BEFORE THE ELECTRICITY OMBUDSMAN, HARYANA
Bays No. 33-36, Ground Floor, Sector–4, Panchkula-134109
Telephone No. 0172-2572299
Website: https://herc.gov.in/Ombudsman/Ombudsman.aspx#
E-mail: eo.herc@nic.in

(Regd. Post)

Appeal No.	**:**	**18 of 2026**
Registered on	**:**	**21.05.2026**
Date of Order	**:**	**24.08.2026**

In the matter of:

Appeal against the order dated 23.04.2026 passed by CGRF, UHBVN Panchkula in case No 166 of 2025

M/s True Villas Developers Pvt. Ltd., Project namely Forteasia Residency, Sector 28, Linepar, Bahadurgarh, Haryana **Appellant**

Versus

1.The SDO/OP, S/Division, Vidyut Sadan, IP No. 3 & 4, Sector-14, UHBVN, Panchkula **Respondent**
2. SDO/OP, Sub Division, UHBVN, Bahadurgarh, Haryana

Before:
Shri Rakesh Kumar Khanna, Electricity Ombudsman

Present on behalf of Appellant:

Sh. Akash Shukla counsel for the appellant

Present on behalf of Respondents:
Sh. Rahul Verma, SDO (Operations)
Sh. Sanjay Bansal counsel for the respondent

ORDER

A. The appellant has filed an appeal against the order dated 23.04.2026 passed by CGRF, UHBVNL, Panchkula in case no. 166 of 2025. The appellant has submitted as under: -

1. That the present Appeal is being preferred against the impugned order dated 23.04.2026 passed by the Learned Corporate Consumer Grievances Redressal Forum, UHBVN, Panchkula, whereby the complaint filed by the Appellant challenging the arbitrary electricity demand raised by the Respondents has been wrongly decided without proper appreciation of facts, issues raised, law, material, available on record, and without considering binding statutory provisions, and without dealing with the judgments cited by the Appellant.
2. That the Appellant is a real estate developer and developer of the residential colony/project namely Forteasia Residency, situated at Sector-28, Linepar, Bahadurgarh, wherein individual plot owners/allottees have been independently granted electricity connections by the Respondents.
3. That the Respondents issued an arbitrary demand notice bearing Memo No. 165, dated 05.03.2025, recovery of Rs. 8,36,856/- alleging excess electricity consumption on account of an alleged discrepancy between the "Reference Meter" and aggregated individual consumer meters.
4. That the Appellant repeatedly sought complete details, including:
    a. Meter-wise readings

b. Plot-wise consumption
c. Reference meter data
d. MCO meter records
e. Billing cycle details
f. Average consumption calculations

However, the same were never furnished.

5. That the Appellant approached the CGRF by filing Complaint No. 166/2025 seeking quashing of the arbitrary demand and full disclosure of electricity consumption records.
6. That during the proceedings before CGRF, despite repeated directions, the Respondents failed to place complete records and only relied upon selective and incomplete readings.
7. That despite the Respondents' failure to comply with the Forum's own directions and despite absence of complete data, the Learned CGRF passed the impugned order, causing serious prejudice to the Appellant.
8. That despite detailed pleadings, rejoinders, written arguments, and reliance upon binding judicial precedents, the Learned CGRF failed to properly adjudicate the matter.
9. The Appellant submitted several judicial precedents against the illegal and arbitrary demand by the respondents on the grounds of illegality, absence of data, arbitrariness, and statutory bar under Section 56(2) of the Electricity Act, 2003 before the CGRF.
10. That the impugned order is arbitrary, illegal, non-speaking, contrary to law, and suffers from patent illegality and perversity.

GROUNDS OF APPEAL:

The impugned order is liable to be set aside on the following grounds:

A. **BECAUSE THE IMPUGNED ORDER IS TOTALLY ARBITRARY AND BAD IN LAW:** The Learned CGRF failed to appreciate that the entire demand itself was based upon incomplete, selective, and unverified data. The findings recorded are contrary to the material on record and are unsupported by lawful evidence. The Learned CGRF has failed to record proper reasons. The impugned order suffers from arbitrariness and non-application of mind. Thus, the impugned order is liable to be set aside.

B. **BECAUSE THE IMPUGNED ORDER IS CONTRARY TO SECTION 56(2) OF THE ELECTRICITY ACT, 2003:** That Section 56(2) of the Electricity Act, 2003 clearly provides:

   No sum due from any consumer shall be recoverable after the period of two years from the date when such sum became first due unless such sum has been continuously shown as recoverable. In the present case, the alleged differential consumption pertains to about 6 years, however, no such demand was ever raised continuously, and no such amount was ever shown in regular billing. Therefore, the impugned demand is ex facie barred by limitation. The Learned CGRF failed to consider this statutory bar. This omission vitiates the order.

That despite specific reliance upon the above judgments, the Learned CGRF has failed to discuss, distinguish, or apply the law laid down by the Hon'ble Supreme Court.

C. **BECAUSE THE DEMAND IS RETROSPECTIVE AND ILLEGAL:** Since 2019, individual allottees have been separately billed by UHBVN. At no point was any discrepancy communicated. Raising a cumulative demand after years is arbitrary, belated, and legally untenable.

