BEFORE THE ELECTRICITY OMBUDSMAN
(For the State of Goa and Union Territories)
Under Section 42 (6) of the Electricity Act, 2003
3rd Floor, Plot No. 55-56, Udyog Vihar - Phase IV, Sector 18
Gurugram (Haryana) 122015,
Email ID: ombudsman.jercuts@gov.in
Phone No.:0124-4684708

Appeal No-263 of 2026

Date of Hearing: 29.04.2026, 18.05.2026
Mode: Videoconferencing
Date of Order: 03.06.2026

In the matter of
Mr. Vikas Garg,
House No. 2523, Sector 35-C,
Chandigarh. ...Appellant

Versus

Executive Engineer,
Electricity 'OP' Division No. 3,
CPDL, Chandigarh. ...Respondent(s)

In the matter of Mr. Vikas Garg Vs Chandigarh Power Distribution Ltd.

Present:

Appellant

1. Mr. Pawan Kumar AR on behalf of Mr Vikas Garg,

Respondent(s)

1. Mr. Dhruv Shakuntlam, Sr. Executive Legal. CPDL
2. Mr Ankush Sethi, Executive Engineer, OP Div-3, CPDL.
3. Mr Chandan Dhar, Sr. Manager, Meters

ORDER

The present representation was filed on 31.03.2026 under Section 42(6) of the Electricity Act, 2003 read with Regulations 35 and 36 of the Joint Electricity Regulatory Commission (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2024, challenging the order dated 21.11.2025 passed by the Learned Consumer Grievance Redressal Forum, Chandigarh in Case No. G-52/2025 and order dated 27.02.2026 in Review Petition. The initial petition filed was lacking the required documents as such the complainant was requested to submit complete set of supporting documents. The supporting documents were submitted by the complainant on 01.04.2026 which were taken on record and petition was admitted as Case No 263 of 2026 on dated 08.04.2026.

Upon scrutiny, and being satisfied that the representation fulfilled the requirements prescribed under the Regulations, the same was admitted and notice was issued on 09.04.2026. A copy of the representation was forwarded to the Respondent–Executive Engineer Electricity 'OP' Division No 3, Chandigarh Power Distribution Ltd. Chandigarh, calling upon them to submit their reply/comments.

Sr. Executive, Legal has filed the reply on behalf of CPDL on dated 15.05.2026 which is taken on record. The Appellant has also filed the rejoinder vide their Email dated 17.05.2026, the same is also taken on record.

A. Submissions on behalf of Appellant.

1. The Appellant is a lawful electricity consumer of the Respondent Licensee under Account No. 307/3547/252322T, with a sanctioned load of 49.5 kW pertaining to premises situated at H. No. 2523, Sector-35-C, Chandigarh, and has consistently discharged all billing liabilities without default.
2. That the present Appeal has been preferred against the Order dated 21.11.2025 passed by the Learned Consumer Grievances Redressal Forum, Chandigarh in Complaint No. G-52/2025 and the consequential Review Order dated 27.02.2026, whereby the Learned CGRF, while partly allowing the grievance of the Appellant, restricted the recovery raised by the Respondent only to a

period of three years instead of applying the statutory limitation contemplated under Section 56(2) of the Electricity Act, 2003.

3. That the Appellant is a bona fide consumer and had obtained installation of Solar Net Metering on 05.07.2021. It is submitted that due to a clerical and billing error solely attributable to the Respondent Department, the applicable Multiplier Factor (MF) of 20 was inadvertently omitted while recording and processing the energy data, resulting in incorrect billing for a prolonged period of approximately four years.
4. That on 21.07.2025, the Respondent Department raised a supplementary demand amounting to Rs. 10,30,798/- against the Appellant on account of the said omission. The Learned CGRF, while adjudicating the complaint, restricted the recoverable amount to a period of three years and consequently reduced the demand to Rs. 8,64,873/-. However, the Appellant respectfully submits that even such restricted recovery is contrary to the statutory mandate and settled principles governing retrospective recovery in electricity billing disputes.
5. That the Appellant, despite disputing the legality and sustainability of the impugned demand, has already deposited the entire assessed amount with the Respondent Department under protest solely to avoid coercive action, including disconnection of electricity supply, and to demonstrate bona fide conduct before this Authority. Such deposit shall not operate as waiver, acquiescence, or admission of liability.
6. That the impugned orders passed by the Learned CGRF are liable to be modified on the following, amongst other, grounds:

