



Petition No. 56 of 2017 (M)

In the Matter of

Miscellaneous petition under regulation 44 of CSERC (Conduct of Business) Regulation, 2009 read with section 129 and section 142 of the Electricity Act, 2003.

M/S Akash Ispat Private Limited Unit-II, ... Petitioner
Gogaon, Ring Road No. 2, Industrial Area,
Urla Raipur - 492001

V/s

Chhattisgarh State Power Distribution Co.Ltd. ... Respondents
Vidyut Sewa Bhawan, Daganiya, Raipur

PRESENT : **Narayan Singh, Chairman**
: **Arun Kumar Sharma, Member**

APPEARANCE : Shri Vinay Kumar, Advocate for
Petitioner.
Ms. Gurpreet Kour Chawla, Advocate,
& Shri V.A. Deshmukh, EE for
Respondent

ORDER

(Passed on 1st March, 2018)

The petitioner M/s Akash Isapt Private Limited Unit-II is a registered company under the Companies Act 1956, engaged in manufacturing of iron & steel products, having it's unit at Gogaon, Ring Road No. 2, Industrial Area Urla, Raipur. The petitioner company is a regular and fixed HT industrial consumer of electricity supplied by the respondent Chhattisgarh State Power Distribution Company Limited (CSPDCL) with a fixed contract demand of 4000 KVA. It is regularly importing power from CSPDCL.

Petitioner Submission

CSPDCL raises monthly bill to the petitioner in accordance with the electricity consumed by it. According to the tariff orders for the years 2014-15, 2015-16, 2016-17 and 2017-18 respectively the petitioner is entitled to a rebate of 0.5% on the net amount of

advance payment of electricity bill. The petitioner received 0.5% rebate on the net amount of advance payment since April 2015 till May 2017 only in the month of June 2017 and July 2017 the same was disallowed retrospectively by the respondent CSPDCL in its' bill.

The respondent vide bill No. 702023078419 (impugned bill) raised electricity bill in the name of the petitioner for month of July 2017. In this bill, an amount of Rs. 5,22,500/- was accounted along with the current month bill.

On requests of the petitioner, the respondent provided the details with respect to Rs. 5,22,500/- charged in the bill, wherein the amount of rebate was retrospectively charged and was paid under protest by the petitioner. In other words, it can be said that petitioner's right to rebate was denied by the respondent. Recovery of the rebate granted to the petitioner is causing an irreparable loss to the petitioner.

The rebate seems to have been disallowed by the respondent by misinterpreting the tariff provisions under respective tariff orders in as much as they have not taken the date of submissions of DD/cheque as the date of payment, but have taken date of its encashment as the date of payment.

The petitioner has preferred this petition against the impugned bill and denial of petitioner's right by the respondent to get rebate on advance payment and for issuance of necessary direction and clarification by the Commission.

The petitioner prays for the following relief:-

- (a) To issue necessary clarification/directions to CSPDCL to give full effect to the tariff order of FY: 2014-15, 2015-16, 2016-17 and 2017-18, that the petitioner shall be entitled to 0.5% rebate on advance payment, since date of submission of cheque/DD shall be taken as date of payment and not the date of encashment of such cheque/DD;
- (b) To direct CSPDCL to refund rebate to the tune of Rs. 5,22,500/- which was charged from the petitioner under

protest and also the rebate amount of Rs. 50,000/- which was disallowed in the month of June' 2017 and July' 2017 i.e., Rs. 5,72,500/-.

Respondent Reply

Respondent submitted that the relief claim by petitioner are legally un-sustainable and does not stand scrutiny of relevant clause of prevalent tariff order applicable for grant of advance payment rebate, for the broad reasons given below:-

- (i)** No advance payment as per terms of tariff order was held with respondent on two month basis from April 2014 to July 2017.
- (ii)** Any payment to the extent of billable amount accepted by respondent during the terms from commencement of consumption to respective due date, does not gain the score of advance payment.
- (iii)** The petitioner constantly paid an anticipated amount to respondent on the last date of every month from April-2015 to June 2017, and billing unit of respondent has regularly allowed credit of 0.5% on such amount in next billing month, despite of fact that respondent did not hold any advance.
- (iv)** Therefore the rebate on advance payment on two month basis during April 2015 to May 2017 is wrongly given and against the terms of tariff order applicable for advance payment rebate. Hence demand for recovery of such amount is correct and proper.

