

**BEFORE THE ELECTRICITY OMBUDSMAN**  
**(For the State of Goa and Union Territories)**  
**Under Section 42 (6) of the Electricity Act, 2003**

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**Appeal No-213 of 2023**

**Date of Video Conferencing: 10<sup>th</sup> June  
2024 & 20<sup>th</sup> June 2024**

**Date of Order: 05.07.2024**

Mr. P Gopal &

Mrs.K Chandra

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**..... Appellant**

**Versus**

1. Executive Engineer,

Electricity Department, Puducherry.

**..... Respondent**

**Parties present:**

**Appellant(s)**

Mr. P Gopal & Mrs.K Chandra

**Respondent**

Mr. Ramanathan, Executive Engineer,  
Electricity Department, Puducherry.



## ORDER

This representation was filed on 17th May 2024 by Mr. P. Gopal and Ms. K. Chandra under Section 42(6) of the Electricity Act 2003, read with Regulations 32 and 33 of the Joint Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations. The representation is against the order in Case No. 12/2024 dated 27th March 2024, passed by the Learned Consumer Grievance Redressal Forum (CGRF), Puducherry.

The complaint was filed after 30 days of the order. The delay in filing this complaint is attributed to the following reasons:

- A. The complainant was awaiting compliance by the Electricity Department and the application of the interest rate for calculating the interest.
- B. The complainant was waiting for the revised bill to be issued by the department, with the latest CC charges bill issued by the Electricity Department on 23rd May 2024.

Being aggrieved, the complainant preferred an appeal. The appeal is allowed, considering the facts presented by the complainant.

After thoroughly examining all the supporting documents, the Ombudsman issued an admission notice on 17th May 2024. The Ombudsman directed the respondents to file a reply to the appeal via this office letter dated 17th May 2024. The complaint was forwarded to the Respondent, Superintending Engineer, Electricity Department, Puducherry, for filing a reply and to attempt to settle the case through mutual agreement.

The department reported that the accrued interest on the security deposit, amounting to Rs. 9800/-, has been sanctioned by the SE-Cum HOD via order No. 1295/ED/WAPS/SAO-II/A-1/2024-25 dated 15th May 2024. Additionally, the sanctioned load, tariff slab, and security deposit details have been updated in the database following necessary modifications to the billing software. The updated bill can be downloaded from the Electricity Department's website through the complainant's registered login.

Subsequently, a mutual agreement cum settlement was signed by Mr.. P. Gopal via his letter dated 29th May 2024, stating, "We withdraw the grievance representation Appeal No. 213/2024 dated 17th May 2024."



The Respondent, Electricity Department, via their letter dated 31st May 2024, confirmed that the complainant had settled the issue through mutual agreement and had given his consent to the agreement via his letter dated 29th May 2024.

However, Mrs. K. Chandra, wife of Mr. P. Gopal, submitted an email dated 2nd June 2024, stating that she was not consulted by her husband before signing the mutual agreement and sought to withdraw the agreement as null and void.

In the interest of natural Justice, the request allowed.

**A. The Submissions of the Appellant in brief are as under:**

The Appellant has filed a petition before Ld. CGRF Puducherry vide case No 113/22. Ld. CGRF vide his order dated 13.07.2022 ordered "The Respondents are directed to mention and pay the interest on security deposit to all the consumers within three months and send a compliance report to this Forum".

Mr. P Gopal has also filed a petition before CGRF Puducherry vide case No 113/2022 in which Ld. CGRF has ordered that "The respondents are directed to mention and pay the interest on security deposit to all the consumers within three months and send compliance report to this Forum." Since the sanctioned load and details of SD did not update in the various connections owned by the Appellant in the database pertaining the same complainant (present appellant), the Appellant preferred a petition with Ld. CGRF Puducherry vide case No 12/2024.

The main grievances of the appellant are as under:

1. The details of Sanctioned Load are not updated in database as such the same is not reflected in the CC charges bill.
2. Details of the Security deposit is not updated in the CC charge bill
3. Nonpayment of Interest on security deposit in following policy codes:
  - i. 31-85-02-0285/A2 In the name of Thiru. P. Gopal
  - ii. 31-85-02-0283/A1 do
  - iii. 26-15-03-0350GP/A2- In the name of Tmt. K. Chandra
  - iv. 26-15-03-0350GQ/A2- -do
  - v. 26-15-03-0350GR/A2 -do-

Further, the Appellant has challenged the actual date of services and some additional activities on the above-mentioned connections which are as under



