

**BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY
REGULATORY COMMISSION**

At its office at 4th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004

File No. /2020

Case No. /2020

IN THE MATTER OF:

Seeking approval of the Honourable Commission to consider issuing suitable amendments to certain Clauses of the Regulation 6 of 2004, in pursuant to clause 11 (2) of Regulation 6 of 2004.

AND

IN THE MATTER OF:

Southern Power Distribution Company of A.P Limited (APSPDCL)

- Petitioner

Affidavit

I, B. Lalitha, D/o B. Raja Rao, aged 51 years, residing at Tirupati, the deponent named above do hereby solemnly affirm and state on oath as under:-

1. That the deponent is the Chief General Manager, RAC of Southern Power Distribution Company of AP duly authorized by APSPDCL to make this affidavit on its behalf and the deponent is acquainted with the facts deposed below,

2. I, B. Lalitha, the deponent named above do hereby verify that the contents of the affidavit and those of the accompanying petition are true to my personal knowledge and verify that no part of this affidavit is false and nothing material has been concealed.


DEPONENT
CHIEF GENERAL MANAGER
RAC
APSPDCL :: TIRUPATI

VERIFICATION:

I, the above named Deponent solemnly affirm at Tirupati on this 27th day of February, 2020 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.


DEPONENT
CHIEF GENERAL MANAGER
RAC
APSPDCL :: TIRUPATI

Solemnly affirmed and signed before me.


COMPANY SECRETARY
APSPDCL :: TIRUPATI.

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MOST RESPECTFULLY SHOWETH THE SUBMISSION

The APSPDCL humbly submits the following:

1. In pursuant to clause 11 (2) of Regulation 6 of 2004, the licensee humbly requests the Hon'ble APERC to kindly consider to issue suitable orders/amendments to the following clauses of Regulation 6 of 2004.

(A) Seeking amendment to Clause 4- Security Deposit, to require 3 months consumption charges as security deposit instead of 2 months.

Section 47 of the Electricity Act, 2003 reads as follows:

Section 47. (Power to require Security):

(1) Subject to the provisions of this section, a distribution licensee may require any person, who requires a supply of electricity in pursuance of section 43, to give him reasonable security, as may be determined by regulations, for the payment to him of all monies which may become due to him :

(a) In respect of the electricity supplied to such persons; or

(b) Where any electric lines or electrical plant or electric meter is to be provided for supplying electricity to person, in respect of the provision of such line or plant or meter,

And if that person fails to give such security, the distribution licensee may, if he thinks fit, refuse to give the supply of electricity or to provide the line or plant or meter for the period during which the failure continues.

- (i) Thus, in accordance to the Electricity Act 2003, the Hon'ble APERC issued Regulation 6 of 2004 (Security Deposit Regulation) wherein Clauses 3 & 4 of the Regulation reads as follows:

Clause (3) Power to require security:

(1) The distribution licensee may require from any person, who requires a supply of electricity to his premises in pursuance of section 43 of the Act, to give security as provided in clause 4 herein, for the payment of all monies, which may become due to the licensee

a) in respect of the electricity supplied to such person; and /or

b) where any electric line or electrical plant or electric meter is to be provided for supplying electricity to such person, in respect of the provision of such line or plant or meter.

(2) If such person fails to give such security under sub-clause (1), the Distribution Licensee may refuse to give the supply of electricity or to provide the line or plant or meter for the period during which the failure continues.

Clause (4) Security deposit for the electricity supplied / to be supplied:

*(1) The LT consumers shall at all times maintain with the licensee an amount equivalent to consumption charges (i.e demand/fixed charges and energy charges etc., as applicable) of **three months wherever bi-monthly billing is in vogue and two months' charges in the case of monthly billing cycle, as security during the period the Agreement for supply of energy to such LT consumers is in force:***

Provided that as and when the bi-monthly cycle is replaced with monthly billing cycle, the licensee shall refund the excess amount, if any, over the two months' charges by adjustment against the then outstanding dues to the Licensee or any amount becoming due to the Licensee immediately thereafter.

(2) The HT consumers shall at all times maintain with the licensee an amount equivalent to consumption charges (i.e demand charges and energy charges etc., as applicable) of two months as security during the period the Agreement for supply of energy to such HT consumers is in force.

