
(2025) 06 JH CK 0957

In the Jharkhand High Court

Case No : W.P. (C) No. 5963, 5964 Of 2004

Tata Iron & Steel Co. Ltd

APPELLANT

Vs

Jharkhand State Electricity Board

RESPONDENT

Date of Decision : 23-06-2025

Acts Referred:

Constitution of India, 1950 — Article 226

Citation : (2025) 06 JH CK 0957

Hon'ble Judges : Gautam Kumar Choudhary, J

Bench : Single Bench

Advocate : M.S. Mittal, S.L. Agarwal, Amrita Singh, Salona Mittal, Arya Vardhan Singh, Mrinal Kanti Roy

Final Decision : Disposed Of

Judgement

Gautam Kumar Choudhary, J

1. Both these writ petitions, although with respect to two distinct bills and security deposits, raise the following two common issues and therefore, they have been heard together, and will be disposed of by common order:

(i) Claim of interest on the security deposit made by the petitioner.

(ii) Electricity bill raised under the head of fuel charge for domesticated consumption is under challenge.

W.P. (C) No. 5963 of 2004

1. The instant writ petition has been filed under Article 226 of the Constitution of India for quashing the notice dated 08.09.2004 as contained in Letter No. 1697 by which demand has been raised by the respondents for a sum of Rs. 87,15,775/- and also for direction to grant interest @ 5% per annum on the security deposit taken by the respondent for giving electrical connection.

2. The admitted position that emerges from the pleadings of the parties is that

the petitioner had taken one common electrical connection from the erstwhile Bihar State Electricity Board to provide electrical connection for domestic connections.

3. Earlier Bihar State Electricity Board had provided a single point connection having Consumer No. SJG174, and was charging on the basis of domestic tariff from the petitioner. However, subsequently the Board entered into another agreement on 15.12.1994 with the petitioner for HT connection for supply of 11 KV volts having contract demand of 354 KVA.

4. Some dispute arose with regard to the Bill raised on behalf of the respondent-Board and consequently, vide Letter No. 1458 dated 09.08.2004, a total demand of Rs. 7,13,066/- and Rs. 7,24,670/- were raised for the period from May, 2004 and June, 2004 along with arrears of Rs. 80,82,413/- up-to May, 2004. Subsequently, electrical connection was disconnected with effect from 02.09.2004.

5. It is contended by Mr. M.S. Mittal, learned senior counsel appearing for the petitioner, that Letter No. 1697 dated 08.09.2004 of the Electrical Executive Engineer is under challenge by which bill of Rs.87,15,775/- has been raised.

6. With regard to the interest claimed by the petitioner on the security deposited, it is argued by learned counsel that the matter is no longer res-integra and has been settled by the judgment rendered by the Co-ordinate Bench of this Court in W.P.(C) No. 1091 of 2006 (M/s Perfect Electric Concern Ltd. Vs. Jharkhand State Electricity Board & Ors.) and connected matters, that interest on the security deposited at the time of grant of electric connection cannot be denied after the agreement period for electric connection is over.

7. With regard to the bill raised by the impugned letter, it is argued that the said bill is under the heading of fuel surcharge which does not apply in case of domestic connection in view of the Clause 16.10.1 of the Bihar Tariff Notification no. COM/TAR-1010/93-430 dated 21st June, 1993 which reads as under: -

"16.10.1 Tariff rates of CS categories II & III L.T. Industrial service, H.T. Service, EHT service and Railway Traction Service are subject to operational surcharge i.e. all consumers of the aforesaid categories shall be required to pay operational surcharge at a rate to be determined every year in accordance with the formula given below in addition to the other charges as down in the tariff schedule.

16.10.2 Operational Surcharge shall consist of two elements namely:

(a) Fuel Surcharge (s1) &

(b) Other, operational surcharge (s2)"

8. It is contended that since the domestic consumers do not come within the ambit of these categories, therefore, fuel surcharge cannot be levied on them. The issue, that the petitioner was domestic consumer, has been settled by this Court in W.P.(C). No. 5971 of 2004 and W.P.(C). No. 5985 of 2004.

9. It is submitted by Mr. Mrinal Kanti Roy, learned Sr. Standing Counsel, appearing for the JUVNL, that so far, the security deposit and interest are concerned, in view of pendency of the final settlement, the same has not been defrayed to the petitioner.

10. On fuel surcharge, it is submitted that since the petitioner had applied under HT category, therefore, the said bill has been raised.