Sl.No.	Policy code	Date of effect of service	Actual date of service	Remarks
1.	31-85-02-0285/A2	12/05/2000	20.09.1996	There is Load enhancement on this connection in the year 2008 and connection upgraded to 3 Phase connection from single phase connection.
2.	31-85-02-0283/A1	12/04/2000.	13.05.1998	Date of actual service is 13.05.1998
3.	26-15-03-0350GP/A2	30/08/2011	30.08.2011	No Dispute only Interest is to be paid.
4.	26-15-03-0350GQ/A2	30/08/2011	30.08.2011	No Dispute only Interest is to be paid.
5.	26-15-03-0350GR/A2	30/08/2011	30.08.2011	No Dispute only Interest is to be paid.
6.	32-81-05-0410E/A1 (Merged to existing C tariff 32-81-05-0410C/C1)	15.09.2006	No dispute.	This connection was initially installed on 07.09.2006 and Appellant deposited SD in the form of FDR. Cash Security deposit has been paid by the Appellant on 25.03.2022

On account of non-implementation of the orders of the Ld. CGRF by the licensee, the Appellant preferred a petition again with the Ld. CGRF 2nd time for the same issue. Ld. CGRF heard the appeal and ordered accordingly:



- i. Respondents are directed to pay the interest on Security Deposit to all the 6 policies of the complainant by 15<sup>th</sup> May 2024 and furnish compliance report to the Forum.
- ii. The Respondent No 1 should. file Action Taken Report (ATR) on the revision of bill format within 15 days from the date of this order.

During the course of hearing, the Respondent No3(JAO-Rev-II) filed an affidavit stating that all the CC bills are updated and will be issued in the February 24 but factually it was not done. The Appellants effort to download the CC bill through registered login was disallowed by the system and it was learnt that the same were blocked by the P.E.D. the Appellant filed an online complaint vide complaint No. 26776/5.5.24 stating that the issue has not been resolved till date of this representation.

The Respondent (No 3 in case 12/2024) Electricity Department vide their affidavit dated 28.02.2024 submitted as under:

- *The Respondent respectfully submit that relevant entries of Security Deposit amount has been made in the computer system data base on 28.02.2024, in respect of the policies bearing Reference Code 31-85- 02-0285/A2 & 31-85-02-0283/A1, which would be reflected on the subsequent current consumption bills.*
- *The Respondent respectfully submit that interest on security deposit to the L.T. Consumers in respect of Rural (North) O. & M., Electricity Department, Puducherry, was paid for the period from the financial year 2012-2013 to 2022-2023. Copies of the sanction orders issued by the Superintending Engineer-cum-Head of Department towards payment of interest on security deposit for the period from the year 2012-2013 to 2022- 2023 are submitted herewith for kind perusal of the Hon'ble Forum. The interest on Security Deposit amount was adjusted in the respective energy charge bills of the consumers.*
- *The Respondent respectfully submit that the electrical services bearing Policy Reference Code 31- 85-02-0285/A2 & 31-85-02-0283/A1 were affected on 12.05.2000 and 12.04.2000 respectively. The Interest on Security Deposit has not been paid in respect of the said two policies. The Joint Electricity Regulatory Commission (Electricity Supply Code) Regulations, 2010, had come into force from the date of its publication in the official Gazette of India, dt. 20.05.2010. In accordance with the Regulations, this Respondent Department, being the Distribution Licensee, had been paying interest at*

*the Bank Rate notified by the Reserve Bank of India, from time to time, on such Security Deposits taken from the consumer.*

The submissions of the Respondent Electricity Department were still not affected in the CC bill of the Appellant. Accordingly, the Appellant filed the present petition with Ombudsman in accordance with the Regulation 33 of Joint Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations against the order in case No 12/2024 dated 27<sup>th</sup> March 2024 passed by the Ld. Consumer Grievance Redressal Forum (CGRF), Puducherry seeking relief on following:

- I. Period for calculation of interest.
- II. The disbursement of interest is not up-to-date as claimed by the complainants in their petition
- III. The licensee/respondents did not consider C tariff services (which later on merged with A1 service) for calculation of the accrued interest, and calculated accrued interest for only the merged A1 service.
- IV. The compliance to the orders in case 12/2024 not reported to Ld. CGRF.

The hearing was held. on 10.06.2024. Both the Appellants and Respondents were present in the hearing. The Appellant Mr. P. Gopal submitted that he wanted to withdraw from the mutual agreement signed by him on 29.05.24 and wanted to plead the matter.