D. **BECAUSE JUDGMENTS RELIED UPON BY THE APPELLANT HAVE NOT BEEN CONSIDERED:** That the Appellant specifically cited and relied upon various judgments before the Learned CGRF, including:

i. The Hon'ble Supreme Court of India held in Civil Appeal No. 1672 of 2020 titled **Assistant Engineer, AVVNL v. Rahamatullah Khan**, that *"4.2 By treating the words "first due" to mean the date of detection of mistake, would dilute the mandate of the two year limitation period provided by Section 56(2), since a mistake may be detected at any point of time. Furthermore, the words "recoverable as arrears of charges" would be rendered completely otiose and nugatory.*

4.3 The period of limitation under Section 56(2) cannot be extended by raising a supplementary bill. The "sum due" raised in the original bill, and not paid by the consumer, 8 must be continuously shown as arrears of charges in subsequent bills, for it to become recoverable by taking recourse to the coercive mode of disconnection of electricity supply."

ii. The Hon'ble Supreme Court of India held in Civil Appeal No. 7235 of 2009 M/s Prem Cottex Versus UHBVNL & Ors. 2021 (4) RCR (Civil) P/422, that:

"14. But a careful reading of Section 56(2) would show that the bar contained therein is not merely with respect to disconnection of supply but also with respect to recovery. If Subsection (2) of Section 56 is dissected into two parts it will read as follows:

(i) No sum due from any consumer under this Section shall be recoverable after the period of two years from the date when such sum became first due; and;

(ii) the licensee shall not cut off the supply of electricity.

15. Therefore, the bar actually operates on two distinct rights of the licensee, namely, (i) the right to recover; and (ii) the right to disconnect. The bar with reference to the enforcement of the right to disconnect, is actually an exception to the law of limitation. Under the law of limitation, what is extinguished is the remedy and not the right. To be precise, what is extinguished by the law of limitation is the remedy through a court of law and not a remedy available, if any, de hors through a court of law. However, section 56(2) bars not merely the normal remedy of recovery but also bars the remedy of disconnection. This is why we *think that the second part of Section 56(2) is an exception to the law of limitation."*

iii. The Hon'ble Punjab and Haryana High Court, Chandigarh held in UHBVNL and others vs. PLA, Yamunanagar & Anr. 2022(1) PLR 202 that1

"18. If the petitioners were negligent in making such overhauling of the account of respondent No. 2 after the change of the defective meter and its replacement by a new meter on 09.10.2012, it cannot contend that it's inaction or negligence was a "mistake" and seek to claim the benefit under Section 17(1)(C) of the Limitation Act."

E. BECAUSE THE CGRF FAILED TO CONSIDER VIOLATION OF PRINCIPLES OF NATURAL JUSTICE: The Appellant was never supplied:

- Complete MCO meter readings
- Date/month-wise reference meter readings
- Historical consumption data
- Billing-cycle-wise reconciliation
- Meter defect reports

Without disclosure of the foundational data, fastening liability upon the Appellant is illegal.

F. BECAUSE NO SPEAKING FINDING HAS BEEN RECORDED: The Learned CGRF failed to return findings on:

a. How the alleged differential units were computed;
b. Period of computation;
c. Methodology adopted;
d. Source documents relied upon;
e. Whether the meter was defective
f. The order is non-speaking and unsustainable.

G. BECAUSE THE RESPONDENTS FAILED TO COMPLY WITH DIRECTIONS OF CGRF ITSELF: During the proceedings, the Respondents were directed to produce complete MCO records, period-wise details, and reconciliation statements, but they failed to do so. Despite such non-compliance, relief was denied to the Appellant. This is legally unsustainable.

H. BECAUSE LIABILITY CANNOT BE FASTENED WITHOUT CONSUMER-WISE CORRELATION: The Respondents failed to establish any nexus between:

- reference meter consumption, and
- individual consumer consumption.

In absence of consumer-wise reconciliation, the entire differential liability cannot be imposed upon the Appellant.

I. BECAUSE THERE IS NO TECHNICAL EVIDENCE ON RECORD: There is No:

- meter testing report
- calibration report
- inspection report
- defect report
- third-party technical verification

has been placed on record. Thus, the demand lacks evidentiary basis.

J. BECAUSE THE SUPPLY CODE HAS BEEN VIOLATED: Under the Electricity Act and applicable Supply Code Regulations, billing in case of defective meter must be based upon average consumption. No average consumption computation has been submitted before the learned CGRF. Thus, the demand and the impugned order are contrary to statutory framework.

K. BECAUSE THE CGRF FAILED TO APPRECIATE THAT DIFFERENTIAL CONSUMPTION, IF ANY, MUST BE PROPORTIONATELY ATTRIBUTED TO INDIVIDUAL CONSUMERS: Once independent connections have been granted and separate billing is being done, any differential liability, if legally sustainable, can only be apportioned proportionately to actual end consumers and not arbitrarily to the developer.

L. BECAUSE THE LEARNED CGRF FAILED TO SUPPLY DAILY ORDER SHEETS AND DENIED THE APPELLANT A FAIR OPPORTUNITY OF HEARING IN VIOLATION OF PRINCIPLES OF NATURAL JUSTICE: That the Learned Corporate Consumer Grievances Redressal Forum failed to supply copies of the daily order sheets/zimni orders passed during the pendency of the proceedings to the Appellant.

That the Appellant was not kept informed of the day-to-day proceedings, directions, and developments in the matter, thereby depriving the Appellant of the opportunity to effectively participate in the adjudication process. That it is a settled principle of law that:

- parties must be informed of proceedings,
- orders passed from time to time must be communicated, and
- adequate opportunity must be granted to present their case.

That the failure to provide daily order sheets and ensure proper communication has resulted in denial of **fair hearing**, thereby violating the fundamental principles of **audi alteram partem**, which form the cornerstone of natural justice.

That on this ground alone, the impugned order is liable to be set aside. An order passed in violation of principles of natural justice is nullity in the eyes of law and liable to be set aside irrespective of merits.

M. BECAUSE THE LEARNED CGRF HAS INCORRECTLY RECORDED THE REGISTERED ADDRESS OF THE APPELLANT, REFLECTING NON-APPLICATION OF MIND AND PROCEDURAL IRREGULARITY: That the Learned Corporate Consumer Grievances Redressal Forum has erroneously recorded the registered/address of the Appellant Company in the impugned order.

