BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION AT PANCHKULA

Case No. HERC/P. No. 02 of 2026

Date of Hearing	**:**	**26/08/2026**
Date of Order	**:**	**09/09/2026**

IN THE MATTER OF:
Petition under section 86 and 181 of the Electricity Act, 2003 read with Regulation 10 (Power to Relax) of the Haryana Electricity Regulatory Commission (Duty to Supply Electricity on Request, Power to Recover Expenditure incurred in providing supply and Power to require Security) Regulations, 2016 ("Regulations, 2016"), seeking deferment/post-ponement of the annual revision and recovery/refund of Advance Consumption Deposit (ACD) for FY 2025-26, in terms of Regulation 5.9 of the Regulations, 2016.

Petitioner:

1. Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL), Vidyut Sadan, IP No. 3 & 4, Sector-14, Panchkula.
2. Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL), Vidyut Sadan, Vidyut Nagar, Hisar.

Impleaded :

Sh. Akshay Gupta, Advocate

Present

On behalf of the Petitioner

1. Sh. Raghujeet Singh Madan, Advocate
2. Ms. Aerika Singh, Advocate
3. Sh. Abhishek Bali, XEN, UHBVN
4. Sh. Amit Kumar, SDO/DHBVN
5. Sh. Naresh Kumar, SO, UHBVN
6. Sh. Kewal Krishan, UHBVN

QUORUM

Shri Mukesh Garg, Chairman
Shri Shiv Kumar, Member

ORDER

1. **Petition:**

Most Respectfully Showeth:

1.1 That the present Petition is being filed by Uttar Haryana Bijli Vitran Nigam ("UHBVNL") and Dakshin Haryana Bijli Vitran Nigam ("DHBVNL", hereinafter collectively referred to as "DISCOMs") through the SE/Commercial, who is authorized to file the instant Petition and is otherwise also well conversant with the facts of the case.

1.2 That the Petitioners are State-owned distribution companies incorporated under the Companies Act, 1956 upon the unbundling of the erstwhile Haryana State Electricity Board (HSEB). The Petitioner No. 1 -UHBVNL holds the license for Distribution and Retail Supply (License No. DRS-1 of 2004) for the Northern Zone of Haryana and as such, is entrusted with the responsibility of Distribution and Retail Supply of power in the districts of Panchkula, Ambala, Yamunanagar, Kurukhsetra, Kaithal, Karnal, Panipat, Sonepat, Rohtak and Jhajjar, in the State of Haryana. The Petitioner No. 2- DHBVNL holds the license for Distribution and Retail Supply of power in the Southern Zone of Haryana comprising Hisar, Fatehabad, Bhiwani, Sirsa, Faridabad, Gurugram-I, Gurugram-II, Palwal, Rewari, Jind and Narnaul circles.

1.3 That the present Petition is being filed under Regulation 10 (Power to Relax) read with Regulations 5.5 and 5.9(1) of the HERC (Duty to Supply Electricity on Request, Power to Recover Expenditure and Power to Recover Security) Regulations, 2016 ("Regulations, 2016"), seeking deferment/postponement of the annual revision and corresponding recovery/refund of Advance Consumption Deposit ("ACD") for the financial year 2025-26, with the implementation of such revision proposed to be carried out in FY 2026-27.

1.4 That at the outset, it is humbly submitted that the Petitioners fully acknowledges that annual review of consumption security deposit/ACD is a statutory and regulatory requirement that the Petitioners are duty-bound to comply, however, it may kindly be noted that the present petition does not seek any waiver of such requirement. It only seeks a time-shift i.e. deferment of the ACD revision for one year, keeping in view of the interest of the consumers of the State.

REGULATORY FRAMEWORK RELATING TO ACD:

1.5 That before proceeding further, the relevant provisions of the 2016 Regulations relating to ACD are reproduced below for ready reference:

"5 POWER TO REQUIRE SECURITY

5.1 In pursuance of Section 47 of the Act, the licensee may require any person, who requires a supply of electricity in his premises, to give him reasonable security for the payment of all monies, which may become due to him:-

(a) in respect of the electricity supplied to such person;

(b) where any electric line or electrical plant or electric meter is to be provided for supplying electricity to such person, in respect of the provision of such line or plant or meter;

and if that person fails to give such security, the distribution licensee may, if he thinks fit, refuse to give the supply of electricity or to provide the line or plant or meter for the period during which the failure continues.

5.2 Where any person has not given such security as is mentioned in Regulation 5.1 or the security given by any person *has become invalid or insufficient, the distribution licensee may, by notice, require that person, within thirty days after the service of the notice, to give him reasonable security for the payment of all monies which may become due to him in respect of the supply of electricity or provision of such line or plant or meter.*

5.3 If the person referred to in Regulation 5.2 fails to give such security, the distribution licensee may, if he thinks fit, discontinue the supply of electricity for the period during which the failure continues.

