

Notification Dated 04<sup>th</sup> September'2009

Bhopal: Dated 21<sup>st</sup> August, 2009

No.1783/ MPERC/2009. In exercise of powers conferred by Section 181(1) and Section 181(2)(v) and (w) read with Section 47 of the Electricity Act, 2003 (36 of 2003), the Madhya Pradesh Electricity Regulatory Commission hereby revises Madhya Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2004 notified on 01.10.2004.

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION  
(SECURITY DEPOSIT) (Revision - I) REGULATIONS, 2009**

**Short Title and Commencement**

- 1.1 These Regulations shall be called the “**Madhya Pradesh Electricity Regulatory Commission (Security Deposit) (Revision-I) Regulations, 2009 {RG-17(I) of 2009}**.”
- 1.2 These Regulations shall come into force from the date of their publication in the Official Gazette of the Government of Madhya Pradesh.
- 1.3 These Regulations shall extend to all existing / prospective consumers in the entire State of Madhya Pradesh.

**Definition**

- 1.4 “Default” means failure to make payment by the due date of Energy Bill.
- 1.5 Unless the context otherwise requires, the words and expressions in these Regulations, shall bear the same meaning as defined in the Electricity Act, 2003 (36 of 2003), the Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 (No. 4 of 2001), and the Madhya Pradesh Electricity Supply Code, 2004.

**Security Deposit**

- 1.6 Licensee may collect Security Deposit from all consumers in respect of following:
  - (a) Meters
  - (b) Lines and Plants
  - (c) Consumption of electricity.
- 1.7 (a) The Security Deposit including Additional Security Deposit from LT consumer shall be accepted in the form of Cash or Cheque (subject to realization) or Demand Draft or Pay Order or Banker’s Cheque.
- (b) The Security Deposit including Additional Security Deposit from EHT/HT consumer shall be accepted in any one of the following options:
  - (i) Security Deposit equivalent to 45 days’ consumption shall be paid in the form of Cash or Cheque (subject to realization) or Demand Draft or Pay Order or Banker’s Cheque.

OR

- (ii) Security Deposit equivalent to 30 days’ consumption shall be paid in the form of Cash or Cheque (subject to realization) or Demand Draft or Pay Order or

Banker's Cheque and an amount of Security Deposit equivalent to 15 days' consumption shall be deposited with any Nationalised Bank including State Bank of India in Fixed Deposit for a minimum period of one year duly pledged to the Licensee. The Consumer shall be responsible for submission of conformation letter issued by the Bank in each quarter that above amount is still pledged to the Licensee. The Licensee has also to ensure above six monthly. The consumer shall also be responsible for timely renewal of the term of Fixed Deposit failing which he shall have to deposit such amount in Cash and this option will no longer be available to the consumer. On twelve monthly review of the amount of available Security Deposit, the excess/shortfall against the required amount of Security Deposit shall be credited/ paid respectively in cash. Also, the interest as per Regulation 1.21 of the Regulations shall be payable on Security Deposit tendered in Cash only.

OR

(iii) Security Deposit equivalent to 30 days' consumption shall be paid in the form of cash or cheque (subject to realization) or Demand Draft or Pay Order or banker's cheque. This shall however be subject to proviso that an additional amount equivalent to 50% of the above cash Security Deposit is paid in the form of Cash or Cheque (subject to realization) or Demand Draft or Pay Order or Banker's Cheque within 7 days of the date of issue of bill in each billing month and balance amount of current bill is paid on the due date(s) after adjusting such payment of 50 % of Security Deposit without interest. Further, if the consumer does not make the payment of 50 % Security Deposit within 7 days of the date of issue of Bill as stipulated above in any month, this option will no longer be available to that consumer and he would be required to make the payment of additional Security Deposit equivalent to 15 days' consumption in the form of Cash or Cheque (subject to realization) or Demand Draft or Pay Order or Banker's Cheque.