Further, it is pertinent to mention here that the incorrect mention of the address is not a mere clerical error but goes to the root of the proceedings, inasmuch as it has the potential to prejudice the Appellant's right to fair hearing and participation in the proceedings and it further demonstrates that the impugned order has been passed in a mechanical manner without proper verification of the record.

That the Learned CGRF has failed to ensure accuracy in recording the basic particulars of the Appellant, thereby rendering the impugned order procedurally defective and liable to be set aside.

GROUND FOR INTERIM RELIEF:

a. That because the balance of convenience lies in favour of the appellant and irreparable loss shall be caused in case coercive recovery is not stayed.
b. That the impugned demand dated 05.03.2025 and the consequential impugned order passed by the Learned CGRF are ex facie arbitrary, legally unsustainable, and prima facie contrary to the mandatory provisions of Section 56(2) of the Electricity Act, 2003.
c. That in case coercive recovery proceedings are permitted to continue during pendency of the present Appeal, the Appellant shall suffer irreparable financial loss, business prejudice, and serious civil consequences, which cannot be adequately compensated later.
d. That the balance of convenience lies entirely in favour of the Appellant, as no prejudice shall be caused to the Respondents if recovery is kept in abeyance till final adjudication of the present Appeal.
e. That unless interim protection is granted, the present Appeal itself may become infructuous.
f. That it is, therefore, just, necessary, and expedient in the interest of justice that operation, implementation, and enforcement of the impugned demand notice and consequential recovery proceedings be stayed during pendency of the present Appeal.

LIMITATION:

That the impugned order was received by the Appellant on 24.04.2026 and the present Appeal is being filed within the 30-day period as prescribed period of limitation.

PRAYER FOR INTERIM RELIEF:

Pending final disposal of the present Appeal, it is most respectfully prayed that this Hon'ble Ombudsman may graciously be pleased to:

i. Stay the operation, effect and implementation of the impugned order dated 23.04.2026 passed by the Learned Corporate Consumer Grievances Redressal Forum, UHBVN, Panchkula in Complaint No. 166 of 2025;
ii. Stay the operation and effect of the impugned demand notice bearing Memo No. 165 dated 05.03.2025 issued by the Respondents;
iii. Restrain the Respondents from taking any coercive steps, including recovery proceedings, disconnection, adjustment, levy of surcharge, or any adverse action against the Appellant pursuant to the impugned demand;

iv. Direct the Respondents to maintain status quo with respect to the impugned demand during pendency of the present Appeal;

v. Pass any other interim order(s) deemed fit and proper in the facts and circumstances of the case.

PRAYER

In view of the above facts and grounds, it is most respectfully prayed that this Hon'ble Ombudsman may kindly:

i. Set aside/quash the impugned order dated 23.04.2026 passed by the Corporate Consumer Grievances Redressal Forum, UHBVN, Panchkula in Complaint No. 166/2025;

ii. Set aside/quash the demand notice dated 05.03.2025 for Rs. 8,36,856/-;

iii. Direct the Respondents to provide complete and verified:

- meter-wise readings
- reference meter readings
- MCO records
- month-wise and year-wise reconciliation
- billing cycle details
- technical reports

iv. Declare that the demand raised vide Memo No. 165 dated 05.03.2025, to the extent it relates to any period beyond two years prior to the date of demand, is barred by Section 56 (2) of the Electricity Act, 2003 and is liable to be quashed.

v. Direct fresh adjudication/recalculation strictly in accordance with law;

vi. Stay all coercive recovery proceedings during the pendency of the present Appeal;

vii. Direction or guidelines may be issued to the UHBVN regarding the difference in electricity consumption between the multi-point meter and individual meter, shall be proportionately charged or recovered from the individual meter connection.

viii. Pass any other order deemed fit in the interest of justice.

B. The appeal was registered on 21.05.2026 as an appeal No. 18 of 2026 and accordingly, notice of motion to the Appellant and the Respondents was issued for hearing the matter on 11.06.2026.

C. On 05.06.2026, Xen/OP Bahadurgarh has submitted reply which is as under:-

In this context it is submitted that a appeal has been made by M/s True Villas against the order passed by CGRF, UHBVN Panchkula before your good office. The detailed reply is as submitted below:-

1. That the Complainant M/s try Villas Developers Pvt Ltd is the developer of the Forteasia Residency at sector 28, Linepar Bahadurgarh. The Connection given to the consumer is on MultiPoint's with a reference meter outside for comparison of the energy loss.

2. That for accounting the Losses in the society with respect to the reference meter, Jointly reading were taken by the Nigam officials and the representatives of the M/s True Villas Developers on dated 18.02.2025. From the comparison of the total individual units and the reference meter units it was observed that the Total individual meters consumption were 1595905 units and the total units recorded in reference meter were 793420 units (Thus the Line losses become 11.01%).As per the Sales Circular 14/2020 of Nigam a rebate upto 4 % line loss in Individual total consumption and reference ,meters is allowed .So, after given the rebate net units recoverable became 125778 units amounting Rs 746418/- that were charged in the account no. 0330603583.

3. That as per the Directions of CGRF UHBVN Panchkula again jointly readings were taken on dated 06.10.2025 and it was found that the Reference units as on 06.10.2025 are 2274820 and the units billed individual were 2052876 and thus total line losses upto 10.2025 became 9.76 %.

4. That Again Jointly readings were taken in the Month of Feb 2026, and accounting of the losses was done and found that commutative line losses upto Feb 2026 became 9.20 %

   From the above view, it is clear that the there is line losses in the society above 4 % and is chargeable as per the standing instructions of the Nigam. Further as per the directions of the CGRF UHBVN Panchkula the account of the complainant is overhauled for the period 30.07.2020 to 18.02.2025 on the basis of the line losses calculated for the period from 30.07.2020 to 05.02.2026 as 9.20 %(including 4% rebate) and necessary refund sundry of Rs 291578/- (including surcharge) is also approved by the CBO office UHBVN Panchkula.

