

**Gujarat Electricity Regulatory Commission
Ahmedabad**

ORDER 1 of 2008

Date: 11.04.2008

Whereas the Gujarat Electricity Regulatory Commission (Security Deposit) Regulations, 2005 (Notification No. 8 of 2005) (hereinafter referred as the Regulations) came into force from 31st March, 2005;

And whereas the Regulations provide that –

“The LT consumers shall at all times maintain with the licensee an amount equivalent to Consumption charges of three months where bi-monthly billing cycle is applicable or to such charges of two months in the case of monthly billing cycle, as the case may be, as security against any default in payment towards the electricity supplied / to be supplied to him during the period, the agreement for supply of energy is in force:....

The HT consumers shall at all times maintain with the licensee an amount equivalent to Consumption Charges of one and half month as security towards the electricity supplied / to be supplied, against any default in payment during the period the agreement for supply of electricity is in force.

The amount payable towards security shall be in the form of cash or demand draft (DD) drawn in favour of the licensee.”

And whereas the GUVNL has expressed difficulties that in the case of consumers who are keeping standby contract demand with the licensee due to having CPP / open access and remain parallel with grid. Such consumers may overdraw the power from the Grid in the case of exigencies through their contract demand also very very low. The average unit consumption of such consumers is very less for the period of preceding 12 (twelve) months, therefore amount of security deposit is not sufficient to secure the payment of electricity bill in case of default.

And whereas enabling the Distribution Licensees to have additional security in the form of Bank Guarantee to cover such type of exigencies; to provide for advance payment of 90% monthly energy bill in case of HT consumers and to provide for granting installments for payment of differential security deposit;

Now, the Gujarat Electricity Regulatory Commission (GERC), in exercise of its powers conferred by clause 5.1 of the Regulations hereby makes the following order to remove the difficulties, namely. –

1. Short title and commencement –

- i. This Order may be called The Security Deposit (Removal of Difficulties) Order, 2008.
- ii. It shall come into force with immediate effect.

2. Security Deposit for electricity supplied / to be supplied

- i. Consumers having CPP in the same premises and having contract demand with Distribution Licensees –
Total security deposit (A) should be worked out based on the consumption charges taking demand charges based on the 85%

of contract demand plus energy charges based on 80% of load factor at 0.90 power factor plus all other levies and taxes.

Cash security deposit (B) should be on the basis of monthly average consumption of such consumer for the average period of past twelve months.

The Security Deposit as Difference between A and B should be in the form of Bank Guarantee.

- ii. Consumers availing Open access (availing benefit of wheeled power from CPP/Wind Farms or purchase of power through bilateral arrangement/trader) and having contract demand with Distribution Licensees –

Total security deposit (C) should be worked out based on the consumption charges without deducting wheeled units.

Cash security deposit (D) should be on the basis of monthly average consumption of such consumer for the period of past twelve months and after deducting the wheeled units.

The Security Deposit as Difference between C and D should be in the form of Bank Guarantee.

- iii. The consumer shall furnish the Bank Guarantee in favour of Distribution Licensee and which should be renewed from time to time.
- iv. If the existing cash security deposit of above consumers (having CPP/Open Access facilities) is found to be in excess than the refund of the excess security deposit shall be made by adjustment in full in subsequent six months billing. And if

some amount is still left out than it has to be paid in cash on expiry of period of six months.

- v. Advance payment of 90% of monthly energy bill in case any consumer does not desire to pay Security Deposit -

Any Consumer who opts for this facility shall have to pay in advance 90% of amount of highest bill in the previous 12 months (or actual billing months in case of previous history of billing is less than 12 months) on or before very first day of the billing period.

Differential amount shall be paid by consumers in accordance with the actual bill of the respective month within due date.

All the time there should be 90% of amount should be available as advance on the due date.

- vi. Payment of differential security deposit through 12 Equated Monthly Installments (EMIs) -

In case of demand is made for payment of further security deposit on account of incremental consumption charges for existing consumers for existing contact demand, the distribution Licensee may grant 12 (twelve) equal monthly installments.

The consumer shall pay the EMIs and regular energy bills within the due dates.

Installment facility will not be available for new connection and for additional load requirement.

- vii. The licensee shall pay interest 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 on only cash security deposit.

SECRETARY