   a. **Recovery Beyond Statutory Limitation is Unsustainable**

      It is respectfully submitted that the omission of the Multiplier Factor was admittedly a departmental error attributable entirely to the Respondent licensee. The Appellant neither suppressed any material fact nor indulged in any act of tampering, theft, fraud, or misrepresentation. The entire billing mechanism, meter configuration, application of MF, and generation of bills remained exclusively within the control and domain of the Respondent Department.

In such circumstances, fastening an extended retrospective liability upon the Appellant for a period exceeding the permissible statutory limitation would be wholly arbitrary, inequitable, and contrary to the scheme of the Electricity Act, 2003.

The Appellant submits that Section 56(2) of the Electricity Act, 2003 embodies a legislative restriction against recovery of stale electricity dues beyond the prescribed period unless such amount has continuously been shown as recoverable in the bills raised upon the consumer. In the present case, the alleged short-billed amount was never reflected in any previous bill prior to issuance of the impugned demand dated 21.07.2025.

The Learned CGRF, while granting partial relief, erred in restricting the recovery to three years instead of examining the applicability and effect of the statutory limitation in its correct legal perspective. The impugned finding, therefore, suffers from legal infirmity and warrants interference by this Hon'ble Ombudsman.

b. Discriminatory and Excessive Burden upon an Honest Consumer

It is further submitted that the action of the Respondent Department in seeking retrospective recovery for an extended period from a bona fide consumer is manifestly harsh and discriminatory, particularly when the alleged deficiency arose solely due to administrative negligence and clerical oversight of the licensee itself.

The Appellant submits that under the Electricity Act, 2003, even in matters involving allegations of unauthorized use or theft of electricity under Section 135 and related provisions, the statute prescribes specific safeguards and limitations governing assessment and recovery. Therefore, imposing an extended financial burden upon an honest consumer, who neither contributed to nor had knowledge of the alleged error, would be wholly disproportionate and contrary to principles of fairness and natural justice.

It is a settled principle of law that no party can be permitted to derive benefit from its own wrong or negligence. The Respondent Department,

having failed to correctly configure and monitor the billing mechanism for several years, cannot now seek to shift the entire burden of its administrative lapse upon the consumer.

c. **Failure of Respondent to Install Parallel/Check Meter**

The Appellant further submits that during the subsistence of the solar net metering arrangement, repeated requests were made to the Respondent Department for installation of a Parallel Meter/Check Meter so as to ensure accuracy and transparency in billing and energy accounting. However, despite such requests, the Respondent failed to take any corrective or precautionary measures.

The prolonged continuation of the alleged billing discrepancy occurred solely because the Respondent neglected to implement appropriate verification and monitoring mechanisms. Had the requested Parallel/Check Meter been installed in a timely manner, the alleged discrepancy, if any, could have been detected at an early stage and unnecessary accumulation of liability would have been avoided.

In view thereof, the Respondent cannot be permitted to take advantage of its own inaction, negligence, and failure to adopt reasonable safeguards by claiming retrospective recovery for an extended duration against the Appellant.

The Appellant, therefore, respectfully prays that this Hon'ble Electricity Ombudsman may be pleased to set aside/modify the impugned Orders dated 21.11.2025 and 27.02.2026 to the extent they permit recovery beyond the legally sustainable period, and grant such further relief as deemed fit and proper in the facts and circumstances of the present case.

B. SUBMISSIONS ON BEHALF OF RESPONDENT

The Respondent has filed its reply opposing the present representation and has made the following submissions:

1. It is submitted that the Hon'ble Supreme Court, in **Prem Cottex v. Uttar Haryana Bijli Vitran Nigam (2021)**, has clarified the scope of Section 56(2) as under:

- The expression *"first due"* signifies the point at which a valid bill is raised, and not the date of actual consumption of electricity.
- The limitation period of two years commences from the date of issuance of the bill.
- The right of disconnection under Section 56(1) arises only upon failure to pay a validly raised demand.