   This is for your kind information and further n/a please.

D. On 10.06.2026, counsel of respondent has submitted reply as under: -

PRELIMINARY SUBMISSIONS:-

1. That the appeal is misconceived, devoid of merit and liable to be dismissed.
2. That the impugned order passed by the Ld. CGRF is legal, reasoned and based upon the material available on record.
3. That the appellant has failed to disclose that the disputed demand arose pursuant to reconciliation of actual consumption data and audit verification, whereby under-billing/short-billing was detected.

4. That it is settled law that electricity actually consumed by a consumer is recoverable and the consumer cannot avoid payment merely because a billing error or technical mistake was detected subsequently.

SUBMISSIONS REGARDING ISSUES OF APPEAL:

1. That the appellant, M/s True Villas Developers Pvt. Ltd., is the developer of a residential colony/project namely Forteasia Residency, situated at Sector-28, Linepar, Bahadurgarh, Haryana. In the said project, individual plot owners/allottees have separate and independent electricity connections.
2. That on 18-02-2025 when the officials of respondent department took the readings of each connection in presence of Firm representative, Mr. Sumit, to match the consumption difference with the reference meter, it has been found that the recorded consumption of the reference meter is 1793420 units and the total consumption of all other meters found 1595905 units from the day of installations of the meters.
3. That as per the Nigam instructions difference upto 4% is allowed and more than 4% will be chargeable to the consumer account.
4. That so the respondent department issued a notice on 05-03-2025 to pay an amount of Rs. 8,36,856/- (Approx. on prime facia) for differential consumption. Copy of notice is annexed as Annexure R-1.
5. That when the appellant wrote a letter to the respondent department to give the detail of the units recorded in individual meters, the respondent department had provided the details of the units on 17-03-2025, which is annexed as Annexure R-2.
6. That units as per the recorded consumption in the reference meter was 1793420 KWH and the total consumption of individual connections found 1595905 KWH. So, after rebate of 4%, the amount to be recover of the balance units 125778 is Rs. 7,46,418/-.
7. That when the appellant filed a complaint to Ld. CGRF regarding the billing issue, the account of the consumer has been again checked That as per the directions of Ld. CGRF on dated 06-10-2025 the readings of the main meter and the reference meter was taken by the UHBVN staff and the representative of the M.s True Villas. It has been observed that the reference units as on 06-10-2025 are 2274820 and the units billed individual were 2052876 and thus total line losses upto Oct. 2025 became 9.76%. And the chargeable units after the 4% rebate are 5173 units for the period Feb-2025 to Oct-2025. The calculation sheet detail is annexed as Annexure R-3.
8. That again jointly readings were taken in the Month of Feb. 2026, and accounting of the losses was done and found that commutative line losses upto Feb.2026 became 9.20%.
9. That from the above view, it is clear that there is line losses in the society above 4% and is chargeable as per the standing instructions of the Nigam, Sales Circular no.

14/2020(Annexure R-4). Further as per the directions of Ld. CGRF UHBVN Panchkula, the account of the appellant is overhauled for the period 30-07-2020 to 18-02-2025 on the basis of the line losses calculated for the period from 30-07-2020 to 05-02-2026 as 9.20% (including 4% rebate) and necessary refund sundry of Rs. 2,91,578/- (Principle amount Rs 192636/- and surcharge Rs 98942/-) is also approved by the CBO office UHBVN Panchkula. Now, as on date Rs. 725,987/- is balanced against the consumer (including current Bill).

REPLY OF GROUNDS OF APPEAL:

A. That the contents of point A in Grounds of Appeal is denied. The Ld. CGRF considered the records, submissions of the parties, billing data, meter readings and departmental reports before arriving at its conclusion.

B. That the contents of point B is replied in this way that the contention is misconceived. The appellant has wrongly relied upon Section 56(2). The Supreme Court in M/s Prem Cottex Vs. UHBVNL & Ors. (2021) specifically held that Section 56(2) does not extinguish the liability to pay charges for electricity actually consumed and does not prohibit the licensee from raising an additional or supplementary demand upon discovery of a mistake. The Supreme Court further clarified that Section 56(2) primarily restricts the remedy of disconnection and not the substantive right of recovery of lawful dues.

The demand in the present case arose only upon detection and quantification of the differential consumption and therefore became payable when the supplementary demand was raised. So, the plea of limitation is not available against recovery of actual electricity charges.

C. That the contents of point C is denied, as a supplementary bill or revised assessment cannot be termed illegal merely because it pertains to a previous period. The Supreme Court has categorically held that where under-billing occurs due to mistake, audit objection, wrong tariff application or other bona fide reasons, the distribution licensee is entitled to raise a supplementary bill for the differential amount. The appellant cannot seek unjust enrichment by retaining the benefit of electricity consumed, but not billed. Electricity is a commodity and payment is required for actual consumption irrespective of billing mistakes.

D. That the contents of point D is replied in this way that the judgments relied upon by the appellant are distinguishable on facts. Even in Assistant Engineer, AVVNL Vs. Rahamatullah Khan (2020), the Supreme Court did not hold that supplementary bills are illegal. Rather, the Court expressly held that a licensee may raise an additional or supplementary demand after discovery of a bona fide mistake.

Therefore, the appellant's reliance on isolated observations from the judgment is misplaced.

Further, the later judgment in Prem Cottex Vs. UHBVNL (2021) has clarified the legal position and supports the right of the distribution licensee to recover legitimate dues arising from under-billing.

E. That the contents of point E is replied that the appellant was duly heard before Ld. CGRF. The appellant filed written submissions, relied upon documents and participated in proceedings. Natural Justice requires reasonable opportunity of hearing and not supply of every document demanded by a party.