CSPDCL submitted that the petitioner has misconceived and misled the provisions of advance payment rebate and considering itself to be eligible even if actual payment of electricity bills during a particular month does not hold the scrutiny of advance payment as per the prevalent tariff order 2014-15 to financial year 2017-18.

That the contention regarding date of encashment of cheque as date of receipt of advance payment rather than date of submission of D.D. taken as a premise for disallowance of advance

payment rebate is totally misconceived. Respondent has effectively applied the relevant provisions of tariff order. Thus therefore the Hon'ble Commission should dismiss the above petition.

Commission view:-

Going through the pleadings, it appears that there is a misconception of the term "advance" between the petitioner and respondent and therefore, the provisions in tariff orders related to advance payment by EHV and HV consumers were interpreted accordingly.

It would be appropriate to observe various provisions in tariff orders regarding the advance payment rebate.

The relevant provision of advance payment rebate under the head term and condition of EHV and HV tariff of tariff order are as under:-

1. Tariff Schedule for FY: 2014-15

"9. Advance payment rebate

A rebate @ 0.5% per month will be payable on net amount of advance at the end of the billing cycle of that particular month, subject to the net amount of advance is not less than Rs. 20,000 and shall be adjustable in next month's bill"

2. Tariff Schedule for FY: 2015-16

"8. Advance payment rebate

A rebate @ 0.5% per month will be payable on net amount of advance at the end of the billing cycle of that particular month, subject to the net amount of advance is not less than Rs. 20,000 and shall be adjustable in next month's bill"

3. Tariff Schedule for FY: 2016-17

"5. Advance payment rebate

For advance payment made before commencement of consumption period for which bill is to be prepared, a rebate @ 0.5% per month on the amount which remains with the licensee at the end of calendar month excluding security deposit, shall be credited to the account of consumer after adjusting any amount

payable to the licensee subject to the net amount of advance being not less than Rs. 20,000 and shall be adjustable in next month's bill"

4. Tariff Schedule for FY: 2017-18

"5. Advance payment rebate

For advance payment made before commencement of consumption period for which bill is to be prepared, a rebate @ 0.5% per month on the amount which remains with the licensee at the end of calendar month excluding security deposit, shall be credited to the account of consumer after adjusting any amount payable to the licensee subject to the net amount of advance being not less than Rs. 20,000 and shall be adjustable in next month's bill"

We can say from the above tariff orders that rebate was allowed for advance payment only.

The word "**advance**" means an advance, whether in cash or in kind, or partially in cash and/or partially in kind made by one person to another. It means literally a payment beforehand; in certain cases it may be a loan but it cannot be said that a sum paid by way of advance is necessarily a loan. The expression means something which is given to a person but which is paid to him ahead of time when it is due to be paid. In other words, advance means a payment paid on account of, but before completion of, a contract, or before acquisition of goods or receipt of services.

If, taking in view the above definition of advance we interpret the above mentioned provisions of tariff orders, we can say that a bill of electricity is paid in advance, only when the payment is made before commencement of consumption period or at early initial stage of the commencement of consumption period. In tariff orders for the years 2014-15 and 2015-16, it was wrongly mentioned that "advance at the end of billings cycle of that particular month" which was rectified in later orders mentioning the terms as "advance payment made before commencement of consumption period for which bill is to be prepared".

We agree with the submission of the respondent that the petitioner constantly paid an anticipated amount to the respondent on the last date of every month, which was not an advance payment. The billing unit of respondent allowed rebate wrongly to the petitioner, which was given against terms of tariff order and therefore, the demand for recovery of such amount is correct and proper.

In the light of above discussion, we do not find any merit in the petition and accordingly we dismiss the petition.

Both parties shall bear their own cost.

Sd/-
ARUN KUMAR SHARMA)
MEMBER

Sd/-
(NARAYAN SINGH)
CHAIRMAN