W.P. (C) No. 5964 of 2004

11. The instant writ petition has been filed under Article 226 of the Constitution of India for quashing the notice dated 08.09.2004 as contained in Letter No. 1671 by which demand has been raised by the respondents for a sum of Rs. 49,10,062/- and also for direction to grant interest @ 5% per annum on the security deposit taken by the respondent for giving electrical connection.

12. The admitted position that emerges from the pleadings of the parties is that the petitioner had taken common one-point electrical connection from the erstwhile Bihar State Electricity Board to provide electrical connection for domestic connections.

13. The earlier Bihar State Electricity Board had provided a single point connection having Consumer No. SJG174 (W.P. (C) No. 5963 of 2004), and was charging on the basis of domestic tariff from the petitioner. However, subsequently the Board entered into another agreement on 15.12.1994 with the petitioner for HT connection for supply of 11 KV volts having contract demand of 200 KVA. Some dispute arose (with regard to the Bill raised on behalf of the respondent-Board and consequently, vide Letter No. 1458 dated 09.08.2004, Rs. 5,56,299/- and Rs. 5,66,106/- energy bill for May 2004 and June 2004 and amount of Rs. 38,54,508/- dues up to May 2004 were raised. Subsequently, electrical connection was disconnected with effect from 02.09.2004.

14. It is contended by learned counsel for the petitioner that Letter No. 1671 dated 08.09.2004 of the Electrical Executive Engineer is under challenge by which bill of Rs. 49,10,062/- has been raised.

15. Issue in W.P. (C) No. 5964 of 2004 is identical with different security deposit and bill raised.

16. With regard to the interest claimed by the petitioner on the security deposited, it is argued by learned counsel that the matter is no longer res-integra and has been settled by the judgment rendered by the Co-ordinate Bench of this Court in W.P.(C) No. 1091 of 2006 (M/s Perfect Electric Concern Ltd. Vs. Jharkhand State Electricity Board & Ors.) and connected matters.

17. With regard to the bill raised by the impugned letter, it is argued that the said bill is under the heading of fuel surcharge which does not apply in case of domestic connection in view of the Clause 16.10.1 of the Bihar Tariff Notification no. COM/TAR-1010/93-430 dated 21st June, 1993 which reads as under: -

"16.10.1 Tariff rates of CS categories II & III L.T. Industrial service, H.T. Service, EHT service and Railway Traction Service are subject to operational surcharge i.e. all consumers of the aforesaid categories shall be required to pay operational surcharge at a rate to be determined every year in accordance with the formula given below in addition to the other charges as down in the tariff schedule."

16.10.2 Operational Surcharge shall consist of two elements namely:

(a) Fuel Surcharge ((s1) &

(b) Other operational surcharge (s2))"

18. It is contended that since the domestic consumers do not come within these categories, therefore, fuel surcharge cannot be levied. The issue, that the petitioner is domestic consumer, has been settled by this Court in W.P.(C). No. 5971 of 2004 and W.P.(C). No. 5985 of 2004.

19. It is submitted by Mr. Mrinal Kanti Roy, learned Sr. Standing Counsel, appearing for the JUVNL, that so far, the security deposit and interest are concerned, in view of pendency of the final settlement, the said has not been defrayed to the petitioner. On fuel surcharge, it is submitted that since the petitioner had applied under HT category, therefore, the said bill has been raised.

FINDING

20. Having considered the submissions advanced on behalf of the both sides, and the materials on record, there cannot be any dispute that the respondent-JUVNL is liable to pay interest on the security deposited by the petitioner.

21. No legitimate dispute can be raised about the end user of electrical connection, which was given for domestic consumption as per the agreement. As per the agreement the purpose for which the connection was taken, was for domestic use. Therefore, bill raised under the head of fuel surcharge is ex-facie not sustainable in view of the Bihar Tariff Notification no. COM/TAR-1010/93-430 dated 21st June, 1993 and is accordingly set aside.

22. In this view of matter the bill raised need to be revised and on settlement the interest on the security deposit is to be refunded if not refunded so far.

23. Therefore, both the matters are remanded back to the General Manager-cum-Chief Engineer, Dhanbad Area Electricity Board, Dhanbad (respondent no. 2) to revise the bill in the said letters dated 08.09.2004 in the light of the observations and findings above made and reach final settlement including the interest and security deposit to be paid, within eight weeks from the receipt of this order. The petitioners will appear before the respondent no. 2 and will produce the relevant documents.

Both the writ petitions stand disposed of.

Pending I.A., if any, also stands disposed of.