5.4 The distribution licensee shall not be entitled to require security in pursuance of clause (a) of Regulation 5.1 if the person requiring the supply is prepared to take the supply through a pre-payment meter.

5.5 Security Deposit

(1) In pursuance of Regulation 5.1, a security deposit shall be made by all the consumers to cover:

(a) The estimated power consumption for two billing cycles for all categories of consumers except the HT industrial supply consumers. In case of HT industrial supply consumers, it would be estimated power consumption for one and half billing cycles.

Initially the applicant shall deposit the consumption security at the flat rates as mentioned under Regulation 5.6. Subsequently the security shall be revised annually as per the procedure defined under Regulation 5.9 (1).

(b) The cost of electric meter that is to be provided for supplying electricity to a premises.

(2) In case of enhancement of load, only additional security to cover the additional consumption shall need to be deposited, estimated as per the methodology given under Regulation 5.9 (1).

(3) As stated under Regulation 5.5 (1), the consumption security deposit shall be revised annually as per the procedure defined under Regulation 5.9 (1). Any excess/deficient amount shall be adjusted within three subsequent bills of the consumer.

(4) The consumption security deposit shall be returned to consumer upon termination of Agreement and within 30 days of adjustment of all dues. In case of delay, interest equivalent to the State Bank of India base rate as on the 1st of April of the financial year shall be payable to the consumer.

… … …

… … …

5.6 Advance Consumption Deposit

5.6.1 New applicants shall deposit consumption security (Advance Consumption Deposit) at the flat rates given hereunder or as revised by the Commission from time to time.

… … … …

… … … …

5.6.2 In case of consumers who are sanctioned additional connected load, the additional consumption security shall be got deposited for the additional connected load.

… … …

… … …

5.8 Interest on Security Deposit

5.8.1 The licensee shall pay interest to the consumer at the Bank rate as determined by the Reserve Bank of India on 1st April of each year or more as specified by the Commission payable annually on the consumer's security deposit. The interest accrued during the year shall be adjusted in the consumer's bill for the first billing cycle of the ensuing financial year.

5.8.2 In case the interest accrued during the year is not adjusted in the consumer's bill for the first billing cycle of the ensuing financial year, the licensee shall be liable to pay interest at the rate of 18% for the period for which the payment of interest accrued is delayed.

5.9 Review of Security Deposit for power consumption (ACD)

(1) At the beginning of the financial year, the licensee shall review the consumption pattern of the consumer for the adequacy of the security deposit from April to March of the previous year. A consumer, except the HT industrial supply consumer, is required to maintain a sum equivalent to his average payment for the period of two billing cycles. An HT industrial supply consumer, is required to maintain a sum equivalent to his average payment for the period of one and half billing cycles. Where 'average payment' shall be equal to the average of actual bills paid in the last financial year:

Provided that for a consumer whose electricity connection is less than one year old, the security deposit shall not be revised at the beginning of the ensuing financial year.

Provided further that average payment shall not include the arrears of any kind recovered in the last financial year pertaining to the prior period.

(2) The security deposit available with the licensee in respect of each consumer shall be shown in the bill issued to the consumer. Refund of excess security to the consumer by the licensee, as and when arises, shall be made by way of adjustment in subsequent energy bills showing negative amount where necessary."

A copy of the HERC (Duty to Supply Electricity on Request, Power to Recover Expenditure and Power to Recover Security) Regulations, 2016 is annexed.

1.6 That it is pertinent to mention here that the Regulations, 2016 were duly adopted and circulated for compliance vide the Sales Circular No. U-35/2016 by the Petitioner No. 1 and vide Sales Circular No. D-23/2016 by the Petitioner No.2. Any subsequent amendments to the Regulations, 2016 were also duly circulated vide separate Sales Circulars.

FACTUAL BACKGROUND LEADING UPTO THE FILING OF THE PRESENT PETITION:

1.7 That recently, in furtherance of the compliance of the Regulations, 2016, the Petitioner had undertaken the exercise of the annual review of ACD for all consumers based on consumption from April to March of the previous financial year. Based on the data compiled by the Petitioners, the ACD position of UHBVNL consumers, at present, is summarized as under:

All amount in Cr.