  Applying the aforesaid principles, it is submitted that in the present case, the amount became "first due" only upon issuance of the assessment notice dated **01.08.2025**, and therefore, the limitation period is to be computed from that date.

2. The Respondent has further relied upon the judgment of the Hon'ble Supreme Court in **Assistant Engineer (D1), Ajmer Vidyut Vitran Nigam Limited & Anr. v. Rahamatullah Khan**, wherein it has been held that arrears arising out of escaped billing or under-billing are legally recoverable, even beyond two years, provided that no earlier valid demand had been raised.
3. In view of the above settled legal position, it is submitted that the demand raised by the Respondent is legally sustainable, and the bar under Section 56(2) is not attracted in the facts of the present case.
4. The Respondent has placed on record the relevant documents including:
   - Inspection Report dated 24.07.2025;
   - Meter testing report;
   - Provisional and Final Assessment Notices;
   - Consumption details for the relevant period;
   - Meter installation particulars; and
   - Meter download data.
5. It is submitted that the assessment has been carried out strictly in accordance with the applicable provisions of the JERC Electricity Supply Code 2018 and on the basis of actual consumption recalculated using the correct multiplying factor.

6. In light of the above facts, statutory provisions, and binding judicial precedents, it is submitted that the demand of ₹23,12,658/- raised vide Memo No. 1433 dated **01.08.2025** is valid, lawful, and enforceable.
7. The Respondent submits that the Order passed by the Learned CGRF has already granted substantial relief to the Appellant by restricting the recovery period to three years, and no further interference is warranted.

In view of the above submissions, it is most respectfully prayed that this Hon'ble Authority may be pleased to:

(a) Dismiss the present appeal as being devoid of merit; and

(b) Direct the Appellant to pay the assessed amount in terms of the revised assessment as upheld by the Learned CGRF;

(c) Pass such other and further orders as may be deemed fit and proper in the facts and circumstances of the case.

C. Proceedings:

The matter was taken up for hearing through videoconferencing on the dates fixed. The matter was taken up for hearing through video conferencing.

Mr. Pawan Kumar, Authorized Representative appearing on behalf of the Appellant, assisted by Mr. Vikas Garg, submitted that the present dispute pertains to the application of an incorrect Multiplying Factor (MF), which is entirely attributable to the Respondent. It was contended that despite recording a categorical finding of negligence on the part of the Respondent, the Learned Consumer Grievance Redressal Forum (CGRF) erred both in law and on facts by permitting retrospective recovery for a period extending up to three years.

It was further submitted that the amount assessed in terms of the order passed by the Learned CGRF has already been deposited by the Appellant. However, despite such payment, the current electricity bills continued to reflect the disputed arrears.

The Authorized Representative further submitted that the Appellant had repeatedly requested the Respondent for installation of a parallel/check meter in order to verify the correctness of the energy recorded by the existing meter. According to the Appellant, such requests were not acted upon by the Respondent. It was also contended that after replacement of the meter on 13.04.2026, the consumption

recorded by the newly installed meter was significantly lower than the consumption recorded by the earlier meter. On this basis, the Appellant expressed apprehension that the previous meter may have been recording excessive consumption.

On behalf of the Respondent, CPDL, Mr. Dhruv Shakuntlam appeared and submitted that the reply on behalf of the Respondent had not yet been filed and sought two weeks' time to place the same on record.

The request was considered and allowed in the interest of justice. The Respondent was granted time to file its reply on or before 14.05.2026 with an advance copy to the Appellant. The Appellant was granted liberty to file a rejoinder, if so advised, on or before 18.05.2026.

The Respondent was further directed to place on record the following documents to facilitate proper adjudication of the matter:

(i) Meter Reading Chart from the year 2021 onwards, including MDI data;

(ii) Meter Testing Report dated February, 2026;

(iii) Particulars relating to meter replacement carried out on 13.04.2026; and

(iv) Downloaded data of the newly installed meter.

During the course of hearing, the Executive Engineer submitted that the billing issue had been resolved and assured that a system-generated copy of the revised bill would be supplied to the Appellant on or before 30.04.2026.

The matter was thereafter adjourned for further hearing.

