



CONSUMER GRIEVANCES REDRESSAL FORUM

(Constituted under section 42(5) of the Electricity Act-2003 for Electricity Consumers of UT of Daman and Diu)
Old Power House Building, NANI DAMAN, DAMAN- 396210.
Tele: 0260 - 2992330.

No.: DD/CGRF/Gr-083/2015/ *he*

Date: 18.12.2015

To,
Shri Narendra Trivedi,
✓ Silvassa Industries & Manufacturers Association,
Office No.8,
Danudyog Shopping Centre,
Opp: Hiravan Garden,
Piparia, Silvassa-396230
UT Of Dadra & Nagar Haveli

By Courier

Subject	:- Your Grievance No.083/2015.
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Sir,

A copy of order passed by this Forum in your Grievance dated 03.09.2015 [Grievances No. 83/2015] is enclosed herewith.

[Signature]
[T. D. Davda]
Member

Copy to:

[1] The Superintending Engineer,
DNH Power Corporation Limited,
AMLI, SILVASSA- 396230.

-along with a copy of the order.

Copy respectfully submitted to:

[1] The Secretary,
Joint Electricity Regulatory commission,
VANIJYA KUNJ, HSIDC Office Complex,
Udyog Vihar Phase-V,
GURGAON, HARYANA-122016.

With reference to letter No.18/12A/2011-2015-JERC/987-90 dated 19.11.2015, for information please.

CONSUMER GRIEVANCES REDRESSAL FORUM, UT OF DAMAN AND DIU

POWER HOUSE BUILDING, NANI DAMAN.

[SITTING AT SILVASSA]

In The Matter Of Grievance No.83/2015 Between Silvassa industries and
Manufacture Association And DNH Power Distribution Corporation
Limited, Silvassa Registered With Consumer Grievances Redressal
Forum, Daman And Diu (U.T.).

Silvassa industries and Manufacture
Association [SIMA] through its Secretary
Shri Narendra Trivedi

(Here-in-after referred to as
complainant)

Versus

DNH Power Distribution Corporation Ltd.
[DNHPDCL]

(Here-in-after referred to as
Licensee-respondent)

Present: Shri Narendra Trivedi, Secretary, SIMAfor the
complainant.

Respondent: Shri H. M. Patel, Executive Engineer along with
Shri A. A. Chaubal , Asstt. Engineer and
Smt. Sandhya Dilip, Asstt. Engineer
.....for respondent.



This consumer Grievances Redressal Forum has been established under
Joint Electricity Regulatory Commission for the State of Goa and Union
Territories (Establishment of Forum for Redressal of Grievances of
Consumers) Regulation-2009 to redress the grievances of consumers.
The regulation has been made by Joint Electricity Regulatory

Commission [JERC] vide powers conferred on it by Section 181 read with sub-section 5 to 7 of Section 42 of the Electricity Act, 2003 (36 of 2003).

[2] The Complainant is member and Secretary of Silvassa industries and Manufacture Association [SIMA]. The complaint is made on behalf of all members of the Association. Joint Electricity Regulatory Commission, Gurgaon vide its letter dated 19.11.2015 has, on the grounds of conflict of interest forwarded the entire complaint to this Forum with direction to redress the same.

[3] SIMA is a registered association of industries looking after problems of its members. The present complaint is about period of Bank Guarantee being submitted by consumers of Electricity of the respondent i.e. DNHPDCL. It is contented by the complainant that DNHPDCL is asking for Bank Guarantee for 2 years and 6 months which is unjust and improper and against JERC regulations and thus DNHPDCL is not following JERC regulation.

[4] The bunch of papers as received from JERC containing above grievance was sent by Forum vide letter dated 30.11.2015 to the Superintending Engineer, DNHPDCL i.e. respondent. DNHPDCL filed its reply dated 14.12.2015 vide Exh.4. DNHPDCL in its reply dated 14.12.2015 has submitted that DNHPDCL is following format as approved by Reserve Bank of India and competent authority for the purpose of obtaining Bank Guarantee from its consumers.



[5] After perusing the complaint and the written statement and the documents placed by both the sides, the following points arise for our consideration and we record our findings thereon for the reasons discussed hereinunder:

No.	POINTS	FINDINGS
(1)	Does the complainant prove that the DNHPDCL is asking for Bank Guarantee for 2 years with a claim period of 6 months which is unjust and improper and against JERC regulations?	YES
(2)	Does the complainant prove that the respondent should ask for the Bank Guarantee for 2 years?	YES
(3)	What order?	As per Final order



REASONS

[6] As to points No. 1 & 2 - The hearing was held on 18.12.2015 at Silvassa. Shri Narendra Trivedi as Secretary, SIMA advanced arguments in this case while Shri H. M. Patel, Executive Engineer with his Assistant Engineers argued on behalf of DNHPDCL.

[7] Shri Narendra Trivedi during argument submitted that as per JERC regulation, the consumer has to pay security deposit equivalent to 2 months average bills. However, the regulation is silent about the

period for which the security deposit is to be maintained. This is particularly an issue for those consumers who are paying security deposit in the form of Bank Guarantee. Our members agree to submit Bank Guarantee for 2 years as the minimum agreemental period is 2 years. But DNHPDCL is asking for Bank Guarantee for 2 years with a claim period of 6 months which is unjust and improper and not in line with JERC regulation.