Recoverable	No. of Consumers	Existing ACD	Required ACD after review	ACD recoverable
Recoverable cases	18,54,221	869.56	1,384.38	534.59
Recoverable Exceptions	63,571	26.03	108.90	245.83
Govt connection				
Recoverable cases	14,721	35.25	92.37	52.70
Recoverable Exceptions	930	1.27	5.88	9.03
Private Connection				
Recoverable cases	18,39,500	834.32	1,292.01	481.89
Recoverable Exceptions	62,641	24.76	103.02	236.80

Refundable	No. of Consumers	Existing ACD	Required ACD after review	ACD Refundable
Refundable cases	10,20,388	900.96	535.19	-295.80
Refundable Exceptions	3,68,403	65.25	43.11	-22.14
Govt				
Refundable cases	8,685	77.65	51.99	-13.88
Refundable Exceptions	1,950	2.28	1.56	-0.96
Private consumer				
Refundable cases	10,11,703	823.31	483.20	-281.93
Refundable Exceptions	3,66,453	62.97	41.55	-21.18

Further, the data of ACD for the consumers of DHBVNL summarized as under:

All amount in Cr.

Recoverable	No. of Consumers	Existing ACD	Required ACD after review	ACD recoverable
Recoverable cases	18,91,674	1,324.78	2,223.03	898.25
Recoverable Exceptions	2,49,761	64.18	1,271.48	1,207.30
Govt connection				
Recoverable cases	6,843	41.56	85.64	44.08
Recoverable Exceptions	425	1.25	9.56	8.31
Private Connection				
Recoverable cases	18,84,831	1,283.21	2,137.38	854.17
Recoverable Exceptions	2,49,336	62.93	1,261.92	1,198.99

Refundable	No. of Consumers	Existing ACD	Required ACD after review	ACD refundable
Refundable cases	10,62,062	885.62	651.55	-186.93
Refundable Exceptions	5,372	67.63	9.17	-57.92
Govt connection				
Refundable cases	9,023	49.67	36.01	-12.72
Refundable Exceptions	138	4.01	0.74	-3.27
Private Connection				
Refundable cases	10,53,039	835.95	615.54	-174.21
Refundable Exceptions	5,234	63.61	8.43	-54.65

The Petitioner undertakes to provide the detailed data, as and when directed by the Hon'ble Commission.

1.8 That, however, during the course of the exercise being undertaken by the Petitioner, Hon'ble Commission has revised tariff rates for FY 2025-26 with effect from 01.04.2025. Following the tariff revision, the Petitioner have received numerous representations from consumers across categories, including industrial and commercial consumers, regarding the overall increase in their electricity bills.

1.9 That, as such, in order to avoid further grievance of the consumer on account of recovery of ACD coupled with revised tariff, the Petitioners are constrained to approach this Hon'ble Commission seeking exemption/ relaxation/ deferment from the recovery of ACD owing to the following amongst other

GROUNDS:

A. BECAUSE, the Hon'ble Commission was pleased to revise the tariff rates for FY 2025-26 with effect from 01.04.2025. In this regard, for the purposes of comparison a copy of the earlier "Schedule of Tariff and Charges" for the FY 2024-2025 approved by the Hon'ble Commission vide order dated 05.03.2024 in the petition PRO-69 of 2023/ PRO-70 of 2023 filed by the Petitioners is annexed. Further, the copy of the present "Schedule of Tariff and Charges" applicable w.e.f. 01.04.2025 duly approved by the Hon'ble Commission vide order dated 28.03.2025 in HERC/Petition No. 66 of 2024 and HERC/ Petition No. 67 of 2024 is annexed, for the ready reference of this Hon'ble Commission.

   On account of the revision in the tariff rates, a number of representations have been received from the consumers across categories regarding the overall increase in their electricity bills. Attention in this regard is also brought towards the Review Petition bearing RA No. 05 of 2025 filed on behalf of the Yamunanagar Jagadhri Chamber of Commerce and Industry and Laghu Udyog Bharti being associations representing the HT consumers in the state of Haryana, whereby the said Associations have sought review of the fixed charges determined vide the order dated 28.03.2025 by the Hon'ble Commission.

   It is the case of the Petitioners that the recent revision of tariff has resulted in a substantial revision in the fixed charges as well as the overall electricity charges payable by consumers across all categories. In these circumstances, the simultaneous enforcement of both i.e. the revised tariff and recovery of enhanced ACD in terms of the Regulation 5.5 and 5.9 of the Regulations, 2016 would impose financial strain upon consumers. It is therefore submitted that, in order to protect consumers from additional financial stress, to maintain stability in billing, and to forestall any escalation in consumer grievances or disputes that may arise from concurrent revision, the present petition merits favourable consideration. It is humbly submitted that a one-time deferment of the implementation, recovery and refund of the revised ACD for the current financial year may kindly be granted, so as to secure consumer welfare.

   Moreover, the State's economy is widely effected by the untimely heavy rains & floods in the State. As our State is an agrarian State, its impact has been felt on all sectors. In order to provide relief to farmers, State Govt. has already deferred AP bills for 6 months for farmers and the State Govt. has committed to absorb the financial impact on DISCOMs.