On the next date of hearing, Mr. Pawan Kumar, Authorized Representative for the Appellant, submitted that the consumption pattern reflected by the new meter installed on 13.04.2026 appeared to be substantially lower when compared with the consumption pattern recorded by the earlier meter. It was clarified that the Appellant was not disputing the applicability of the Multiplying Factor (MF) as such. However, it was submitted that although the earlier meter had been tested by CPDL on 04.02.2026 in the presence of the Appellant, he was not conversant with the technical methodology adopted during such testing and, therefore, was unable to independently verify the correctness of the testing process and its conclusions.

After hearing the parties, the Respondent was directed to place on record the meter reading chart pertaining to old meter bearing No. CH8EP00303. The said meter reading chart was subsequently filed by the Respondent and taken on record.

A prima facie analysis of the consumption pattern reflected from the meter reading chart revealed that the average monthly consumption recorded by the old meter during the period from 30.07.2022 to 30.03.2023 was approximately 5,402.5 units per month. The average monthly consumption increased to approximately 7,017.5 units per month during the period from 30.07.2023 to 30.03.2024 and thereafter reduced to approximately 6,102.5 units per month during the period from 30.07.2024 to 31.03.2025. The average monthly consumption further reduced to approximately 5,632.5 units per month during the period from 30.07.2025 to 31.03.2026.

From the aforesaid consumption pattern extending over a period of nearly four years, it prima facie appeared that the consumption recorded by the old meter exhibited a reasonably consistent trend without any abnormal variation warranting an immediate inference of meter inaccuracy. It was also observed that the period of operation of the newly installed meter, which was replaced on 13.04.2026, was comparatively short and did not furnish a sufficiently broad data set to enable any reliable comparative analysis regarding the accuracy or otherwise of the previous meter.

The matter was thereafter considered for further adjudication on the basis of the pleadings, documents placed on record, and submissions advanced by the parties.

D. ISSUES FOR DETERMINATION

Upon consideration of the pleadings, submissions of the parties, and the material placed on record, the following issues arise for determination:

1. Whether the assessment raised on account of application of an incorrect Multiplying Factor (MF) is legally sustainable?
2. Whether the Respondent can recover arrears for a period extending up to three years (or beyond), particularly when the error is attributable to the licensee itself?

3. Whether the bar under Section 56(2) of the Electricity Act, 2003 is applicable in the facts of the present case?
4. Whether the principles of natural justice were complied with while issuing the impugned assessment?
5. Whether the relief granted by the Learned CGRF warrants interference or modification?
6. Effect of Pendency of LPA No. 1408 of 2026 (O&M)

E. FINDINGS AND ANALYSIS

Issue No. 1: Incorrect Multiplying Factor (MF) and Responsibility of the Licensee

It is not in dispute that the electricity connection of the Appellant bearing Account No. 102/0943/700407A, Meter No. CHET03713, was inspected vide I.R. No. 19/002 dated 24.07.2025 by the Enforcement Team of the Respondent, and it was detected that billing had been carried out by applying MF "01" instead of the correct MF "02".

The record further reveals that the said discrepancy continued for a considerable period without detection by the Respondent despite regular billing cycles and meter readings. The Learned CGRF has also returned a categorical finding that the responsibility for correct billing and application of the proper MF lies upon the Respondent/licensee.

This Authority finds substance in the contention of the Appellant that the consumer cannot be faulted for technical or billing errors falling exclusively within the administrative and operational domain of the licensee. The consumer had continued to pay the bills regularly as raised by the Respondent and there is no allegation of theft, tampering, misrepresentation, or suppression attributable to the Appellant

Issue No. 2: Permissibility of Retrospective Recovery

The central question is the extent to which retrospective recovery is permissible when the error is attributable to the Respondent.

The Learned CGRF has already recorded a categorical finding that the lapse was due to the negligence of the Respondent. In such circumstances, permitting recovery for an extended period raises concerns of equity and fairness.

The Supply Code provisions contemplate that retrospective billing corrections, particularly those arising from licensee errors, must be exercised cautiously and within a reasonable and legally sustainable timeframe.