The appellant has failed to demonstrate any prejudice caused due to alleged non-supply of records. It is settled law that unless prejudice is shown, an order cannot be set aside on technical allegations of violation of natural justice.

F. That the contents of point F is denied. The Ld. CGRF order clearly records:

- Existence of differential consumption
- Basis of demand
- Departmental explanation
- Submissions of the appellant
- Conclusions arrived at by CGRF

A judgment need not discuss every argument separately. It is sufficient, if reasons are noticeable from the order. The order therefore satisfies the requirement of a speaking order.

G. That the contents of point G is denied. The relevant records available with the department were produced before the Forum. In any event, alleged procedural deficiency cannot extinguish liability arising from actual consumption of electricity.

H. That the contents of point H is denied. The demand has been raised on the basis of available consumption records, meter data and reconciliation statements. There is no statutory requirement that recovery can be made only after furnishing consumer-wise mathematical connection in the manner suggested by the appellant. Once differential consumption and short-billing are established, recovery becomes lawful.

I. That the contents of point I is denied. The appellant proceeds on an erroneous assumption that recovery is possible only upon production of a meter testing report. The present demand is based on actual consumption and billing records and not due to meter defect. Where billing discrepancies are established through audit and consumption records, supplementary billing is legally permissible.

J. That the contents of point J is denied. The Supply Code does not prohibit issuance of supplementary bills where under-billing or short recovery is subsequently detected. The provisions regarding average billing apply only to specific situations involving defective or non-functional meters. The present case concerns recovery of differential consumption/short-billed charges and therefore the provisions regarding average billing are not attracted.

K. That the contents of point K is replied in this way that the liability in the present case arises from the connection/account under which electricity was supplied. Until lawful transfer or settlement in accordance with applicable regulations, the registered consumer remains liable for dues pertaining to the connection. No provisions of the Electricity Act mandates apportionment in the manner suggested by the appellant. The issues, if any, is dispute between the developers and individual allottees and cannot defeat the lawful claim of the distribution licensee.

L. That the contents of point L is denied. The appellant actively participated in proceedings and was aware of all hearing dates. No prejudice has been done. Non-supply of interim order sheets, assuming without admitting, does not invalidate the final order unless failure of justice is shown.

M. That the contents of point M are matter of record.

That the contents of prayer clause i.e. Grounds of Interim Relief, Prayer For interim Relief and Prayer are not admitted, hence denied.

So it is, therefore, prayed that keeping in view the above contentions of the respondent department the present appeal of the appellant may kindly be dismissed and pass any other order in favour of respondent in the interest of justice.

E. The hearing in the above matter was held on 11.06.2026 as scheduled. Both parties were present during the hearing.

During the course of arguments, it emerged that the core issue revolves around the significant difference observed between the readings of the reference meter installed at the periphery and the aggregate readings of the individual consumer meters installed within the premises of M/s True Villas Developers Pvt. Ltd. (Forteasia Residency, Sector-28, Linepar, Bahadurgarh), as per the approved electrification plan.

To ensure a fair, transparent, and data-driven resolution of the dispute, the following directions are issued:

Directions to the Respondents (UHBVN):

1. The respondents shall, at the earliest, arrange for the downloading of data from the reference meter as well as all relevant individual meters installed in the project through the M&P Wing or the authorized MRBD agency. A special team shall be deputed by the M&P Wing to assist the concerned SDO in this exercise so as to retrieve the maximum possible historical data locked in the meters.
2. Upon successful downloading of meter data, the respondents shall prepare a detailed and accurate ledger reconciling the consumption recorded in the reference meter vis-à-vis the aggregate consumption of individual meters for the entire relevant period. This ledger shall form the basis for transparent computation of line losses and the disputed demand.
3. The respondents shall file a comprehensive reply addressing the specific grounds raised by the appellant during the hearing, duly supported by the downloaded meter data, ledger, and all relevant documents.
4. A copy of the aforesaid reply along with all annexures shall be supplied to the learned counsel for the appellant **at least three (3) days prior** to the next date of hearing.

Chief Engineer Commercial, UHBVN, Panchkula is requested to depute a suitable Energy Audit Team to assist in the proper accounting of energy, identification of any shortcomings on the part of the respondent Nigam, and to facilitate an objective resolution of the matter.

Directions to the Appellant:

1. In terms of Regulation 18(3) of the Haryana Electricity Regulatory Commission (Electricity Ombudsman) Regulations, the appellant shall deposit 20% of the disputed amount of Rs. 7,25,987/- (as mentioned in the reply dated 09.06.2026 filed by the respondents). The said amount shall be subject to final adjustment upon adjudication of the appeal.
2. Upon deposit of the aforesaid 20%, no surcharge shall be levied on the balance disputed amount during the pendency of the present appeal till the final order is passed.
3. The appellant shall continue to deposit the current energy bills as and when they fall due. The respondents shall accept the same without prejudice to the rights and contentions of the parties.
4. No coercive action shall be taken by the respondents for recovery of the balance frozen disputed amount during the pendency of this appeal.

Both parties shall come fully prepared for the next hearing with all relevant documents, records, and submissions in support of their respective claims and counter-claims.

In case of non-compliance with the above directions, appropriate orders shall be passed, including proceeding ex-parte, if necessary.

The matter is schedule for further hearing on 02.07.2026.