(ii) After the issue of Regulation No.6 of 2004, the licensee was collecting 3 months consumption charges as security deposit for bi-monthly billing consumers and 2 months consumption charges for monthly billing consumers. The licensee has **subsequently shifted to monthly billing for all categories and therefore only 2 months consumption charges as Security Deposit is being maintained at present.**

(iii) In this connection it is to submit that, as per the present billing cycle and procedure, the security deposit of 2 months consumption charges is **inadequate** as security in the event of default of consumer in payment cc charges and until termination as submitted below:

- (a) The billing period is 1 month.
- (b) Bill will be issued after billing period of 1 month.
- (c) The disconnection will be effected in the event of non-payment of CC charges after 1 month from bill date.
- (d) After completion of 3 months period from the date of disconnection, 1 month notice will be issued for termination of Agreement.
- (e) Termination will be effected after expiry of 1 month notice.
- (f) Monthly minimum charges will be raised during these 4 months as per Clause 5.9.4.3 of GTCS.

(iv) Thus it may be seen from the above that the Security Deposit collected as **2 months** consumption charges covers only for the consumption period of **1 month** billing period+ disconnection period of **1 month**.

(v) Whereas for monthly minimum charges raised for 4 months (i.e. for the period 3 months from the date of disconnection + one month Termination notice), **there is no security for collection** during the 4 months period.

(vi) Thus, it is submitted that consumption charges of at least for 3 months as Security Deposit are required as security to protect the revenues of licensee in the event of default of the consumers as depicted in the table below:

S.No	Event	Requirement
1	Billing period	1 month consumption charges
2	Disconnection in the event of default for payment	1 month consumption charges

S.No	Event	Requirement
3	Monthly Min charges raised after date of disconnection to Termination of Agreement as per Clause 5.9.4.3 of GTCS	4 Months (i.e. equivalent to 2 months consumption charges)
4	Total Security Deposit required	3 months consumption charges

(vii) In view of the above submissions and in pursuant to clause 11 (2) of Regulation 6 of 2004 the licensee humbly submits the Hon'ble APERC that an amendment to the Regulation 6 of 2004 may be considered to be issued, requiring the consumer to deposit 3 months consumption charges as reasonable security to the Licensee.

(B) Seeking amendment to Refund of Security Deposit:

The following provisions are made in Regulation 6 of 2004 **under Clause 9 - Refund of Security Deposit.**

Where an agreement for supply of electricity is terminated as per the Terms and Conditions of supply, the Licensee shall be required to refund the security deposit if any, after making adjustments for the amounts outstanding from the consumer to the Licensee, within one month of the effective date of termination of the agreement: Provided that if such refund is delayed beyond the period of one month as specified above, the Licensee shall pay interest on such deposit at twice the rate applicable on such effective date of termination of the agreement.

(i) In this connection it is to submit that the mechanism involved in refund of security deposit involves several factors in practical such as

- (a) Delay in obtaining correct Bank details from the registered consumer as the Bank details furnished at the time of registration are quite often different from those subsequently furnished due to change in bank, address and contact no. etc., during the period.
- (b) Delay in obtaining Indemnity Bond from the consumer required in the absence of original receipt.

The above factors cause delay in processing of refund of SD to the consumer.

- (c) In view of the above and in pursuant to clause 11 (2) of the Regulation 6 of 2004 the licensee humbly submits amendment to clause 9 of the regulation 6 of 2004 to consider at least 2 months' time instead of one

month to refund of Security Deposit to the consumer considering the practical unforeseen difficulties being encountered which are beyond the control of the Licensee during the process of Refund.


In the above circumstances, the licensee humbly prays the Honorable Commission:

- (i) To consider to issue suitable amendment to Clause 4 of Regulation 6 of 2004 requiring the consumer to deposit 3 months consumption charges as reasonable security to the Licensee.
- (ii) To consider to issue suitable amendment to Clause 9 of the Regulation 6 of 2004 that the refund of security deposit to the consumer to be done with in 2 months' time instead of 1 month.
- (iii) To pass such order as the Honourable Commission may deem fit and proper in the facts and circumstances explained above.

SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED
(APPLICANT)

Through

Place: Tirupati
Date : 27-02-2020


Chief General Manager
RAC :: APSPDCL
CHIEF GENERAL MANAGER
RAC
APSPDCL :: TIRUPATI