainant, therefore, in the facts and circumstances, security refund is not admissible in the instant case. The respondents also argued that the board is also paying interest as notified by the HPERC, from time to time on the security deposit of complainant to compensate the financial loss if any, as per regulation in force.

7. We have heard both the parties at length and perused the record, facts and relevant regulation placed before us. We have also perused the case law placed on record on the matter.

8. We have examined the facts, regulations and case law etc. on the matter and we are of this considered opinion that the object of demanding security is to ensure recovery of demand/bill in case of default and really an adjustable advance payment of consumption charges. The payment is in terms of the agreement interpreting the conditions of supply. Thus, security deposit is revisable from time to time on the basis of average consumption charges depending upon actual consumption over a period. This is the position under terms of supply of energy with reference to Respondent Board. The refund of Security Deposit Regulations, 2005, stipulates certain conditions which are reproduced below for clarity sake:-

   a) If the applicant terminates the supply of electricity agreement.
   b) Contract demand/Connected load is reduced by the consumer.
   c) Billing cycle is reduced.

9. The applicant has relied the Supreme Court Judgement in a case titled M.P. State Electricity Board V/s Grasim Industries Ltd. (2008) Civil Court case 539 (SC) which, held that:- The next question will be: what is the object in demanding security? The deposit though called security deposit is really an adjustable advance payment of consumption charges. The payment is in terms of the agreement interpreting the conditions of supply. This security is revisable from time to time on the basis of average consumption charges depending upon the actual consumption over a period. This is the position under the terms of supply of energy with reference to all the Boards. During

arguments, it has been clarified by the respondent HPSEBL that interest is being paid on ACD.

10. The fact is also not denied that the additional demand of ACD /Security Deposit can be asked from the consumer to cover the monthly energy bill. The complainant has also admitted in para (6) of the complaint that in case the security deposit amount fall short of future monthly energy consumption charges, he will deposit amount towards the security deposit on the demand of respondents. During the course of arguments, it has also been established from record submitted before the Forum that respondent HPSEBL, has taken ACD in excess to be deposited by the applicant as per prevalent rates.
11. In view of the observations made hare-in-above, and the latest HPERC notification No. HPERC/414/ Security Deposit dated 9the July, 2021 on the matter, the Respondent is directed to refund the excess ACD deposited by complainant more than the required deposit as per prevailing rates. In the aforesaid terms the complaint is partly allowed in favour of the complainant. The Respondent Board shall ensure to refund of excess amount to be calculated according to prevalent regulations, and Security Deposit Regulations, 2021 on the matter to settle the matter for good.

The File be consigned to record room after due completion. A copy of the order be kept in safe custody of folder of orders. The certified copy of these orders be supplied to both the parties.

Dated:-21.09.2021

Place: - Shimla

-Sd-	-Sd-	-Sd-
(K.S Dhaulta)	**(Vikas Gupta)**	**(M.G Sharma)**
(Member)	**(Member)**	**Chairman**

Notice

Registered

CONSUMERS GRIEVANCES REDRESSAL FORUM AT KASUMPTI SHIMLA-171009.

No.CGRF/Complaint No. 1413/1/21/047 Dated:-

M/s Himalayan Plastics Ltd.
Shed No 9-10 Industrial Estate
Chambaghat Tehsil &, District
Solan (HP). **Complainant**

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Electrical Sub-Division No.3 HPSEBL,
Solan, Distt. Solan (HP). **Respondents**

The Certified copy of final order dated 21.09.2021 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.