   Further, the international instability & impositions of exaggerated tariff on India has also worsened the situation.

B. BECAUSE the Hon'ble Commission had in the past granted similar relief. Attention in this regard is brought towards the order dated 10.01.2022 passed by the Hon'ble Commission in HERC/Petition No. 11 of 2021 & Petition No. 14 of 2021. It is submitted that a petition was filed by the Petitioners seeking deferment/postponement of the revision of Consumption Security Deposit recoverable from consumers during the FY 2020-21 & FY 2021-22. The relief sought in the said petition arose from the severe financial distress faced by consumers owing to the unprecedented circumstances created by the COVID-19 pandemic. A copy of the order dated 10.01.2022 is annexed.

A perusal of the order shows that upon a detailed consideration of the submissions advanced and the material placed on record, this Hon'ble Commission was pleased to take judicial notice of the prevailing pandemic conditions, the widespread consumer hardship, and the practical difficulties in implementing the ACD revision during that period. The Hon'ble Commission, while exercising its powers under Regulation 10 (Power to Relax), was pleased to grant the requested deferment, thereby postponing the ACD revision for the relevant financial years in the larger public interest.

It may also be noted that unlike the earlier situation (pre-2020) where there were delays in non-revisions of ACD for several years, as have been noted by the Hon'ble Commission in its order dated 10.01.2022, the Petitioners are now proactively approaching this Hon'ble Commission before deviating from the strict timing under Regulation 5.9. This demonstrates a shift from ex-post to ex-ante regulatory engagement, consistent with the Hon'ble Commission's expectations in PRO-11 & PRO-14 of 2021.

As such, in circumstances where immediate enforcement of ACD revision would lead to undue hardship and consumer discontent the Hon'ble Commission had been willing to extend equitable relief. The present case stands on a similar footing. The Petitioners therefore humbly submits, that in view of the ratio and reasoning underlying the order dated 10.01.2022, a one-time deferment of the ACD revision may kindly be granted.

C. BECAUSE the revision of tariff, coupled with recovery of ACD, would inflate consumer bills in a manner that may appear sudden, opaque and burdensome to a significant section of consumers. Such simultaneous increases are likely to generate consumer grievances on a large scale, including formal complaints, representations and potential litigations. They may also materially heighten the risk of delayed payments, defaults and consequent disconnections. As such, the petition may kindly be allowed on the sole ground to obliviate of the consumer disputes.

D. BECAUSE it is humbly submitted that the Hon'ble Commission has ample power to grant relaxation in terms of Regulation 10 reproduced below:

"10 POWER TO RELAX

The Commission may by general or special order, for reasons to be recorded in writing and after giving an opportunity of hearing to the parties likely to be affected, may relax any of the provisions of these Regulations."

It may kindly be noted that UHBVNL and DHBVNL are not seeking a blanket waiver of the requirement to review ACD annually. it is seeking only a one-year deferment of implementation for FY 2025-26.

It is humbly submitted that the Petitioners continues to remain fully bound by the Regulations and undertakes to carry out the review and implement the ACD adjustments in FY 2026-27, based on consumption of the preceding year.

E. BECAUSE the Hon'ble APTEL has time and again held that the Hon'ble Commission has ample power to relax its own Regulations in view of the larger public interest. Reliance in this regard is placed on the decision in the case of *Uttar Haryana Bijli Vitran Nigam v. Haryana Electricity Regulatory Commission* [Appeal No.83 of 2022. D/d.06.10.2022, Law Finder Doc Id # 2232351] wherein the Hon'ble APTEL has held as under:

"5. The appellant argues that the approach of the State Commission is bad in law for the reasons 'the power to relax' cannot be exercised so as to amend the regulation or substitute with a new regulation, it being not unfettered but qualified by certain requirements including that it must be exercised 'in exceptional cases' and not 'arbitrarily' but for reasons and with circumspection consistent with principles of justice, equity and good conscience and not so as to amend the Regulations. It is the contention of the appellant that the only relief available in OA Regulations is in the nature of exemption from payment of additional surcharge and cross-subsidy surcharge, the relief from payment of transmission or wheeling charges being a subject governed by RE Regulations which can be availed by solar PV power plants but not the other RE power plants including biomass based power plants.

6. We do not find any substance in the appeal. The approach of the State Commission cannot be construed as substitution of extant regulations with new regulation. It is not a scenario where the State Commission has arbitrarily availed of its power to relax. The reasons, particularly of public interest, are set out in the impugned order. In these circumstances we are not inclined to interfere with the exercise of directions vested in the Commission by the Regulations."

Similarly, the Hon'ble Tribunal in case of *Indraprastha Power Generation Company Limited v. Delhi Electricity Regulatory Commission* [Appeal No. 168 of 2012. D/d.12.12.2013, Law Finder Doc Id # 960975] had laid down that the relaxation can be granted in case public interest is involved and not otherwise.