- (c) In case the EHT/HT consumer does not opt for any of the above options, the option (b) (i) shall be applicable.
- (d) The above options b(ii) and (iii) shall not be applicable to consumers under default condition. These consumers shall have to tender Security Deposit in Cash only.
- (e) The existing consumers who have to tender cash Security Deposit against existing Bank Guarantee shall be allowed to pay the said amount of Security Deposit in Cash in three equal monthly instalments.
- (f) The amount of Security Deposit may be worked out by taking into account Fixed Charges, Energy Charges, Tariff minimum difference, Electricity Duty, Energy Development Cess, Meter Rent etc. but excluding Delayed Payment Surcharge, Load Factor/Power Factor incentives etc.

**Security Deposit against Plant/Line for giving new supply**

- 1.8 The Licensee may recover Security Deposit from the consumers against the Line / Plant where any electric Line or electrical Plant is to be provided for supplying electricity to the consumer, in respect of the provision of such Line or Plant.

**Meter Security Deposit (MSD)**

- 1.9 The Licensee may collect Meter Security Deposit (MSD). In respect of new installations, Meter Security Deposit is payable after communication of sanction of power supply and before servicing of the installation towards the Meter / Metering equipment at the rates as per schedule of rates prescribed by the Licensee from time to time with approval of the Commission. If the applicant for a new connection fails to deposit such Security, the Distribution Licensee may, if he thinks fit, refuse to commence the supply of electricity for the period during which the failure continues.
- 1.10 The Licensee may collect MSD in respect of existing installations where MSD is not collected, at rates prescribed at Regulation 1.8 , whenever the Meter is replaced.
- 1.11 In case where MSD is already collected, no difference in cost of the Meter shall be collected subsequently when the Meter is replaced for the reasons of high technology, Meter being faulty, Meter not working, etc.
- 1.12 In case the consumer provides the Meter at his cost as per the specifications of the Licensee, MSD shall not be collected.

**Initial Energy Security Deposit**

- 1.13 The Licensee may accept a Security Deposit for new service connection from the consumer for consumption equivalent to the estimated consumption of specific number of days as indicated in the following table:

Sr No	Nature of Consumer	No. of Days
1	Agricultural i) Permanent ii) Temporary	90  For entire period of temporary connection, subject to a minimum of 60 days if the connection is availed between the months of July to February and a minimum of 30 days if the connection is availed between the months of March to June for thrashing purposes. The consumer, however, can avail the connection for a period less than the number of days stated herein for recovery of Security Deposit subject to depositing a Security Deposit for full period. Excess Security Deposit shall be refundable after the period of connection is over and the connection is disconnected

Sr No	Nature of Consumer	No. of Days
2	Seasonal	25% of annual consumption
3	Stone Crushers, Hot-mix Plants	90
4	Consumers unable to provide proof of Legal occupation	90
5	Other Consumers	45

- 1.14 If the applicant for a new connection fails to deposit such Security, the Distribution Licensee may, if he thinks fit, refuse to commence the supply of electricity for the period during which the failure continues.
- 1.15 The Distribution Licensee shall also introduce a Pre-payment Scheme for LT consumers through the use of Pre-payment Meter. In such cases, the consumer shall not be required to pay the Energy Security Deposit.
- 1.16 (a) Initial Security Deposit for Urban areas shall be calculated on the Connected Load/ Contract Demand in KW, HP or KVA, as the case may be, entered into the Agreement, for various categories of consumers in the following manner:

S.no.	Category	Assessed consumption in <u>units per month(30days)</u> for calculation of Security Deposit
1.	Domestic	i) 150 units per KW or part thereof. ii) For life line consumers 35 units per 250 Watts or part thereof.
2.	Non- domestic	150 units per KW or part thereof
3.	Water works	150 units per KW or 110 units per HP or part thereof
4.	Industrial	70 units per KW or 50 units per HP or part thereof
5.	Agriculture	120 units per HP or part thereof
6.	Thrasher connections	360 units per HP or part thereof
7.	Street light	270 units per KW or part thereof
8.	HT consumers	190 units per KVA or part thereof

Units worked out for the Connected Load/ Contract Demand applied by the consumer, on the basis of table shown above, shall be calculated for all Billing Heads on prevailing Tariff to work out the Initial Security Deposit amount. The Security Deposit amount so calculated shall be rounded to next 100 (Hundred) Rupees.

- (b) Initial Security Deposit for notified Rural areas shall be calculated @ 50% that of Urban areas for various categories of consumers.