F. On 26.06.2026, counsel of respondent has submitted reply which is as under:-

1. That in this context it is submitted that an appeal has been filed by M/s True Villas against the order passed by CGRF, UHBVN Panchukla, before your good office. On the last hearing date 11.06.2026 it was directed that the data of all the individual meters and the reference meter be downloaded by taking the help of the M&P / MRBD team to retrieve the maximum historical data locked in the meters and accordingly prepare the line losses based on the data.
2. That as per the Directions received, this office had requested to the office of XEN M&P UHBVN Rohtak vide memo.no. 2256 dated 12.06.2026 to depute the team so that the meters data can be downloaded. Accordingly, on dated 13.06.2026, M&P team visited the site of Fortasia Residency and tried to download all the individual and the reference meters Data by the CMRI. However, some of the meters could not be communicated to the CMRI and so the data could not be downloaded. But for the purpose of accounting of line losses the readings of such meters were taken manually.
3. That on the basis of the above data the commutative Line losses till now are made and comes 8.72%. (Total Reference units-2667240, Total Billed units-2434519). The detail consumption and calculation sheet is attached as Annexure R-5 herewith for reference please.

This is submitted for kind information and further necessary action, please.

G. The hearing in the above matter was held today on 02.07.2026 as scheduled. The Appellant was represented by counsel, while the Respondents were represented by the SDO (Operations) through VC and their counsel physically.

At the outset, the Electricity Ombudsman inquired about compliance with the directions issued in the interim order dated 11.06.2026, particularly regarding the deposit of 20% of the disputed amount of Rs. 7,25,987/-**.** The counsel for the Appellant informed that the said amount was deposited on 01.07.2026, which was duly confirmed by the Respondent SDO. This compliance is noted and appreciated.

The core issue in the appeal continues to revolve around the significant difference between the readings of the reference (single point) meter installed at the periphery and the aggregate readings of the individual consumer meters within the Forteasia Residency project, as per the approved electrification plan. This has led to disputes over billing, particularly the computation and recovery of line losses and related charges.

Key Discussions and Observations

During the hearing, the following points emerged:

- The Respondents submitted that an Excel sheet showing cumulative line losses of 8.72% (Total Reference Units: 26,67,240; Total Billed Units: 24,34,519) had been prepared, with details annexed as Annexure R-5 in their reply dated 26.06.2026. However, concerns were raised regarding the lack of month-wise reconciliation and the inclusion of average consumption/PDCO of MS connection (2,39,060 units), MCO consumption units (55,723 units), and PDCO meter units (4,282 units).
- Out of the meters in the colony, data from 82 meters was successfully downloaded via CMRI. However, 114 meters (primarily of HPL and Genus makes) did not communicate. The Respondents informed that some HPL make meters were declared defective as per lists shared by the CE/MM, UHBVN.
- The Appellant raised important contentions, including:
    - The Respondents' failure to fully comply with the directions for downloading maximum historical data and preparing a detailed ledger.
    - The applicability of Section 56(2) of the Electricity Act, 2003, limiting recovery of charges to a period of two years.
    - The need for month-wise computation of line losses, as certain months may have fallen within permissible limits.

The Electricity Ombudsman emphasized the need for a fair, transparent, and data-driven resolution, guided by the principles of natural justice and the relevant HERC Regulations, particularly the Haryana Electricity Regulatory Commission (Single Point Supply to Employer's Colonies, Group Housing Societies and Residential or Commercial cum Residential Complexes of Developers) Regulations, 2020 (as amended).

Under these regulations, a single reference meter measures the total consumption at the point of supply. A permissible energy difference (typically 4% for supply up to 11 kV towards transformation and distribution losses) is allowed. Any excess difference beyond this permissible limit is recoverable from the developer/group housing society at the applicable energy charges for the highest slab. Conversely, the framework aims to ensure accurate individual metering and billing by the developer while protecting consumers from arbitrary or unsubstantiated demands.

The cumulative approach currently adopted by the Respondents may not fully account for variations across billing cycles or potential issues such as defective meters, reading errors, or infrastructure shortcomings on either side. A month-wise ledger is essential for a reasoned and equitable assessment.

Directions

To facilitate an objective resolution, the following directions are issued:

Directions to the Respondents (UHBVN):

1. The Respondents shall, in coordination with the M&P Wing (with intervention of SE/M&P, UHBVN Dhulkote and XEN/M&P, UHBVN, Rohtak as necessary), make earnest efforts to download the remaining meter data using BCS (Base Computer Software) or other appropriate means within 15 days from the date of this order. Special attention shall be given to addressing communication issues with HPL and Genus make meters, including verification against the defective meter series list issued by CE/MM, UHBVN.
2. Upon downloading of data (or manual readings where download is not feasible, duly documented with reasons), the Respondents shall prepare a detailed month-wise ledger reconciling the reference meter consumption with the aggregate of individual consumer meters for the entire relevant period. This ledger shall clearly indicate:
    - Computed line losses on a monthly basis.
    - Any adjustments for defective meters, average billing, MCO/PDCO units, or other anomalies.
    - Application of permissible loss limits as per HERC Single Point Supply Regulations.
3. The Respondents shall file a comprehensive supplementary reply addressing the Appellant's contentions, including those under Section 56(2) of the Electricity Act, 2003, supported by the month-wise ledger, meter data, and all relevant documents. A copy shall be supplied to the Appellant's counsel at least three (3) days prior to the next date of hearing.
4. The Chief Engineer (Commercial), UHBVN, Panchkula is requested to depute a suitable Energy Audit Team to assist in proper accounting, identification of any shortcomings, and objective resolution.

Directions to the Appellant:

1. The Appellant shall file a rejoinder to the Respondents' submissions (including the reply dated 26.06.2026 and any supplementary reply) within 7 days from the date of receipt of the same.
2. The Appellant shall continue to deposit current energy bills as and when due. The Respondents shall accept the same without prejudice to the rights of the parties.
3. No coercive action shall be taken by the Respondents for recovery of the balance disputed amount during the pendency of this appeal, subject to continued compliance with the deposit and payment directions.

Both parties are directed to come fully prepared for the next hearing with all relevant records, data, and submissions.

In case of non-compliance with these directions, appropriate orders, including proceeding ex-parte, shall be passed.

The matter is scheduled for further hearing on 27.07.2026.