Infact, this Hon'ble Commission, in the past had granted relaxation of the Regulations keeping in view the larger public interest. For instance, in the case of *Haryana Power Purchase Centre v. Director, HAREDA* [HERC/PRO-45 of 2018. D/d.3.1.2019.] the Hon'ble Commission relaxed Regulation 10 of the Haryana Electricity Regulatory Commission to accord "must-run status" to paddy straw-based biomass projects in public interest due to environmental concerns.

F. BECAUSE the relief being sought is solely in the consumer interest and affordability. However, there will be no dilution of the Petitioners obligation to review ACD annually, the obligation to pay interest on ACD under Regulation 5.8.1 of the Regulations, 2016, or the obligation to refund excess / recover deficiency within permissible bill cycles once the revised ACD is implemented.

G. BECAUSE the Hon'ble Commission, as the custodian of consumer interest under the Electricity Act, 2003, is vested with the authority to ensure that regulatory measures do not cumulatively result in hardship or disproportionate burden upon the consumers whom the distribution licensee serves.

PROPOSED MODALITIES OF DEFERMENT:

1.10 That the Petitioners proposes the following broad modalities, subject to approval by the Hon'ble Commission:

a) For FY 2025-26, ACD shall not be revised at the beginning of the financial year.

b) The existing ACD shall continue, and interest thereon shall be paid/adjusted in accordance with Regulation 5.8.1.

c) The approved revised ACD (based on FY 2025-26 consumption) shall be implemented in FY 2026-27, with recoveries/refunds spread over up to three subsequent billing cycles, in accordance with Regulation 5.5(3) and 5.9 of the Regulations, 2016.

1.11 That the present petition is *bonafide* and in the interest of justice.

1.12 That a fee amounting to Rs.50,000/- (Rupees Fifty Thousand Only) stands deposited by the Petitioners, in terms of Clause 20(ii) of the 'Schedule of Fee' as per Haryana Electricity Regulatory Commission (Fee) Regulations, 2005, 7th Amendment Regulations, 2022.

However, it is humbly submitted that Regulation 3(4) of the HERC Fee Regulations, 2005 empowers the Commission to exempt fees in cases where a petition is in larger public interest for retail supply consumers. The present petition is squarely in the nature of such a public-interest measure, seeking to rationalize timing of ACD revision to avoid undue hardship to a large consumer base.

PRAYER -

In view of the foregoing submissions, it is most humbly submitted that the Hon'ble Commission may be pleased to:

a. Allow the present petition in exercise of powers under Regulation 10 (Power to Relax) of the HERC Security Regulations, 2016, grant approval for deferment/postponement of the annual revision and recovery/refund of Advance Consumption Deposit (ACD) for FY 2025-26, AND

b. Pass any such further order(s) that this Hon'ble Commission as may deem fit and necessary in the facts and circumstances of the case.

And For This Act Of Kindness And Justice The Petitioner Shall As In Duty Bound Ever Pray.

2. The case was heard on 09/04/2026, Ms. Aerika Singh Counsel for the petitioner reiterated the contents of the petition and requested for deferment of the annual revision and recovery/refund of Advance Consumption Deposit (ACD) for FY 2025-26. The Commission called Sh.Rajesh Arora, SE to explain the intent behind the present petition. It

was apprised that the due to implementation of revised tariff w.e.f 01/04/2025, the proposal was submitted to GoH for deferment of the revision of ACD scheduled in the month of April 2025 to relieve the consumers from extra burden of ACD revision. The Commission observes that the DISCOMs have approached the Commission after delay of nearly one year. The DISCOMs are seeking relief for the action which was to be taken in April 2025. None from DISCOMs with financial background was present to explain the financial implications in case of deferment or denial of deferment by the Commission.

The Commission directs the petitioners to resubmit the proposal, include the information sought during the hearing and present the same through officers with financial background on next date of hearing.

3. The case was heard on 26/05/2026, the Financial Advisor, UHBVN was present in the court in compliance to order dated 09/04/2026. Ms. Aerika Singh Counsel for the petitioner requested for short adjournment to resubmit the proposal. Acceding to the request of the petitioner, Commission adjourns the matter and directs the petitioners to resubmit the proposal within four (4) weeks.
4. The case was heard on 08/07/2026, Ms. Aerika Singh Counsel for the petitioner submitted the proposal in compliance to earlier directions. To the query of the Commission, Sh. Heera Lal, FA submitted that the additional ACD to be collected from 58 lakh consumers was Rs 950.11 Cr. Sh. Akshay Gupta, Advocate requested to be impleaded as a party to the petition for additional submissions in the matter. Acceding to the request, the Commission allows Sh. Akshay Gupta, advocate to submit his averments in this matter and adjourns the case.
5. **Compliance report submitted dated 04/07/2026:**

Most Respectfully Showeth:

5.1 That the present Compliance Report is being filed on behalf of the Petitioners in compliance of the Interim Order dated 16.04.2026 passed by this Hon’ble Commission in the present petition.