### **Additional Security Deposit for Energy**

- 1.17 The amount of the Energy Security Deposit (ESD) obtained from the consumer will be reviewed by the Licensee, annually on the basis of consumption during the previous 12 months in April every year. Based on this review, the Licensee may raise demand on the consumer to pay an Additional Security Deposit in three equal monthly instalments if the amount of Security Deposit so required based on the tariff applicable, etc. exceeds the amount of the Security Deposit held by the Licensee by Rs100/- or more. However, the consumer at his discretion may pay the amount of Security Deposit in one instalment.

Similarly, in case of amount of Security Deposit found to be more than the required, necessary Credit may be given in three equal monthly instalments in subsequent Electricity Bills. However, the Licensee shall pay a Simple Interest @ 1% per month if required Credit is not given to the consumer in time.

- 1.18 The Licensee shall serve a notice of at least one month to deposit the Additional Security Deposit. If the consumer fails to pay the Additional Security Deposit as per the notice, the Licensee is entitled to refuse or discontinue the supply of electricity so long as such failure continues. The consumer will be liable to pay Surcharge, equivalent to the Surcharge payable against delay in payment of Energy/Demand Charges (as stated in the Tariff Order) if he delays payment of Security Deposit without prejudice to the Licensee's right to disconnect supply of electricity, as per these Regulations.
- 1.19 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.

In case, the consumer makes regular payment of Energy Bills within due dates for all the months of Financial Year or for atleast next 6 months continuously (whichever is more), the consumer may be allowed to pay the Security Deposit equivalent to 45 days' in Cash only.

- 1.20 In the case of consumers who were sanctioned Additional Load, the Additional Security Deposit shall be calculated for the additional Load as if it is a new service. Similarly if the Contract Demand is reduced, the Licensee may recalculate the

Security and allow credit of excess Security Deposit, if any, by way of adjustments in three equal instalments in subsequent electricity Bills of the consumer from the month subsequent to the month in which the Agreement for reduced Contract Demand is finalized.

- 1.21 On consumer's request, the Licensee may allow the consumer the facility to pay Additional Security Deposit in three instalments.

### **Interest on Security Deposits**

- 1.22 The Licensee shall pay interest, at the Bank Rate {Reserve Bank of India (RBI) rate as prevailing on 1<sup>st</sup> April of concerned Financial Year}, on cash Security Deposits accepted from the consumer. It shall be the responsibility of the Licensee to ascertain the prevailing Bank Rate from RBI and to inform the consumers through the Billing mechanism.
- 1.23 The Licensee shall arrange to give a Credit to the consumer equivalent to the interest payable on Security Deposit every month and the same will be done through the monthly Bill. In case of delay exceeding a period of three months in adjustment of interest on Security Deposit, the consumer may lodge a complaint to the concerned Electricity consumers' Grievance Redressal Forum.
- 1.24 For the period of delay in payment of interest on Security Deposit the Licensee shall be liable to pay an interest on the amount of interest on Security Deposit payable to the consumer at the rate of 1% per month Simple Interest, in addition to other Penalties as may be imposed by Appropriate Authority.

### **Refund of Security Deposit**

- 1.25 The Security Deposit shall be refunded to consumer either in case of reduction in Contract Demand or upon termination of the Agreement and after adjustment of all dues, within 60 days of completion of formalities. In case of delay beyond 60 days period, interest @ 1% more than the prevailing Bank Rate shall be payable, for the period of delay beyond 60 days, to the consumer by the Licensee. Licensee shall ensure that overall period of refund including the period of delay does not exceed 120 days, failing which penalties may be imposed as approved by the Commission.

### **Power to Amend**

- 1.26 The Commission may, at any time add, vary, alter, modify or amend any provisions of these Regulations.

### **Repeal and Savings**

- 1.27 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuses of the process of the Commission.

- 1.28 Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Electricity Act 2003 (36 of 2003) a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.
- 1.29 Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Electricity Act, 2003 (36 of 2003) for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.
- 1.30 The Regulations namely “Madhya Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2004 (G-17 of 2004)” published vide Notification No. 2560/MPERC/2004 in the Gazette dated 1.10.2004 and read with all amendments thereto, as applicable to the subject matter of these Regulations is hereby superseded.

**By Order of the Commission**

**ASHOK SHARMA, Commission Secretary,**