

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub: In the matter of clarification of the content of para clause 1.19, relating to 1.18 "Madhya Pradesh Electricity Regulatory Commission (Security Deposit) (Revision-I) Regulations, 2009 {RG-17(I) of 2009} **(P.No. 44/2021)**

Order

(Hearing through Video Conferencing)

Date of order:**01.11.2021**

M/s Ganpati Leno Bags Pvt. Ltd, Indore : **Petitioner**
V/s
MP Paschim KVVCL, Indore (West Discom) : **Respondent**

Shri JagatkishorThombre, appeared on behalf of the petitioner.

1. Subject petition is filed by the petitioner seeking clarification on provisions of Regulation 1.19 and Regulation 1.18 of MPERC (Security Deposit) (Revision I) Regulations, 2009. The petitioner contented that demand of additional security deposit equivalent to 60 days raised by the Respondent is contrary to Regulation 1.19 of aforesaid Regulations since there is no default in payment as per Section 56(1) of Electricity Act 2003. The petitioner has sought following clarifications in the matter of default in payment and made the following prayer:-
 - i. *“That the petition be allowed and the Commission may issue clarification/guidelines*
 - ii. *That if HT consumer pays the monthly electricity bills in accordance with section 56 (1) of the Electricity Act 2003 then it should not be considered as default and such consumer is not liable to deposit additional security deposit equivalent to 60 days consumption and security deposit already held for 45 days is suffice.*
 - iii. *Further the Respondent has included the amount of additional security deposit in monthly bill of July 2021.It is also prayed that the surcharge billed on non-payment of instalment of additional security (60 days) may also be withdrawn. However, petitioner will continue to make payment of monthly bill in time;*

iv. It is also prayed that Respondent be advised not to disconnect the supply till final order is issued in this petition by MPERC.”

2. At the motion hearing held on 05.10.2021, the Commission heard the submission made by the Petitioner and the case was reserved for order on issue of maintainability of petition.

Commission’s observation & findings:

3. The Commission examined the petitioner’s submission and noted that petitioner has been issued notice by Respondent West Discom advising to make payment towards additional cash security deposit to the level of 60 days consumption in place of existing security deposit to the level of 45 days consumption in accordance with Regulations 1.18 & 1.19 of MPERC (Security Deposit Regulations) due to default in payment of monthly bills. The reason for delayed payment, according to petitioner’s submission was due to liquidity problem faced by petitioner attributable to covid induced lockdown.
4. The Commission examined the statement of bills submitted by the petitioner, showing due date of payment of bill and date on which payment has actually been made for period FY 2020-21. It is observed that there has been default on 4 occasions in accordance to definition of “default” specified in Regulation 1.4 of MPERC (Security Deposit) (Revision I) Regulations, 2009 which means failure to make payment by the due date of energy bills .
5. It is specified in Regulation 1.19 of said Regulations that in the event of default in payment of monthly Bills for more than twice in a Financial Year, for consumers maintaining a Security Deposit equivalent to 45 days’ of their consumption, the Licensee shall be entitled to increase their Security Deposit from 45 days’ consumption level to 60 days’ consumption level. Non-payment of Disputed/Vigilance Bills shall not be considered as Default when the consumer has applied for review of such

Bill to Appropriate Authority and the consumer is paying Bills in accordance with provisions of Section 56(1) of the Electricity Act, 2003, unless the case is finally settled by Appropriate Authority. The Commission observed that the subject matter is not related to vigilance recovery/ non-payment dispute. Further, section 56(1) is applicable for disconnection of supply in default of payment. Therefore, section 56(1) of the Act is not applicable in this matter.

6. Further, on the violation of provisions under Regulation 1.19 of said Regulations, Respondent Discom has served a notice as per Regulation 1.18 to deposit Security Deposit for 60 days consumption instead of existing 45 days. The Commission found that this notice has been served as per the applicable Regulations.
7. The Commission observed that the provisions on which clarifications have been sought are explicitly clear and therefore, it finds no merit in the prayers made by the Petitioner. With the aforesaid observations and findings, the prayer is disallowed and the subject petition is dismissed and disposed of.

(Shashi Bhushan Pathak)
Member (Law)

(Mukul Dhariwal)
Member

(S.P.S. Parihar)
Chairman