5.2 That vide the aforesaid Interim Order dated 16.04.2026, this Hon’ble Commission was pleased to direct the Petitioners to re-submit the proposal after incorporating the information sought during the course of hearing and to present the same through officers having financial background.

5.3 That pursuant to the observations made by this Hon’ble Commission, the Finance Wing of both the DISCOMs has re-examined the entire matter relating to deferment/postponement of the annual revision and recovery/refund of Advance Consumption Deposit (ACD) for FY 2025-26 and upon detailed financial scrutiny and reassessment of the implications involved, the revised financial position has emerged as under:

i. EXISTING ACD POSITION OF BOTH DISCOMS: The total existing ACD amount of both the DISCOMs as on 31.03.2025 is Rs. 3980.92 Crore, details whereof are reproduced herein below:

Particulars	Amount (Rs. in Crore)
Existing ACD of UHBVNL	1770.52
Existing ACD of DHBVNL	2210.40
Total Existing ACD	3980.92

ii. REVISED ASSESSMENT OF RECOVERABLE ACD AMOUNT: After detailed scrutiny and exclusion of exceptional/abnormal cases wherein disproportionately high ACD review amounts were observed, the net recoverable ACD amount on account of ACD Review for FY 2024-25 has now been reassessed and revised. The revised net recoverable ACD amount has been worked out to Rs. 950.11 Crore as against the earlier estimated amount of Rs. 2323.18 Crore. The revised assessment has been undertaken by removing abnormal and exceptional cases so as to arrive at a realistic and practically recoverable figure.

iii. FINANCIAL IMPLICATIONS OF DEFERMENT OF ACD REVIEW: After taking into consideration the revised recoverable ACD amount of Rs. 950.11 Crore and the prevailing average working capital borrowing rate of 8.35% per annum during FY 2025-26, the actual additional financial burden upon the DISCOMs due to deferment of ACD review has been assessed. The DISCOM-wise details whereof are reproduced herein below:

Particulars	Amount (Rs. in Crore)
Additional Financial Burden on UHBVNL	4.42
Additional Financial Burden on DHBVNL	13.16
Total Additional Financial Burden	17.58

5.4 That a detailed calculation sheet showing the revised ACD assessment and computation of financial implications is annexed.

5.5 That it is respectfully submitted that the proposal for deferment/postponement of ACD revision was originally conceived in order to provide relief to consumers in view of implementation of revised tariff and to avoid additional financial burden upon the consumers at the relevant point of time.

P R A Y E R

In view of the facts and circumstances stated hereinabove, it is most respectfully prayed that this Hon'ble Commission may graciously be pleased to allow the present petition in exercise of powers under Regulation 10 (Power to Relax) of the HERC Security Regulations, 2016, grant approval for deferment/ postponement of the annual revision and recovery / refund of Advance Consumption Deposit (ACD) for FY 2025-26.

AND / OR

Pass any such further order(s) that this Hon'ble Commission as may deem fit in the facts and circumstances of the present case.

6. **Averments of Sh. Akshay Gupta, Advocate received on 21/08/2026:**

Most Respectfully Showeth:-

6.1 That the Hon'ble Commission, vide its Interim Order dated 10.07.2026, was pleased to allow the request of undersigned, seeking impleadment as a party to the present Petition for making additional submissions in the matter. The Hon'ble Commission, while acceding to the said request, permitted undersigned, to submit his averments in the matter and adjourned the case for further proceedings.

6.2 That the undersigned, in compliance with and pursuant to the directions of the Hon'ble Commission, most respectfully submits as under:

i. That the present Petition has been filed by the distribution licensees, i.e. UHBVNL and DHBVNL, inter alia, seeking the following reliefs:

a. Allow the present Petition in exercise of the powers under Regulation 10 (Power to Relax) of the HERC (Duty to Supply Electricity on Request, Power to Recover Expenditure incurred in providing Supply and Power to Require Security) Regulations, 2016 ("HERC Security Regulations, 2016"), and grant approval for deferment/postponement of the annual revision and recovery/refund of Advance Consumption Deposit (ACD) for FY 2025-26; and

b. Pass such further order(s) as this Hon'ble Commission may deem fit and necessary in the facts and circumstances of the present case.

