



**BEFORE THE VIDYUT OMBUDSMAN
Andhra Pradesh :: Hyderabad**

:: Present ::

N. Basavaiah, B.Sc, B.L.

Date: 28-02-2018

Appeal No. 61 of 2017

Between

Smt. CH. Sireesha, M/s Mitra Products, Flat No.202, Anand Apartments,
Seethammadhara, Visakhapatnam.

...Appellant/ Complainant

And

1. The AE/Operation/APEPDCL/Jami/Vizianagaram
2. The AAO/ERO-Vizianagaram-Rural/Vizianagaram
3. The ADE/Operation/APEPDCL/S.Kota/Vizianagaram
4. The DE/Operation/APEPDCL/Vizianagaram/Vizianagaram

... Respondents

The above appeal- representation filed on 06-02-2018 has come up for final hearing before the Vidyut Ombudsman on 14-02-2018 at Visakhapatnam. The complainant, as well as the respondents above, was present. Having considered the appeal-representation and the submissions made on behalf of the complainant and the respondents, the Vidyut Ombudsman passed the following:

ORDER

1. This appeal has been preferred by the appellant-complainant against the order **dated.30-12-2017 in C.G.No:337/2017/Visakhapatnam Circle,** passed by the **Forum for Redressal of Consumer Grievances in Eastern Power Distribution Company of A.P Limited, Visakhapatnam,** whereby and where-under the above Forum upheld the complaint and directed the respondents to revise the interest on the Security Deposit amount in terms of clauses 7 & 9 of the Regulation No. 6 of 2004 at twice the rate of interest applicable and pay the balance amount after deducting the amount already paid to the consumer against the subject matter of the service.

2. The case of the complainant-consumer is that though the licensee collected Rs.18,000/-from her towards security deposit, yet it refunded only Rs.1800/ with interest to her in 2014 when the agreement for the supply of electricity was terminated, while the case of the respondents is that by mistake, Rs.1800/ instead of Rs.18,000/ was entered in their official records.

3. No oral or documentary evidence was adduced by both parties before the Forum. After considering the material available on record, the Forum passed the order as stated supra. Now, the complainant preferred this representation against the above order.

4. The complainant has submitted that as per the order of the Forum, the licensee has to pay compound interest with yearly rests on the security deposit amount but paid her simple interest on her deposit and that therefore, the respondents may be directed to pay her the difference amount in the interest. The respondents submitted that they paid the amount with simple interest to the complainant as per the order of the Forum. The complainant ought to have sought clarification from the Forum itself on the above aspect as the order of the Forum is not so clear on the above aspect of interest but she did not do so. The matter can be remanded to the Forum, but, to avoid further delay, I am inclined to dispose of this case on merits here itself.

5. The following point is framed for consideration:

Whether the complainant-consumer is entitled to simple interest or compound interest on the security deposit made for the electricity supplied at the time of refund of the security deposit?

6. Point: Clause 7(2) of the Regulation 6/2004, which deals with interest on security deposit payable by the Licensee, runs as follows:

"The interest accruing to the credit of the consumer shall be adjusted annually against the amounts outstanding from the consumer to the licensee as on 1st May of every year and the amounts becoming due from the

consumer to the licensee immediately thereafter."The words in the above clause "The interest accruing to the credit of the consumer shall be adjusted annually" are to be noted with great significance and gives an indication that there is merit in the contention of the complainant that she is entitled to compound interest with yearly rests on the balance of her security deposit amount. The Forum directed to revise interest on the security deposit amount as per clauses 7 and 9 of the Regulation No.6 of 2004. I find no merit in the contention of the respondents that they paid the balance security deposit amount with simple interest to the complainant as per the orders of the Forum. Therefore, I hold that the complainant-consumer is entitled to compound interest on the balance of the security deposit amount of Rs.16,200/ and that this representation is to be upheld. This point is thus answered.

7. In the result, I hold that the complainant is entitled to compound interest with yearly rests on Rs.16,200/ and direct the licensee to calculate (compound) interest with yearly rests on Rs.16,200/- and pay the balance after deducting the amount already paid. This representation is thus disposed of with the above clarification regarding interest. The order of the Forum on all the other aspects is confirmed. There is no order as to costs.

8. This order is corrected and signed on this 28th day of February, 2018.

**Sd/-N.BASAVIAH
VIDYUT OMBUDSMAN**

To

1. Smt. Ch. Sireesha, M/s Mitra Products, Flat No. 202, Anand Apartments, Seethammadhara, Visakhapatnam - 530013.
2. The Assistant Engineer, Operation, Jami, APEPDCL, Operation Section, SC Colony, Near Police Station, JAMI, Vizianagaram District - 535 250.

3. The Assistant Accounts Officer, Accounts, ERO, Vizianagaram-Rural, ERO-Rural, Near Vidyuth Bhavan, Dasannapeta, Vizianagaram District - 535 002.
4. The Assistant Divisional Engineer, Operation, APEPDCL, S. Kota, APEPDCL, Sub-Division, Near Cambridge School, S. Kota. Vzm-535 145.
5. The Divisional Engineer, Operation, Vizianagaram, APEPDCL, Operation Division, 1st Floor, Vidyuth Bhavan, Dasannapeta, Vizianagaram District - 535 002.

Copy to:

6. The Chairman, C.G.R.F., APEPDCL, P & T Colony, Seethammadhara, Near Gurudwara Junction, Visakhapatnam - 530 013.
7. The Secretary, APERC, 11-4-660, 4th Floor, Singareni Bhavan, Red Hills, Hyderabad - 500 004.