



## ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION

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APERC - Review and payment of Additional Security Deposit (ACD) for the electricity supplied- Directions- Issued - Reg.

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Proceedings. No. 03/2025

Date: 12 -06-2025

Read the following:

- 1) Representation of Secretary, APTMA & others
- 2) Lr.No.APERC/Secy/AD-T&Ec/CA-05/D.No.531/2025, dt.20-05-2025
- 3) Letters of Discoms APEPDCL, APCPDCL & APSPDCL

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### ORDER:

Based on the notices issued by DISCOMS for Additional Consumption Deposits (ACDs) to their member Industries, AP Textile Mills Association (APTMA) has objected to including true-up charges in ACDs, relying on Section 47 of the Electricity Act, 2003, and APERC Regulation 6 of 2004, as amended. The Commission has sought the views of the DISCOMS on the above objection. The APEPDCL has stated that they have not included the true-up charges in ACDs, whereas the APSPDCL and APCPDCL have stated that they are including the true-up charges in the ACDs when issuing notices to Industries.

In this regard, the relevant provisions of the Electricity Act, 2003 and APERC Regulations are produced herein below;

### Section 47 of the Electricity Act 2003

**"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*

.....

And the relevant clauses in APERC Regulation 6 of 2004

**Clause 4(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.*

**Clause 2(c) vide amendment APERC Regulation 3 of 2013**

**“Consumption Charges”** means energy charges for consumption of electrical energy (calculated on the basis of kWh or kVAh rate as applicable), and includes Demand / Fixed charges, Fuel Surcharge Adjustment (FSA) charges, customer charges, wherever applicable.

After examination of the APTMA’s objection vis a vis the submissions of the DISCOMS and the relevant provision of the Electricity Act, 2003 and Regulation 6 of 2004, in Commission’s opinion, the DISCOMS are required to maintain reasonable security from the persons who receives electricity from them as per Section 47 of the the Electricity Act, 2003 and for such reasonable security as provided in APERC Regulation 6 of 2004, true up charges are not included in the definition of consumption charges.

**Therefore, the Commission directs that DISCOMS shall not include true-up charges in determining ACDs for their consumers from time to time, as per APERC Regulation 6, 2004.**

(By Order of the Hon’ble Commission)

  
COMMISSION SECRETARY (I/c)

To

The Chairman & Managing Director/APSPDCL/Tirupati.

The Chairman & Managing Director/APEPDCL/Visakhapatnam.

The Chairman & Managing Director/APCPDCL/Vijayawada