As per the details provided by CPDL vide METER CHANGE ORDER 55 dated 06.04.2022 the old meter No CHET 2076 having meter CT Ratio 3x200/5A and CTR of 400/5A was replaced with a new meter No. CHET03713 having CT Ratio of 3 x 200/5A and OLD CTR of 400/5A has been retained. In 2022 the onus of updating the meter record in the system lies with EWED Chandigarh which was the then Distribution licensee, and it could only because of clerical error that MF-1 has been fed in their billing system in place of MF-2. As far as the recorded consumption is concerned, it has never been disputed by the Appellant from the date of energization of connection. Moreover, the CTR of 400/5A, CTs are same till date when the original meter No CHET2076 was replaced with another meter bearing meter No. CHET03713.

As such the 'Multiplying Factor' (MF) 2 was applicable however, MF-1 has been applied erroneously.

The meter test report vide report No 249 shows that the meter No CHET03713 was subjected to testing and found that Primary Line current details are as under:

Sr. No.	Parameter	R-Phase	Y-Phase	B-Phase
1	Primary Line Current	71.03	58.99	50.45
2	Meter Display Current	35.53	29.59	27.78
3	Calculated MF	≃ 2	≃ 2	≃ 2

The complete details of the 'metering unit' as well as the 'meter' for the purpose of counting the units consumed with MF (one) was applied instead of MF-2, for billing purpose; accordingly, all the relevant data were inserted in the software/computer in respect of 'Metering Unit' for the purpose of preparing the monthly bills for the energy consumed.

Accordingly, the regular bills were being generated with MF-1 till 24.07.2025 when the discrepancy was first noticed by the Inspecting team of CPDL and a supplementary demand to the extent of ₹23,12,658/- for the period 10.04.2022 to 10.06.2025 has been raised on the ground that the earlier bills were raised erroneously with MF-1.

Since the electricity bills were being generated regularly and paid by the Appellant without raising any doubt. The Respondents' mere error or omission in making the correct calculation does not constitute a genuine dispute, as the meter readings themselves have not been altered. Notably, the Appellant has not challenged the recorded readings.

Therefore, if the requirement is that any reading in a metering unit with a multiplying factor of 2 must be multiplied by 2 when issuing a demand, any correction of an error in this process is merely clerical. In this case the error occurred during the period EWEDC was the Distribution Licensee and CPDL took over the distribution system from EWEDC on 01.02.2025. The Respondents cannot be barred from issuing a supplementary demand, which is otherwise in accordance with the law. Furthermore, this does not prevent the respondents from raising a supplementary demand to recover arrears, nor does it create any indefeasible right for the petitioner to avoid such payment.

In the matter of **M/s Gokul Steels Private Limited Vs the South Bihar Power Distribution Company Limited,** Vidyut Bhawan, Bailey Road, Patna, in the High Court of Judicature at Patna in Civil Writ Jurisdiction Case No.9742 Of 2020, the Hon'ble High Court held that:

> *"13. From the aforesaid, it is clear that the petitioner never raised any dispute when the new metering unit, with multiplying factor of 02 was installed on 24.08.2015, which was clearly spelt out in the report of such installation, and the same continued till the supplementary demand was raised. Once the new metering unit was accepted by the petitioner without dispute, coupled with the fact that the installation report of the metering unit of 24.08.2015 clearly indicated such multiplying factor of 02, which*

was also signed by the petitioner's representative, if, for any reason, the multiplying factor had not been correctly given effect to by the respondents while raising the demand, the same would not per se enable the petitioner not to pay such charges. The simple reason of a mere error/omission on the part of the respondents in making the correct calculation would not amount to any real dispute, as the unit(s) reflected in the meter is/are not being changed and, quite importantly, even the petitioner has not raised any dispute with regard to the recording(s)/reading(s) of the new metering unit having a multiplying factor of 02. Thus, if the requirement is that for any reading in a metering unit classified as M.F. 02, the units recorded have to be multiplied with 02 while raising a demand, rectification of an error, if any, in such exercise is merely clerical. The respondents cannot be shut off from raising a supplementary demand, which even otherwise, is in accordance with law, and at the same time would not preclude or prevent them from raising supplementary demand and recovering the huge arrears and would also not create any indefeasible right in the petitioner to absolve himself from payment of the same.

