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NOTIFICATIONS BY HEADS OF DEPARTMENTS, Etc.

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ANDHDRA PRADESH ELECTRICITY REGULATORY COMMISSION

Regulation No 02 of 2019

(Second Amendment to APERC Security Deposit Regulation 6 of 2004)

Introduction

The Commission issued Regulation No. 6 of 2004 making a provision authorizing the Distribution Licensee to collect security deposit from the consumers requiring electricity supply towards amounts due to him in respect of the electricity supplied or towards the cost of providing any electric line/electric plant or electric meter for supply of electricity pursuant to Section 43 of the Electricity Act, 2003.

As per the existing regulation i.e., 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 (2) months towards security during the period the agreement for supply of electricity to such HT consumers is in force.

At present, the DISCOMs are collecting Initial Security Deposit (ISD) at the flat rates specified under clause 5 (1) and ISD is reviewed during April / May of next financial year based on the previous average consumption. In order to implement the provisions mentioned in sub clause (2) of clause (4) of this Regulation and to protect the interests of the DISCOMs and consumers at large, Commission felt that it is necessary to bring the following amendments to the Andhra Pradesh Electricity Regulatory Commission (Security Deposit) Regulation, 2004.

The principal Regulation (Regulation No. 6 of 2004) was published in the gazette of Andhra Pradesh on 17-05-2004. Subsequently, the Commission notified "Andhra Pradesh Electricity Regulatory Commission (Security Deposit) First Amendment Regulation, 2013" and the same was published in the Gazette of Andhra Pradesh on 19-12-2013.

Further, the Commission reviewed the "Andhra Pradesh Electricity Regulatory Commission (Security Deposit) Regulation, 2004" as amended from time to time and noticed that the said Regulation requires certain further amendments. Accordingly, the Commission prepared a draft amendment Regulation and the same was hosted in the Commission's website seeking comments/suggestions from interested persons/ stakeholders. Considering all the comments /suggestions, the Commission makes the following amendments to the "Andhra Pradesh Electricity Regulatory Commission (Security Deposit) Regulation, 2004".

In exercise of the powers conferred by section 181 read with sub-sections (1) and (4) of section 47 of the Electricity Act, 2003 (36 of 2003) and all powers enabling it in that behalf, the Andhra Pradesh Electricity Regulatory Commission hereby makes the following Regulation, namely: -

1. Short title, commencement and interpretation:

- i) This Regulation may be called the "Andhra Pradesh Electricity Regulatory Commission (Security Deposit) Second Amendment Regulation, 2019".
- ii) This Regulation shall be applicable to all Distribution Licensees in their respective licensed areas, in the State of Andhra Pradesh.
- iii) This Regulation shall come into force with effect from the date of its publication in the Andhra Pradesh Gazette.

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2. Sub clause (4) of clause 5 shall be substituted with the following:

The initial security deposit shall be reviewed after the expiry of three (3) months,

in accordance with sub-clause (1) of clause 4 above. If it is found that the initial

security deposit is short of three (3) months average consumption, a one month

notice shall be served for making payment to fill the gap towards security

deposit.

3. The following new sub clauses shall be inserted after sub clause (4) of clause 5:

Clause 5(5): The DISCOM shall review the security deposit collected after expiry

of three (3) months from the date of release of power supply based on the actual

consumption, for all new HT services /HT additional loads in accordance with sub

clause (2) of clause (4) above. If it is found that the initial security deposit is

short of three (3) months average consumption, a one month notice shall be

served for making payment to fill the shortfall towards security deposit.

<u>Clause 5(6)</u>: The Distribution licensee shall not grant instalments towards

security deposit.

Provided, however, that if any person seeks instalments, the DISCOM may grant

instalments at its discretion subject to furnishing of suitable bank guarantee by

the consumer.

4. The following proviso shall be appended to the sub clause (1) of clause 6:

Provided that in case of HT consumers, the adequacy of the amount of security

deposit shall also be reviewed based on the previous six (6) months average

consumption by the Distribution Licensee during October of every year and shall

serve one month notice for making payment, if required.

This Order is signed by the Andhra Pradesh Electricity Regulatory Commission on 13-02-2019

(BY ORDER OF THE COMMISSION)

C. RAMAKRISHNA SECRETARY (I/C)

Hyderabad Dt: 13-02-2019