6.3 That the Petitioners have sought the aforesaid reliefs primarily on the grounds that the revision in tariff for FY 2025-26, coupled with the simultaneous recovery of enhanced ACD, would impose additional financial burden upon consumers and may lead to an increase in consumer grievances and disputes. The Petitioners have further relied upon the earlier order dated 10.01.2022 passed by this Hon'ble Commission granting deferment of ACD revision in the prevailing circumstances, as well as the power of relaxation vested with this Hon'ble Commission under Regulation 10.

6.4 That the undersigned, pursuant to the permission granted by this Hon'ble Commission vide Interim Order dated 10.07.2026, respectfully submits the following averments/grounds for consideration of this Hon'ble Commission.

i. As per the HERC regulation HERC Regulation 34 of 2016 dated 11.07.2016:

5.5 Security Deposit: (1) In pursuance of Regulation 5.1, a security deposit shall be made by all the consumers to cover: (a) The estimated power consumption for two billing cycles for all categories of consumers except the HT industrial supply consumers. In case of HT industrial supply consumers, it would be estimated power consumption for one and half billing cycles. Initially the applicant shall deposit the consumption security at the flat rates as mentioned *under Regulation 5.6. Subsequently the security shall be revised annually as per the procedure defined under Regulation 5.9 (1). Therefore, as per the said aforementioned clause the consumption security deposit shall be revised annually as per the procedure defined under Regulation 5.9 (1) and any excess or / deficient sum shall be adjusted within three subsequent bills of the consumer.*

5.9 (Review Of Security Deposit for power consumption (ACD): "(1) At the beginning of the financial year, the licensee shall review the consumption pattern of the consumer for the adequacy of the security deposit from April to March of the previous year. A consumer, except the HT industrial supply consumer, is required to maintain a sum equivalent to his average payment for the period of two billing cycles. An HT industrial supply consumer, is required to maintain a sum equivalent to his average payment for the period of one and half billing cycles. Where 'average payment' shall be equal to the average of actual bills paid in the last financial year: Provided that for a consumer whose electricity connection is less than one year old, the security deposit shall not be revised at the beginning of the ensuing financial year. Provided further that average payment shall not include the arrears of any kind recovered in the last financial year pertaining to the prior period. (2) The security deposit available with the licensee in respect of each consumer shall be shown in the bill issued to the consumer. Refund of excess security to the consumer by the licensee, as and when arises, shall be made by way of adjustment in subsequent energy bills showing negative amount where necessary."

6.5 That although the Petitioners have approached this Hon'ble Commission seeking deferment/postponement of the annual review and corresponding recovery/refund of ACD for FY 2025-26, the factual position prevailing as on date is materially different. The annual review of ACD for FY 2025-26 has already been undertaken by the Petitioners and the revised/enhanced ACD has already been reflected and charged in the electricity bills issued to the consumers. In several cases, the consumers have already deposited/paid the enhanced ACD so demanded. Copies of representative electricity bills evidencing the aforesaid position are placed on record.

6.6 That consequently, the relief originally sought by the Petitioners, namely, deferment/postponement of the review of ACD, cannot now be considered in isolation from the consequences which have already arisen pursuant to the review and recovery of ACD. The issues relating to the amounts already recovered from the consumers and the amounts which have not yet been deposited by the consumers therefore require specific determination by this Hon'ble Commission.

6.7 That, in view of the aforesaid development, two important issues have now arisen for consideration before this Hon'ble Commission, which require determination in the present proceedings:

i. Option 1 : if the present petition is allowed:

A. Whether, in the event the Petition is allowed and the revised/enhanced ACD is deferred or postponed, the DISCOMs would nevertheless be liable to pay/allow interest on the enhanced/revised ACD already deposited by the consumers, from the date on which such enhanced ACD was actually deposited with the respective DISCOMs until the date of its adjustment/refund?

B. Whether, in the event the Petition is allowed and the revised/enhanced ACD is deferred or postponed, the DISCOMs are entitled to levy any surcharge/Late Payment Surcharge upon consumers who have not deposited the enhanced/revised ACD demanded through their electricity bills; and, if so, under which statutory/regulatory provision and at what rate?

ii. Option 2: If the present Petition is disallowed:

A. Whether the DISCOMs would be liable to refund/adjust the excess ACD, along with applicable interest, already recovered from the consumers, in accordance with the applicable provisions of the HERC Regulations and the Electricity Supply Code?

Commission's Order:

1. The case was heard on 26/08/2026, as scheduled, in the court room of the Commission.

2. At the outset, Sh. Akshay Gupta, advocate impleaded in the case submitted his averments and apprised that he has no objection to the petition but apprehended that ACD has been revised in some cases.

3. Sh. Raghujeet Singh Madan counsel for the petitioner ruled out the possibility. However, the counsel assured that any such case surfaced due to system constraints will be set right as per applicable regulations/ guidelines.