14. Thus, in the considered opinion of the Court, the dispute being raised before the Court has absolutely no merits as far as the main issue is concerned which, at the cost of repetition, can be simply said to be an error in applying the formula to be used while raising the actual demand based on reading rendered by a metering unit classified as M.F. 02, such classification of the new multiplying factor of 02 having been in the petitioner's knowledge since 24.08.2015. The petitioner has not been able to demonstrate before the Court any provision where even for M.F. 02 metering unit, there cannot be a multiplying factor of 02 and the same has to necessarily be 01. Merely because for five years there has been an oversight on the part of the respondents, that too, as learned counsel for

the respondents has himself submitted, may indicate some collusion at the level of employees of the respondents also, for which steps are being taken to fix responsibility, cannot be stretched to the extent that it shall prevent the respondents from realizing an amount which was, otherwise, in law, due to them and which the petitioner was liable to pay."

The charges for electricity consumed become due only after a demand bill is issued by the Distribution Licensee and the Distribution Licensee has issued a demand bill. The period of limitation of two years would commence from the date on which the electricity charges became "first due" under sub-section (2) of Section 56. This provision restricts the right of the licensee company to disconnect electricity supply due to non-payment of dues by the consumer, unless such sum has been shown continuously to be recoverable as arrears of electricity supplied, in the bills raised for the past period.

Section 56(2) however, does not preclude the licensee company from raising a supplementary demand in case of mistake or Bonafide error, after the expiry of the limitation period of two years. It only restricts the right of the licensee to disconnect electricity supply due to non-payment of dues after the period of limitation of two years has expired, nor does it restrict other modes of recovery which may be initiated by the licensee company for recovery of a supplementary demand.

Applying the above principle to the facts of the present case, the licensee company raised an additional demand of ₹23,12,658/- on 01.08.2025, for the period from 10.04.2022 to 10.06.2025. According to Section 17(1)(c) of the Limitation Act, 1963, when a mistake is involved, the limitation period begins from the date on which the mistake is first discovered. In this case, the mistake was discovered on 24.07.2025.

In Mahabir Kishore and Ors. v. State of Madhya Pradesh, the Hon'ble Court held that: –

"Section 17(1)(c) of the Limitation Act, 1963, provides that in the case of a suit for relief on the ground of mistake, the period of limitation does not begin to run until the plaintiff had discovered the mistake or could with reasonable diligence, have discovered it. In a case where payment has been made under a mistake of law as contrasted with a mistake of fact, generally the mistake becomes known to the party only when a court makes a declaration as to the invalidity of the law. Though a party could, with reasonable diligence, discover a mistake of fact even before a court makes a pronouncement, it is seldom that a person can, even with reasonable diligence, discover a mistake of law before a judgment adjudging the validity of the law."

In THE Hon'ble SUPREME COURT OF INDIA CIVIL APPELLATE JURISDICTION CIVIL APPEAL NO.1672 OF 2020 (Arising out of SLP (Civil) No. 5190 of 2019) **Assistant Engineer (D1), Ajmer Vidyut Vitran Nigam Limited & Anr. versus Rahamatullah Khan alias Rahamjulla WITH C.A.NO.1673/2020 @ SLP©NO.4721/2020 @ D.NO.33892/2018**

"Section 56(2) however, does not preclude the licensee company from raising a supplementary demand after the expiry of the limitation period of two years. It only restricts the right of the licensee to disconnect electricity supply due to non-payment of dues after the period of limitation of two years has expired, nor does it restrict other modes of recovery which may be initiated by the licensee company for recovery of a supplementary demand.

Applying the aforesaid ratio to the facts of the present case, the licensee company raised an additional demand on 18.03.2014 for the period July, 2009 to September, 2011. The licensee company discovered the mistake of billing under the wrong Tariff Code on 18.03.2014. The limitation period of two years under Section 56(2) had by then already expired. Section 56(2) did not preclude the licensee company from raising an additional or

supplementary demand after the expiry of the limitation period under Section 56(2) in the case of a mistake or bona fide error. It did not however, empower the licensee company to take recourse to the coercive measure of disconnection of electricity supply, for recovery of the additional demand."

As such the Electricity Department is correct in revising the bill by applying the correct MF-20 in place of MF-1.