**B. The Submissions of the Respondent in brief are as under:**

As per the advice vide para no 2 of the admission notice of Hon'ble Electricity Ombudsman dated 17-05-2024 in Appeal No. 213 of 2024, the Appellant/complainant was called to settle the representation through Mutual agreement on 29/05/2024 vide Notice No.936/ED/EE-RN/Tech/F-Omb/24-25 Dt:23- 05-2024.

The complainant attended the meeting on 29-05-24 with Junior Accounts officer (Rev-II) and Assistant Engineer/Kurumbapet & Boomianpet and the grievances of the complainant were heard by the respondent for the disbursement of the accrued interest on the Security Deposit (S.D) and updating of its entries in the CC Charges demand bill.

The respondent has clarified that the accrued interest on the security deposit works out to Rs.9,800/- between the period from 2010 to 2023. The amount of Rs 9800 has been sanctioned by SE-Cum HOD vide Order no.1295/ED/WAPS/SAO-II/A-1/2024-25 Dt:15-05-24, The Net interest due of Rs.9800/- (Rupees Nine Thousand Eight Hundred Only) will be adjusted in the respective current consumption bills of the 6 Nos of service connections. The details of policies are given below: -

S.No	Policy Code	Date of effect of Service	S.D Interest amount
1	31-85-02-0285/A2	12/05/2000	3315
2	31-85-02-0283/A1	12/04/2000.	159
3	26-15-03-0350GP/A2	30/08/2011	3544
4	26-15-03-0350GQ/A2	30/08/2011	395
5	26-15-03-0350GR/A2	30/08/2011	395
6	32-81-05-0410E/A1 (Merged to existing C tariff)	15.09.2006	1992

The respondent explained the calculation statement of JAO-REV-II, how the above interest on Security Deposit arrived. The respondent also intimated to the complainant that the billing software has been modified and accordingly they have incorporated the sanctioned load, Tariff slab and security deposit in the spot bill of the consumer. Further, it has been confirmed that the detailed bill for a specific month as per the JERC directions can be downloaded from the website by the consumer through registered login.

After hearing the above clarification of the Respondent, the Appellant agreed and conveyed his consent in writing stating that "we withdraw the grievance representation Appeal No:213/24 Dt:17-05-24" to the respondent. Accordingly, Respondent submitted the mutual agreement letter from the Appellant in Appeal Number 213 of 2024 and prayed for dismissal of the complaint in the appeal.

Thereafter, Mrs. K Chandra wife of Mr. P Gopal vide her Email dated 2<sup>nd</sup> June 2024 has submitted that she was not consulted by her husband Mr. P Gopal before signing the mutual agreement and wanted to withdraw the agreement as it is null & void.

Mrs. K Chandra (Co-Appellant) vide her Email dated 11<sup>th</sup> June further submitted that:

1. Its due to the non-availability and rules, the govt., introduced and implemented the JERC.
2. The licensee/PED does not have any jurisdiction over the JERC but to only comply the orders and directions.
3. The Ld. CGRF in its first order in case No113/22 dated 13.7.2022 after due diligence and adjudication, directed the respondents to pay the accrued interest to all the consumers

without any disparity and to send compliance report, but instead of following the directions they kept quiet and on the second order of the Ld.. CGRF and the respondent confirmed that they will pay the interest from the date of H,ble JERC's came into existence which is objected by the appellant.

Proceedings:

Date of Hearing: 10<sup>th</sup> June 2024

Present:

Appellant: Mr. P. Gopal & K. Chandra

Respondent: Mr. Ramnathan, Executive Engineer, Electricity Department, Puducherry.

Mr. P Gopal and Mrs. K Chandra filed a petition on dated 17.05.2024 which has been admitted vide admission note dated 17.05.2024.

Mr. P Gopal and Mrs. K Chandra both were present during the hearing have submitted that they wanted that the interest of the security deposit to be allowed from the date of energization of connection for Two connections 31-85-02-0285/A2, 31-85-02-0283/A1 and 32-81-05-410C/C1 i.e.20.09.1996 & 113.05.1998 and 15.09.2006 respectively and not from 2010

Accordingly, the complainant was requested to submit the details of the security deposit.

Mr. P Gopal has submitted the copy of the payment of security deposit vide his Email dated 10.06.2024 which is taken on record.

Hearing on 20.06.2024: Both the parties were present.

Respondent Executive Engineer, Electricity Department, Puducherry submitted that prior to notification of Supply Code 2010 the department is not paying any interest on S.D and brought out the T&C of some other connection pertaining to 1993. He has been directed to submit the copy of the same. Further, Respondent has also been directed to submit the Ledger data of all six connection to ascertain that the details of SD and Interest part is available in the ledger along with the copy of the detailed bill for all six connections.