[8] The respondent submitted that they are following Bank Guarantee format as approved by Reserve Bank of India and their competent authority which is incorporated in CPWD Manual 2010 because in absence of any direction in JERC Supply code regulation, they have to follow CPWD Manual which clearly states the period of Bank Guarantee of 2 years with a claim period of 6 months. In doing so we are not violating JERC regulation. This cannot be considered as unjust and improper.

[9] The first and foremost document we are in need for administering justice, is the agreement entered in to by both the sides. But since this is not a case instituted by any individual consumer and it is a problem of entire industrial consumers association i.e. SIMA, we are going through the blank format available on record. But the format of agreement is silent about the period of Bank Guarantee and the claim period. Had the parties to the agreement agreed for some period of Bank Guarantee and the claim period therein, there would have been no problem at all. But since the agreement is not a guiding document for us, we searched for another document as an alternative. And it is



the demand notice issued by DNHPDCL to the prospective consumer which shed some light on this aspect. The clause D of the demand notice which speaks about the period of security deposit as 2 years. But again it is silent in respect of the claim period. And the real dispute between the complainant and the respondent is of the claim period only. Hence we are constrained to think that whether DNHPDCL is acting arbitrarily in asking for claim period of 6 months for recovery of the energy charges after expiry of the period of Bank Guarantee i.e. 2 years or 24 months. But no, it does not seem so. DNHPDCL appears to have derived the claim period from the Central Public Works Department Manual-2010 [CPWD Manual]. In the CPWD Manual, the claim period after expiry of the Bank Guarantee is specified as 6 months. But again the provisions of CPWD Manual are not applicable to DNHPDCL, being a licensee, after the enactment of Electricity Act, 2003. DNHPDCL is now governed by the provisions of various regulations of JERC. But again the provisions of JERC regulations are silent on period of Bank Guarantee and the claim period. When the laws and regulation stop guiding the Members of Forum, then they should take help of the logic by opening their minds. As submitted by the Shri Narendra Trivedi, the energy bills of the member industries run into crores of Rupees. And the Bank charges at the rate of 2% of the Bank Guarantee amount while issuing Bank Guarantee, which burdens the consumers. A thought cropped up in our mind as to what difference the enhanced Bank Guarantee charges make to the consumers, who are paying the energy charges of crores of rupees. Our concern would have



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been proper, had a very big industry knocked the doors of this Forum for seeking justice on this issue. The charges of Bank Guarantee may cause injustice to the small industry owner. But the petitioner Association consists of big as well as small scale industries. And it would not be proper on our part to make discrimination between small and large scale industries. The judgment delivered by this Forum will be equally applicable to all types of consumers. DNHPDCL submitted that in absence claim period of 6 months, it will not be in a position to recover the outstanding arrears of defaulting consumers within a short space after the expiry of the Bank Guarantee of 24 months. It is already mentioned in para 3 of the JERC regulation No. 11 of 2010 that the licensee should review the amount of security deposit annually in respect of LT consumer and half-yearly in case of HT consumers. In case of LT consumers, if DNHPDCL make the review of security deposit every year, then it will not lose anything. A period of 12 months will still be in their hands to recover the dues in case of the defaulters. Similarly, in case of HT consumers a period of 6 months will be there, if DNHPDCL makes the review half-yearly. The procedure laid down in the regulation No. 11 of 2010 is binding on DNHPDCL. DNHPDCL should remain alert and issue notice to consumers regarding expiry of their Bank Guarantee well in advance so that its revenue gets protected. In demanding 6 months claim period, the DNHPDCL want to remain in silent till the expiry of the Bank Guarantee period of 24 months, and thereafter intends to initiate actions for recovery.



[10] In the view of the above discussion we record our findings against points No. 1 and 2 in affirmative. Hence we pass the following order.

ORDER

- [1] The grievance application is hereby allowed.
- [2] The DNHPDCL is directed not to ask the members of SIMA to furnish Bank Guarantee having any claim period. DNHPDCL is further directed to remain alert and issue notice to consumers about renewal of their Bank Guarantee well in advance as stipulated in JERC Supply Code Regulation No. 11 of 2010.
- [3] The complainant, if aggrieved, shall have the option or liberty to prefer appeal / representation against this order before the Electricity Ombudsman for JERC for the state of Goa and UT's, "Vanijya Nikunj", HSIIDC Office Complex (2nd Floor), Udyog Vihar, Phase - V, Gurgaon - 122016 (Haryana), Phone No. 0124-2340954, Mob. 9871588333, email id - ombudsmanjerc@gmail.com, within one month from the date of receipt of this order."

(Signature)
18.12.2015
(T. D. Davda)

Member

(Signature)
(M.N. Kulkarni)

Member(Nominee)

(Signature)
18.12.2015
(A.P. Waghmare)

Chairperson

Place: Silvassa

Dated : 18.12.2015