Issue No. 3: Applicability of Section 56(2) of the Electricity Act, 2003

The Respondent has relied upon the judgments of the Hon'ble Supreme Court in *Prem Cottex v. Uttar Haryana Bijli Vitran Nigam Ltd.* and *Assistant Engineer, Ajmer Vidyut Vitran Nigam Ltd. v. Rahamatullah Khan* to contend that the limitation period under Section 56(2) commences from the date on which the amount becomes "first due".

There can be no dispute regarding the proposition laid down in the aforesaid judgments. However, the applicability of such precedents has to be examined in the factual matrix of each case.

In the present matter:

- the discrepancy arose due to the Respondent's own billing lapse;
- the consumer continued to pay bills regularly as raised;
- no allegation of fraud or concealment has been levelled against the Appellant; and
- the recovery sought pertains substantially to a period prior to the operational transfer to CPDL.

Therefore, while the Respondent may possess a limited right of reassessment in principle, such right cannot override the binding effect of the judgment rendered by the Hon'ble High Court in *Gulpreet Kaur Bedi* (supra), nor can it be exercised in a manner causing manifest inequity to a bona fide consumer.

The Hon'ble Supreme Court in ***Prem Cottex v. Uttar Haryana Bijli Vitran Nigam (2021)*** has clarified that the amount becomes "first due" upon issuance of a bill, and the limitation period is to be reckoned accordingly. Further, in *Assistant Engineer,*

Ajmer Vidyut Vitran Nigam Ltd. v. Rahamatullah Khan, it has been held that arrears arising from under-billing can be recovered where no prior demand had been raised.

Applying the aforesaid principles, it is evident that the bar under Section 56(2) does not extinguish the underlying liability but restricts the remedy of disconnection beyond the prescribed period. At the same time, the power of recovery cannot be exercised in an unbridled manner, especially where the delay is attributable to the licensee.

Thus, a balanced interpretation is required—recognizing the Respondent's right to recover legitimate dues while simultaneously safeguarding the consumer from inequitable retrospective burdens.

Issue No. 4: Compliance with Principles of Natural Justice

The Appellant has consistently contended that no effective opportunity of hearing was granted prior to issuance of the Final Assessment Order dated 30.10.2025.

Although the Respondent (Rejoinder dated 4.05.2026) has subsequently admitted that the Appellant did appear on 28.10.2025 along with his representative, the record does not adequately demonstrate that all relevant technical material, including calculation sheets, meter testing details, and verification data, were supplied to the Appellant prior to finalization of the assessment.

Further, the issuance of the Final Assessment Order within a short period after the hearing lends credence to the grievance of the Appellant that the hearing process lacked substantive consideration.

This Authority is therefore of the considered opinion that the procedural safeguards expected in quasi-judicial proceedings were not fully adhered to.

Issue No. 5: Sustainability of the CGRF Order

The Learned CGRF has attempted to strike a balance by restricting recovery to a period of three years and permitting payment in instalments.

However, in view of:

- the admitted negligence of the Respondent,
- the absence of strict procedural compliance, and
- the need to align recovery with statutory and equitable principles,

the relief granted by the CGRF warrants reconsideration to the extent of the permissible recovery period and the manner of enforcement.

Additionally, the absence of a structured instalment framework renders the relief incomplete and requires appropriate modification.

Issue No. 6: Effect of Pendency of LPA No. 1408 of 2026 (O&M)

During the pendency of the present representation, this Authority, while dealing with another matter involving substantially similar questions relating to applicability of Multiplying Factor (MF), consequential billing adjustments and retrospective recovery, came across the judgment dated 23.04.2026 passed by the Hon'ble High Court of Punjab and Haryana in CWP No. 38170 of 2025 (O&M), titled *Ms. Gulpreet Kaur Bedi & Ors. Vs. Union Territory of Chandigarh & Ors.*, wherein certain findings came to be recorded concerning retrospective recovery arising out of application of Multiplying Factor (MF).

Subsequently, it has been brought to the notice of this Authority that the operation of the aforesaid judgment dated 23.04.2026 has been stayed by the Hon'ble Division Bench in LPA No. 1408 of 2026 (O&M), titled *Chandigarh Power Distribution Ltd. & Ors. Vs. Gulpreet Kaur Bedi & Ors.*, vide order dated 15.05.2026.

This Authority has carefully considered the record available on file as well as the legal position emerging from the proceedings presently pending before the Hon'ble High Court.