The Respondent Executive Engineer, Electricity Department has submitted the documents vide his Email dated 26<sup>th</sup> June 2024. The documents are taken on record.

Analysis and findings: The Ombudsman has thoroughly examined the documents provided by both parties.

The present Complaint raises several key issues that warrant consideration:



- A. **Permissibility of Interest on Security Deposit:** The primary issue is whether interest on security deposits is permissible.

As per section 6.10 (8) and 6.10(9) of JERC Supply code 2010 notified on 20.05.2010

*(8) The distribution licensee shall pay interest, at the bank rate notified by the Reserve Bank of India from time to time on such security deposits taken from the consumer. In this regard it shall be the responsibility of the licensee to keep a watch on the bank rate from time to time. The interest amount of previous financial year shall be adjusted in the energy bill issued in May / June of each financial year depending on billing cycle.*

*(9) The security deposit along with interest thereon, if any, shall be returned to the consumer, upon termination of the agreement and after adjustment of all dues. within 60 days of completion of formalities by the consumer. In case of delay beyond 60 days period, additional interest at the rate mentioned in regulation 6.10(7) above shall be payable to the consumer as approved by the Commission*

The provision continued in the latest JERC Supply Code Regulations 2018 under section 5.135 & 5.137 of JERC Supply Code 2010 which states as under:

5.135 The Licensee shall pay interest to the consumer at the State Bank of India Base Rate prevailing on the 1st of April for the year, payable annually on the consumer's security deposit with effect from date of such deposit in case of new connections energized after the date of this notification, or in other cases, from the date of notification of this Supply Code, 2018. The interest accrued during the year shall be adjusted in the consumer's bill for the first billing cycle of the ensuing financial year. If the Security Deposit is submitted in the form of Bank Guarantee or by providing lien against fixed deposits, no interest shall be payable to the consumer.

5.137 The security deposit available with the Licensee in respect of each consumer shall be shown in the bill issued to the consumer. Refund of security to the consumer by the Licensee, as and when arises, shall be made through maximum of two electricity bills.

As such it is amply clear that the Interest on Security deposit is permissible to the Appellant.

- B. **Effective Date for Interest on Security Deposit:** If interest is permissible, the next issue concerns the effective date from which interest on security deposits should. be calculated.

The effective date of interest on security has been considered by the Electricity Department are as under:

Sl.No.	Policy code	Date of effect of service
1.	31-85-02-0285/A2	12/05/2000
2.	31-85-02-0283/A1	12/04/2000.
3.	26-15-03-0350GP/A2	30/08/2011
4.	26-15-03-0350GQ/A2	30/08/2011
5.	26-15-03-0350GR/A2	30/08/2011
6.	32-81-05-0410E/A1 (Merged to existing C tariff 32-81-05-0410C/C1)	15.09.2006

The Appellant has provided photocopies of the original payment receipts, which have been taken into the record. It is noted that the deposit dates for connections listed at Sr No 1 & 2, differ from those submitted by the department and considered in the order of Ld. CGRF in Case No 12/2024 dated 27.03.2024. The Appellant has also submitted supporting evidence for these discrepancies.

However, the connections listed at Sr No 3, 4, and 5 under the name of Mrs. K Chandra are correct, and thus, the calculation of interest based on the prevailing rate since 2011, as applied by the department, is deemed accurate.

- C. **Timing of Interest Before JERC Supply Code 2010 Notification:** Another pertinent question is whether interest on security deposits should be applicable retrospectively before the notification of the JERC Supply Code 2010.

It is correct that the first Supply Code 2010 has been notified by JERC on 20.05.2010 however, as per Section 47 "Power to Require Security" of IE Act 2003

"(1) Subject to the provisions of this section, a distribution licensee may require any person, who requires a supply of electricity in pursuance of section 43, to give him reasonable security, as may be determined by regulations, for the payment to him of all monies which may become due to him--

(a) in respect of the electricity supplied to such persons; or

(b) where any electric line or electrical plant or electric meter is to be provided for supplying electricity to such person, in respect of the provision of such line or plant or meter,

(4) The distribution licensee shall pay interest equivalent to the bank rate or more, as may be specified by the concerned State Commission, on the security



referred to in sub-section (1) and refund such security on the request of the person who gave such security.”