H. On 24.07.2026, respondent SDO has requested as under:-

In this context it is submitted that subject cited case is being heard before the Honble E.O. HERC Panchkula. During the last date of hearing it was directed to download all the meters data and to submit the report. So, this office pursued the matter with M&P wing to depute the teams for downloading the data of the meters. Accordingly, M&P wing has deputed the teams along with the Meter firms representatives to download the data. But due to the rainy season, the work of downloading of meters data could not be completed and so some more time is required. So, it is requested to provide some more time (Approx. 20 days) so that the data of the maximum meters can be downloaded please.

This is for your kind information and further n/a please.

I. On 11.08.2026, counsel of respondent has submitted 3rd reply which is as under:-

1. That in this context it is submitted that an appeal has been made by M/s True Villas against the order passed by CGRF, UHBVN Panchkula before your good office. On the last hearing date on dated 02.07.2026 the Directions to the respondents were given, the action taken report on which is as below please:-

2. That the matter of the downloading of the data of the Balanced meters was taken up with the XEN M&P UHBVN Rohtak and special team was deputed to download the data using the BCS as well as the firm representatives visited the site to download the data and now the downloaded data of 163 No. Meters is now available (True Villa August (1). Pdf is enclosed as Annexure R-6) and data of pending 35 no. meters could not be downloaded after making all possible best efforts. There were 20 no. HPL make Meters found installed in the society ,that lies in the serial numbers of list of possible defective meters .All the meters has been replaced by this office however as per the reading pattern no meter out of these was found reversed.

3. That commutative Line losses are already calculated and monthly losses calculation is not possible as data of some of the meters is not available on monthly basis.

4. That it is submitted that claim of respondent department is not barred by limitation. Reliance is placed upon the Judgment passed in Assistant Engineer (D1) Ajmer Vs Rahamatullah Khan decided on 18 February, 2020 the Hon'ble Supreme Court held as under: -

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.

The demand in the present case arose only upon detection and quantification of the differential consumption and therefore became payable when the supplementary demand was raised. So, the plea of limitation is not available against recovery of actual electricity charges.

5. That as per the Directions of the CE/Commercial UHBVN Panchkula, energy audit team visited the site and submitted the report (Copy enclosed as Annexure R-7).

6. That it is further submitted that as per the Directions of the Hon'ble Electricity Ombudsman the firm has to pay the current energy charges that has not been paid, as the last bill was issued of Rs. 24034/-(Current cycle charges) on dated 18.07.2026 with due date of 28.07.2026

It is submitted that this office has made all possible efforts to provide the required data to the Hon' ble E.O.

J. On 14.08.2026, respondent SDO has submitted details of line losses.

K. The Hearing was held on 17.08.2026 as schedule. Both the parties were present during the hearing.

Decision

The hearing in the above-captioned appeal was held as scheduled. The Appellant was represented by counsel. The Respondents were represented by the concerned SDO (Operations) and their counsel.

At the outset, the Electricity Ombudsman inquired whether the Appellant's counsel had received and examined the reply and subsequent action-taken reports filed by the Respondents pursuant to the earlier interim orders dated 11.06.2026 and 02.07.2026. Counsel for the Appellant submitted that, despite the material placed on record, the Respondents had still not furnished a proper month-wise reconciliation of consumption recorded on the individual consumer meters installed within the project vis-à-vis the reference (single-point) meter. It was contended that the absence of such month-wise data had resulted in an inflated and inaccurate computation of line losses, leading to recovery of alleged inadequacy charges beyond the permissible 4 % limit. Counsel further submitted that the demand raised by the Respondents was in gross violation of the principles laid down by the Hon'ble Supreme Court in *Prem Cottex v. Uttar Haryana Bijli Vitran Nigam Ltd.* and the decision in *Assistant Engineer (D1), Ajmer Vidyut Vitran Nigam Ltd. v. Rahamatullah Khan.*

The Electricity Ombudsman observed that both sides were advancing competing interpretations of the cited judgments. The core issue, however, remained the factual and regulatory foundation of the demand itself, namely the computation of line losses between the reference meter and the aggregate of individual meters, and the legitimacy of any retrospective recovery based on an annualised assessment.

Factual Admissions and Findings

On a pointed query by the Electricity Ombudsman as to whether the Respondent Department had been taking and maintaining readings of the individual connections released in the township, the Respondent SDO stated on record that individual connection readings have been maintained from February 2025 onwards and that the complete account-wise record up to June 2026 is available and will continue to be maintained.

With regard to the approximately 20 meters falling within the series of meters declared potentially defective by the Material Management Wing of UHBVN, the SDO confirmed that the said meters have been replaced. In respect of the 35 meters whose data could not be downloaded despite efforts involving the M&P Wing and manufacturer representatives, the Electricity Ombudsman directed that these meters also be replaced forthwith in the interest of transparency and accurate billing.

The Electricity Ombudsman further noted with concern that the assistance of the M&P Wing and manufacturer representatives had to be specially requisitioned for downloading data. This raises serious questions regarding the operational readiness of the authorised Meter Reading and Billing Data (MRBD) agencies, particularly the non-availability of requisite software and technical support. The Superintending Engineer concerned and the wing responsible for issuing work orders are directed to ensure that the MRBD agencies are fully equipped and that technical support is provided without further delay.

It stands admitted on record that, prior to February 2025, the Respondent Department was not systematically taking and maintaining individual consumer readings on a monthly basis. Line-loss assessments were being prepared on an annualised (or cumulative) basis rather than on a month-to-month basis as contemplated under the applicable regulatory framework. Such a course constitutes a clear procedural lapse on the part of the Respondents.

A demand founded on an annualised assessment, prepared without regular monthly readings of individual meters and without complete meter-data download, cannot be treated as a legitimate retrospective demand. The claim of the Respondents, to the extent it rests on such an assessment for the period prior to the commencement of systematic monthly readings, therefore fails of its own weight.