4. In continuation of the earlier proceedings held on 09/04/2026, 26/05/2026, and 08/07/2026, the Commission considered the petition, the compliance report dated 04/07/2026 submitted by the distribution licensees, and the averments filed on 21/08/2026 by the impleaded advocate alongwith documents placed on record and observes that

5. Under Regulation 5.5(3) and Regulation 5.9(1), the licensee must annually review consumption patterns at the beginning of the financial year based on actual bills paid from April to March of the preceding year (excluding prior period arrears), adjusting any excess or deficient sum within three

subsequent energy bills. Regulation 5.8.1 mandates the payment of annual interest on security deposits at the Reserve Bank of India Bank rate as on 1st April, while Regulation 5.8.2 prescribes penal interest at 18% per annum for delayed interest adjustments.

6. The distribution licensees pleaded that the tariff revision approved vide order dated 28.03.2025 in HERC/Petition No. 66 of 2024 and HERC/Petition No. 67 of 2024, applicable w.e.f. 01.04.2025, significantly increased fixed and energy charges across categories compared to the previous schedule. This caused widespread consumer distress and led to representations.
7. Following interim directions issued on 09/04/2026, the Financial Advisor submitted a Compliance Report dated 04/07/2026 establishing that the existing total ACD as on 31/03/2025 stood at Rs. 3,980.92 Crore (Rs. 1,770.52 Crore with UHBVNL and Rs. 2,210.40 Crore with DHBVNL). Upon eliminating abnormal and exceptional cases, the net recoverable ACD across approximately 58 lakh consumers was reassessed to a realistic figure of Rs. 950.11 Crore, down from the earlier estimate of Rs. 2,323.18 Crore. Applying an average working capital borrowing rate of 8.35% per annum during FY 2025-26, the net additional financial burden of deferment on the utilities was assessed at Rs. 17.58 Crore (Rs. 4.42 Crore for UHBVNL and Rs. 13.16 Crore for DHBVNL).
8. In a prior precedent, the Commission vide order dated 10.01.2022 in HERC/Petition No. 11 of 2021 & Petition No. 14 of 2021 granted deferment of ACD revision for FY 2020-21 and FY 2021-22 during COVID-19 pandemic hardships. Furthermore, the Hon'ble APTEL in Uttar Haryana Bijli Vitran Nigam v. Haryana Electricity Regulatory Commission [Appeal No. 83 of 2022, decided on 06.10.2022] affirmed that the power to relax is not an arbitrary substitution of regulations but a legitimate discretionary power when exercised for reasons of public interest. As the custodian of consumer interest under the Electricity Act, 2003, the Commission is fully empowered to prevent disproportionate cumulative burdens on electricity consumers.

9. The averments of the impleaded advocate received on 21/08/2026 reveals that despite seeking deferment, the distribution licensees had already executed the annual ACD review for FY 2025-26 and reflected revised enhanced ACD demands in energy bills, which several consumers paid while others did not.

10. The Commission observes that subjecting consumers to concurrent financial impacts from revised tariff rates w.e.f. 01.04.2025 and enhanced ACD recoveries totaling Rs. 950.11 Crore would have resulted in severe consumer grievance, payment defaults, and disconnections. The additional financial burden of Rs. 17.58 Crore being borne by the utilities at an 8.35% per annum borrowing rate is a necessary and justified expenditure in the larger public interest. Consequently, the petition is hereby allowed, subject to the following directions to the parties:

    10.1 Approval is granted for a one-time postponement of the annual revision, recovery, and refund of Advance Consumption Deposit (ACD) for FY 2025-26, directing that existing ACD levels shall continue for FY 2025-26 and the revised ACD based on FY 2025-26 consumption pattern shall be implemented in FY 2026-27, with recoveries or refunds spread over up to three subsequent billing cycles pursuant to Regulation 5.5(3) and Regulation 5.9 of the 2016 Regulations.

    10.2 The consumers who have already deposited the enhanced ACD demanded in their electricity bills for FY 2025-26, the distribution licensees are directed to adjust the same in accordance with Regulation 5.8.1 and Regulation 5.8.2.

    10.3 The consumers who have not deposited the enhanced ACD demanded in their FY 2025-26 electricity bills, the distribution licensees are directed to immediately withdraw and reverse such uncollected enhanced ACD demands from subsequent energy bills and are strictly prohibited from levying any Late Payment Surcharge (LPS), interest, or penalty on such unpaid ACD amounts.

    10.4 The distribution licensees shall strictly comply with Regulation 5.8.1 by paying and adjusting regular annual interest on existing security deposits in the consumers' energy bills.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 09/09/2026.

	-Sd/-	-Sd/-
Date: 09/09/2026	**(Shiv Kumar)**	**(Mukesh Garg)**
Place: Panchkula	**Member**	**Chairman**