Section 47 of I.E. Act 2003 “Power to require security”

(1) Subject to the provisions of this section, a distribution licensee may require any person, who requires a supply of electricity in pursuance of section 43, to give him reasonable security, as may be determined by regulations, for the payment to him of all monies which may become due to him--

(a) in respect of the electricity supplied to such persons; or

(b) where any electric line or electrical plant or electric meter is to be provided for supplying electricity to such person, in respect of the provision of such line or plant or meter,

and if that person fails to give such security, the distribution licensee may, if he thinks fit, refuse to give the supply of electricity or to provide the line or plant or meter for the period during which the failure continues.

(2) Where any person has not given such security as is mentioned in sub-section (1) or the security given by any person has become invalid or insufficient, the distribution licensee may, by notice, require that person, within thirty days after the service of the notice, to give him reasonable security for the payment of all monies which may become due to him in respect of the supply of electricity or provision of such line or plant or meter.

(3) If the person referred to in sub-section (2) fails to give such security, the distribution licensee may, if he thinks fit, discontinue the supply of electricity for the period during which the failure continues.

(4) The distribution licensee shall pay interest equivalent to the bank rate or more, as may be specified by the concerned State Commission, on the security referred to in sub-section (1) and refund such security on the request of the person who gave such security.

(5) A distribution licensee shall not be entitled to require security in pursuance of clause (a) of sub-section (1) if the person requiring the supply is prepared to take the supply through a pre-payment meter.

Further, as per India Electricity Rules 1956 Interest on Security Deposit

14. “Security Deposit. The licensee may require any consumer to deposit security for the payment of his monthly bills for energy supplied and for the value of

the meter and other apparatus installed in his premises. No interest will be allowed in deposits up to Rs. 25. Interest at the rate of ..... per cent per annum will be paid by the licensee on deposits exceeding Rs. 25.

The licensee shall be at liberty at any time to apply any security deposited towards Payment or satisfaction of any money which shall become due or owing by the consumer. The licensee shall also be at liberty to demand enhanced security deposit from consumers at any time during the life of the contract. The balance of the security deposit will be returned to the consumer on the termination of the contract.

The consumer may at any time, with the previous consent of the licensee transfer the contract and its liabilities to any other person approved by the licensee.”

**Order:**

This case pertains to the interest on the security deposit that consumers provide to the licensee for availing electricity connections, as per the prevailing rates from time to time. In the current case, Mr. P. Gopal has deposited security for three connections in his name, and Mrs. K. Chandra has done the same for three connections in her name.

During the proceedings of case No. 12/2024, the Learned Consumer Grievance Redressal Forum (CGRF) considered the date of the Security Deposit as provided by the Electricity Department, without seeking documentary evidence from the complainants and relying upon the dates provided by the Electricity Department only.

However, before the Ombudsman, the Appellant presented photocopies of the original payment receipts for the Security Deposit. Had these evidences been presented before the Learned CGRF, their order would have likely taken these new facts into account before passing the orders.

It is my considered opinion that justice will not be served for the petition filed by Mr. P. Gopal and Mrs. K. Chandra unless these facts are considered by the Learned CGRF with a fresh perspective. Therefore, the order passed by the Learned CGRF, Puducherry in case No. 12/2024 is hereby remanded back to the CGRF, Puducherry.

The Appellant has presented additional facts regarding the commencement of service for the following policy codes: 31-85-02-0283/A1, 31-85-02-0285/A2, and 32-81-05-0410/A1, which was merged with policy code 32-81-05-0410C/C1 on 15.09.2006. Additionally, there was a load enhancement for policy code 31-85-02-0285/A2 in 2008, for which the revised security has been duly paid by the Appellant.



As these facts were not considered by the Learned CGRF in its original order, a fresh review is warranted. The Appellant is directed to file a fresh petition, including these new facts, for the consideration of the Learned CGRF. The Learned CGRF is also directed to hear the fresh case filed by the Appellant on a priority basis, and to pass suitable orders taking into account the aforementioned facts.

The false submission by the department on affidavit should also be considered accordingly.

A certified copy of this order shall be sent to the CGRF Puducherry

A certified copy of this order shall be sent to the Chief Electrical Engineer, Electricity Department Puducherry, and the Nodal Officer, Electricity Department Puducherry.

A copy of the orders passed by the Learned CGRF in regard to the fresh case filed by Mr. P. Gopal and Mrs. K. Chandra, as directed in this order, should be sent to the Ombudsman.

The Respondent/Licensee (Electricity Department) is directed to submit a compliance report within 15 days from the date of receipt of this order, as per JERC Regulation No. 26/2019 under Clause 27(1).

Given these facts, the appeal is disposed of accordingly.

  
(C M SHARMA)

Electricity Ombudsman  
For Goa & UTs (Except Delhi)

Dated: 05.07.2024