On 19.08.2026, respondent SDO has submitted reply which is as under:-

In this context it is submitted that a case of True Villa Vs UHBVN is being heard before the Hon'ble E.O. HERC, Panchkula. It is submitted that this office has 1st time calculated the line losses during 02.2025. The monthly basis readings of the reference meter and the individual meters before this period is not available in this office. It is further submitted that the commutative line losses for the period 02:2025 to 06.2026 is comes out to be 4.03% as per the readings available in this office.

This is for your kind information and further n/a please.

Directions on Account Overhaul

In light of the categorical admission of the Respondent SDO that monthly readings of individual connections have been taken and maintained from February 2025 to June 2026, the Respondents are directed to overhaul the account of the Appellant by treating the consumption data for the period February 2025 to June 2026 as the legitimate and reliable basis for computation of line losses. Any demand for the preceding period based on annualised or incomplete data shall not be enforced.

The recent data placed on record (including the line-loss statement for the period February 2025 to June 2026 showing losses in the range of approximately 3.95 % to 4.21 %) shall be given due consideration while finalising the overhauled account.

Observations of the Energy Audit Wing and Corrective Measures

The Energy Audit Wing, in its inspection report submitted pursuant to the earlier interim directions, has recorded serious deficiencies in the quality of the LT network within the project, including open junction boxes, unsealed and poorly maintained meters, damaged underground service cables with loose joints, and conditions conducive to theft and electrical accidents.

These findings raise legitimate questions regarding the inspections and recommendations made by the then SDO (Operations) and XEN (Operations) at the time of approval of the electrification plan. Whether the deficiencies existed from the inception or developed over time requires examination by the Respondent Department.

Strict directions are hereby issued to both the Resident Welfare Association (if the society has been taken over from the developer) and the Respondent Department to take immediate corrective measures in the interest of the Nigam, prevention of theft, and safety of life and property. The Respondent Department shall complete the necessary corrective exercise within thirty (30) days from the date of this order. Thereafter, a team of the Energy Audit Wing shall again visit the site to verify compliance and submit a report.

Position of the Resident Welfare Association

If the society has been formally taken over by the Resident Welfare Association from the developer, the account shall be overhauled on the basis of the actual line losses computed for the period of reliable monthly data. The amount already deposited (including the 20 % of the disputed sum earlier directed to be deposited and any further deposit of approximately 40 %) shall first be adjusted against any legitimate liability that may be found due from the builder/developer for the relevant period. The balance, if any, shall be refunded to the party entitled thereto in accordance with law.

It is the duty of the Respondent Department to educate the Resident Welfare Association that, under the Haryana Electricity Regulatory Commission (Single Point Supply to Employers' Colonies, Group Housing Societies, Residential Colonies, Office cum Residential Complexes and Commercial Complexes of Developers and Industrial Estates/IT Park/SEZ) Regulations, 2020 (as amended and circulated vide Sales Circular No. U-14/2020 and subsequent amendments), any excess of line losses beyond the permissible limit of 4 % is recoverable from the entity responsible for the internal distribution network.

It has been observed that the respondent could not submit any documentary proof of the readings being taken for the individual connection released in the township from the time to time and thus the basic principal/process by way of which the assessment has been prepared become void.

In view of the foregoing findings and directions, the appeal is disposed of.

No order as to costs. All parties shall bear their own costs.

The Respondents shall implement the directions regarding account overhaul, meter replacement, infrastructure rectification and education of the RWA within the timelines stipulated above and shall place a compliance report on record.

Given under my hand on 24th August, 2026.

Sd/-

(Rakesh Kumar Khanna)

Dated:24.08.2026 **Electricity Ombudsman, Haryana**

CC:

Memo No.2004-2014/EO/HERC/Appeal No.18/2026 Dated:25.08.2026

To

1. Akash Shukla, Advocate, C/o 142, M.C. Shetalvad Block, Supreme Court of India, New Delhi (Email advakashshukla@gmail.com)
2. M/s True Villas Developers Pvt. Ltd, Sarita Vihar, New Delhi (Email: truevillas@gmail.com)
3. The Managing Director, Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, IP No.: 3&4, Sector-14, Panchkula (Email md@uhbvn.org.in).
4. Legal Remembrancer, Haryana Power Utilities, Shakti Bhawan, Sector- 6, Panchkula (Email lr@hvpn.org.in).
5. The Chief Engineer (Operation), UHBVN, Rohtak, 4th Floor Rajiv Gandhi Vidyut Bhawan near Medical Mor Delhi Road, Rohtak (email ceoprohtak@uhbvn.org.in)
6. The Chief Engineer (Commercial), Uttar Haryana Bijli Vitran Nigam Limited, Vidyut Sadan, IP No.: 3&4, Sector-14, Panchkula (Email cecommercial@uhbvn.org.in)
7. The SE (M&P) Circle, UHBVN, Dhulkot, TRW Campus, Dhulkot, Ambala City, Haryana – 133001 (Email semnp@uhbvn.org.in)
8. The SE (Operations), Jhajjar, 33 KV Power House Old, Jhajjar (Email seopjhajjar@uhbvn.org.in)
9. XEN (Operations), Bahadurgarh, 33 KV Old Power House, Near Civil Hospital, Nai Basti, Bahadurgarh(Email xenopbahadurgarh@uhbvn.org.in)
10. Xen/M&P Division, UHBVN, Rohtak, Old Power House Colony, Circular Road, Near Old ITI Ground / Double Phatak, Rohtak, Haryana – 124001 (Email xenmnprohtak@uhbvn.org.in)
11. SDO/OP, Sub Division, UHBVN, Bahadurgarh (Email sdooplineparbahadurgarh@uhbvn.org.in)