It is observed that the controversy involved in the present representation substantially overlaps with the issues presently engaging consideration before the Hon'ble Division Bench in the aforesaid LPA. The principal questions arising in the present matter, namely applicability of Multiplying Factor (MF), permissibility and extent of retrospective recovery, and consequential determination of liability, are directly connected with and dependent upon the adjudication presently pending before the Hon'ble High Court.

It is also pertinent to note that while passing the order dated 15.05.2026 in LPA No. 1408 of 2026 (O&M), the Hon'ble Division Bench has taken note of the fact that in CWP No. 8170 of 2026 the petitioner therein had been relegated to avail the statutory remedy under Section 42(6) of the Electricity Act, 2003, whereas in CWP No. 38170 of 2025 (O&M), objections relating to maintainability and adjudication of substantially similar issues came to be dealt with differently. Thus, the legal issues

involved are presently engaging consideration before the Hon'ble High Court in a broader perspective and are yet to attain finality.

At present, the judgment dated 23.04.2026 passed in CWP No. 38170 of 2025 (O&M), which is being relied upon in matters involving similar controversy, has itself been stayed by the Hon'ble Division Bench. In such circumstances, adjudication on merits by this Authority at this stage may result in avoidable multiplicity of proceedings and may also give rise to inconsistency with the final adjudication rendered by the Hon'ble High Court.

Judicial propriety, institutional discipline and the necessity of maintaining consistency in adjudication therefore warrant that this Authority refrains from rendering findings on the merits of the controversy while substantially identical questions remain sub judice before the Hon'ble High Court.

This Authority is not declining the jurisdiction vested under Section 42(6) of the Electricity Act, 2003. However, considering the pendency of substantially identical issues before the Hon'ble High Court and the interim orders operating therein, this Authority considers it appropriate, in the interest of judicial consistency and orderly administration of justice, to defer further adjudication in the present matter at this stage.

Accordingly, without expressing any opinion on the merits of the rival claims and contentions of the parties, and considering that substantially identical questions are presently engaging consideration before the Hon'ble High Court in LPA No. 1408 of 2026 (O&M), further proceedings in the present representation are kept in abeyance and deferred sine die at this stage.

The parties are directed to promptly place on record a copy of any interim, final or dispositive order that may be passed by the Hon'ble High Court in LPA No. 1408 of 2026 (O&M). The parties shall also intimate this Authority immediately upon the final adjudication of the said proceedings so as to enable appropriate further orders to be passed in the present representation in accordance with law.

The present representation shall remain liable to be revived and listed for further proceedings upon an appropriate application being filed by either party after vacation, modification or final adjudication of the proceedings in LPA No. 1408 of 2026 (O&M),

whereupon the matter shall be proceeded with in accordance with law keeping in view the final adjudication rendered by the Hon'ble High Court.

It is further directed that, in the peculiar facts and circumstances of the case, coercive recovery in respect of the disputed demand forming subject matter of the present representation shall remain deferred during continuance of the interim order passed by the Hon'ble High Court in LPA No. 1408 of 2026 (O&M), subject to the Appellant continuing to regularly pay the current electricity consumption charges and all other undisputed dues within the prescribed period.

It is clarified that the protection granted herein is confined only to the disputed demand involved in the present proceedings and shall not extend to current consumption charges or any other undisputed dues payable by the Appellant.

It is further clarified that in the event of default in payment of current electricity consumption charges or other undisputed dues by the Appellant, the protection granted under the present order shall automatically cease to operate without any further orders from this Authority and the Respondent shall thereafter be at liberty to proceed in accordance with law.

The deferment of proceedings under the present order shall be without prejudice to the rights and contentions of either party.

F. **Directions**

Accordingly, without expressing any opinion on the merits

1. Proceedings in the present case No. 263/2026 are kept in abeyance.
2. Parties shall intimate this Authority immediately upon final adjudication of LPA No. 1408 of 2026 (O&M).
3. Matter shall be revived on application of either party.
4. Coercive recovery shall remain deferred subject to payment of current charges and undisputed dues.
5. Protection shall cease upon default.
6. Rights and contentions are kept open.

3/6/26

(C M Sharma)

Dated: 03.06.2026

Ombudsman JERC