

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
BHOPAL**

Sub :- In the matter of review of MPERC (Security Deposit) Regulations, 2004 (as amended up-to-date).

ORDER

(Date of hearing 9th June, 2009)

M/s Soni Ispat Ltd. - Petitioner
2nd Floor, Janak, 11 New Palasia,
Indore.

V/s

M. P. Paschim Kshetra Vidyut Vitaran Co. Ltd., - Respondent
GPH Compound, Pologround,
Indore.

Shri R.Saboo, Advocate appeared on behalf of the Petitioner.

Shri D.K.Kanungo, Addl. CE appeared on behalf of Respondent and submitted a written submission.

2. The petitioner in his review petition has submitted that he had filed a Writ Petition before the Hon'ble High Court which was registered as 2704/2009. In view of the petitioner's submission that review petition on identical matter had already been filed by some other petitioners before the Commission, the Hon'ble High Court has granted liberty to the petitioner-company also to file a review petition before the Commission. The Writ Petition was disposed off accordingly. The Hon'ble High Court vide Order dated 27.04.2009 has also directed that the electricity connection of the petitioner-company shall not be disconnected till 29.05.2009 to enable to the petitioner-company to approach the Commission. In pursuance of this, the petitioner has filed this review petition before the Commission.

3. The petitioner has filed this petition requesting the Commission to review the following provision of the MPERC (Security Deposit) Regulations, 2004 (as amended up-to-date) :

- (a) The default needs to be defined in the Regulations,
- (b) The security deposit for more than 60 days cannot be claimed as energy consumption on credit before disconnection is normally less than 60 days; and
- (c) The option (iii) of notification dated 15.08.2008 be allowed to all consumers irrespective of default, prior to exercise of option.

4. During the hearing, Shri R.Saboo made the following argument in support of the petition.

- (a) The Regulation does not specify as to what constitutes a default, however, it is submitted that the default needs to be reckoned based on Section 56 of the Electricity Act, 2003 which means that the default will be construed to have occurred if the consumer supply is cut off after giving 15 days' clear notice. Since the non-payment within due date occurs due to poor financial condition/mismatch in cash flow, enhancing the security deposit will put additional financial burden on the consumer.
- (b) The petitioner is making regular payment of monthly energy bills alongwith surcharge within the period of notice for disconnection and thus the Licensee is giving credit for 60 days only. Therefore, security deposit for more than 60 days cannot be claimed by the Licensee.
- (c) The Regulation as amended through notification dated 15.08.2008 does not bar any consumer to opt for option (iii) for payment of security deposit. Hence, the petitioner may be allowed to exercise this option.

5. During the hearing, the representative of the respondent has submitted that :

- (a) The petitioner is making payment of monthly energy bills after the due dates but within the period of notice for disconnection. Non-payment within due date constitutes default and hence the consumer has continually defaulted in making payment.

- (b) The security deposit has been demanded as per existing provisions of the Regulations.
- (c) The Regulation as amended through notification dated 15.08.2008 does not allow any defaulter consumer to exercise option (iii) for payment of security deposit.

6. After hearing the detailed submissions made by the petitioner and the respondent, the Commission agreed that the Regulations should clearly define as to what constitutes a default. The Commission decided that the issues regarding definition of default, quantum of security deposit payable and exercising various options under default conditions will be clarified in the ensuing revision of Regulations which is being taken-up shortly. The Commission directs the respondent that till such revision in Regulations is done, status-quo be maintained and petitioner be not disconnected for non-tendering security deposit in excess of 60' days consumption.

7. With the above decision and directions, the Petition No. 19/2009 stands disposed off.

Ordered accordingly,

(C.S.Sharma)
Member (Eco.)

(K.K.Garg)
Member (Engg.)

(Dr. J.L. Bose)
Chairman