

**GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

The Ministry of Power, Government of India, in exercise of powers conferred by sub-section (1) read with clause (z) of sub-section (2) of section 176 of the Electricity Act, 2003 has notified the Electricity (Rights of Consumers) Rules, 2020 (referred onwards as the GoI Rules) vide Notification dated 31.12.2020. Subsequent Amendment in these Rules has also been notified vide Notification dated 28.06.2021. The State Electricity Regulatory Commissions have been asked to either make new Regulations or amend existing Regulations to align the Regulations with the said Rules vide letter dated 18.01.2021. Accordingly, the Commission has decided to make amendments in the Gujarat Electricity Regulatory Commission (Security Deposit) Regulations, 2005 (referred onwards as the Security Deposit Regulations) as narrated in the Draft Regulations attached herewith. Below is the narration with reference to the MoP Rules which attracts modification in the existing GERC (Security Deposit) Regulations, 2005 along with its rational for carrying out the amendments.

1. Rule 2 (1) (m) of the GoI Rules

“temporary connection” means an electricity connection required by a person for meeting his temporary needs such as-

- (i) for construction of residential, commercial and industrial complexes including pumps for dewatering;
- (ii) for illumination during festivals and family functions;
- (iii) for threshers or other such machinery excluding agriculture pump sets;

(iv) for touring cinemas, theatres, circuses, fairs, exhibitions, melas or congregations.

Relevant provision of the Existing Security Deposit Regulations:

2.1 (m)

“Temporary Service” means supply of electricity will be given initially for a period not exceeding one month subject to review for further extension in accordance with the classifications of installation for purpose of permanent supply.”

Amendment proposed:

2.1 (m) “Temporary Service” means supply of electricity will be given initially for a period not exceeding twelve months subject to review for further extension in accordance with the classifications of installation for purpose of permanent supply.”

Rational:

The definition of temporary connection provided in the existing Regulations of GERC stipulates about time period for temporary supply. At the same time, narration of temporary power supply in retail tariff orders of licensee stipulates that the consumer not taking supply on regular basis under a proper agreement deemed to be taking supply for temporary period. The definition of temporary supply provided in MoP Rules speaks about purpose of usage of power supply. It is observed that the definition of temporary connection in GERC Regulations and narration in the tariff orders is broader than the definition of temporary connection given in the MoP Rules. The purpose of temporary connection is by default a subset of stipulations in GERC Regulations as well as tariff orders.

However, it is observed that there is a discrepancy between time period for which temporary supply may be availed. It is provided in the GERC (Electricity Supply Code and Related Matters) Regulations, 2015 in Clause 4.45 that temporary connection shall be granted for a period of up to 12 months at a time whereas in the GERC Security Deposit Regulation, 2005 at Clause 2.1 (m) it is mentioned that temporary supply will be given initially for a period not exceeding 1 (One) month. In order to align the definitions of Temporary Service in both the Regulations with reference to initial time period for which temporary supply shall be granted, it is proposed to modify the definition of temporary service in the GERC (Security Deposit) Regulations, 2005.

2. Amendment in Clause 4.11 of the Security Deposit Regulations

Existing Regulation

4.11

The licensee shall pay interest on Security Deposit of consumer for the electricity supplied, at the Bank Rate (as on 1st April of every year) notified by Reserve Bank of India or such higher rate as may be fixed by the Commission from time to time. The interest accrued to the credit of the consumer during the previous year shall be adjusted in electricity bills of May of every year for consumers covered under the monthly billing cycle and in electricity bill of May or June for those covered under two monthly billing cycles.

Amendment Proposed:

4.11 The licensee shall pay interest on Security Deposit of consumer other than Security Deposit received from Temporary Consumer for the electricity supplied, at the Bank Rate (as on 1st April of every year) notified by Reserve

Bank of India or such higher rate as may be fixed by the Commission from time to time. The interest accrued to the credit of the consumer during the previous year shall be adjusted in electricity bills of May of every year for consumers covered under the monthly billing cycle and in electricity bill of May or June for those covered under bi monthly billing cycles.

Rational:

To provide clarity and clear any ambiguity in regard to payment of interest on Security Deposit, it is proposed to categorically exclude temporary connection category from payment of interest on Security Deposit considering time line of such Security Deposit lying with the Licensee.

3. Rule 9 (1) (b) of the GoI Rules

The disconnection shall be done immediately after payment of the final bill. The balance amount due to any consumption between the final reading and the permanent disconnection, if any, may be adjusted against the security amount with the distribution licensee. The remaining security deposit shall be refunded to the consumer within such period as specified by the Commission, not exceeding seven days.

Relevant provision of the Existing GERC (Security Deposit) Regulations, 2005:

4.14

The Licensee, on termination of the agreement by either party shall refund Security Deposit after adjustment of dues, if any within 30 days.

Amendment proposed:

4.14 The Licensee, on termination of the agreement by either party shall refund Security Deposit after adjustment of dues, if any within 7 days.

Rational:

To align with the Rules and with aim that consumer is provided with remaining Security Deposit at the earliest on termination of agreement, it is proposed to reduce the said time of refund of Security Deposit from 30 days to 7 days.

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