

**GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)
(SECURITY DEPOSIT) REGULATIONS 2005**

Notification No: 8 of 2005

In exercise of the powers conferred under Section 47 of the Electricity Act, 2003 (Act 36 of 2003) and subsection (2) (v) and (w) of section 181 and all powers enabling it in that behalf, the Gujarat Electricity Regulatory Commission hereby makes the following Regulations, namely:-

CHAPTER-1

1. Short Title, Extent and Commencement

- a. These Regulations may be called the Gujarat Electricity Regulatory Commission (Security Deposit) Regulations, 2005.
- b. These Regulations extend to the whole of the State of Gujarat and shall apply to all Distribution Licensees within their respective licensed areas.
- c. These Regulations shall come into force on the date of their publication in the Gazette.

CHAPTER-2

2. Definitions

2.1 In these Regulations, unless the context otherwise requires:-

- (a) "Act" means the Electricity Act, 2003 (36 of 2003).
- (b) "Bank Rate" means the Bank Rate as notified by the Reserve Bank of India.
- (c) "Commission" means the Gujarat Electricity Regulatory Commission.
- (d) "Consumption Charges" means the consumption of electrical energy in kWhs multiplied by appropriate tariff rates and also includes Demand/Fixed charges, Fuel Price and Power Purchase Adjustment (FPPPA) charges and any other charges approved by the

GERC in the tariff schedule and the Electricity Duty and any other levies, taxes as may be imposed by the statutory authorities from time to time.

(e) "Demand Charge" refers to a charge payable by a Consumer, which is based on the Contracted Demand or Maximum Demand recorded as specified in the tariff schedule read with the relevant regulations as approved by the GERC from time to time.

(f) "Energy Charge" refers to a charge leviable towards the consumption of electricity as specified in the tariff schedule read with the relevant regulations as approved by the GERC from time to time.

(g) "Fixed Charge" refers to a charge payable by a Consumer according to Tariff in force from time to time, which is based on sanctioned load or Maximum Demand recorded or Contract Demand.

(h) "installation" means any composite Electrical unit used for the purpose of Generating, Transforming, Transmitting, Converting, Distributing or utilizing energy.

(i) "month" means the calendar month unless the context otherwise requires. A time lasting from a specified date in one calendar month until the same date in the next calendar month (a period of time equivalent to about 30 days).

(j) "premises" includes any land, building or structure.

(k) "Tariff" means a schedule of standard prices or charges for specified services, which are applicable to all such specified services provided to the type of Consumers specified in the Tariff approved by the GERC.

(l) "State Act" means the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003.

(m) "Temporary Service" means supply of electricity will be given initially for a period not exceeding one month subject to review for further extension in accordance with the classifications of installation for purpose of permanent supply.

Words and expressions used and not defined in these Regulations but defined in the Act or the State Act or the Rules framed thereunder shall have the meanings assigned to them in the said Act or the State Act or such Rules. Expressions used herein but not specifically defined in these Regulations or in the Act or the State Act or the Rules framed thereunder but defined under any law passed by a competent legislature and applicable to the electricity industry in the state shall have the meaning assigned to them in such law. Subject to the above, expressions used herein but not specifically defined in the Regulations or in the Act or the State Act or the Rules framed thereunder or in any other law passed by a competent legislature shall have the meaning as is generally assigned in the electricity industry. The Bombay General Clauses Act, 1904, shall apply for the purpose of the present Regulations.

Interpretation:

2.2 In the interpretation of these Regulations, unless the context otherwise requires:

- (a) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;
- (b) the terms "include" or "including" shall be deemed to be followed by "without limitation" or "but not limited to" regardless of whether such terms are followed by such phrases or words of like import;
- (c) references herein to the "Regulation" shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force.
- (d) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations.
- (e) references to the statutes, regulations or guidelines shall be construed as including all provisions consolidating, amending or replacing such statutes, regulations or guidelines, as the case may be, referred to.

CHAPTER-3

3. **Power to require security**

3.1 As provided in section 47 of the Act, 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 deposit sufficient security against the estimated payment which may become due to him –

a) in respect of electricity supplied to such person (including Energy Charges, Fixed / Demand Charges, Fuel Price and Power Purchase Adjustment (FPPPA) charges, Electricity Duty and any other charges as may be levied from time to time), or

b) where any electric line or electric 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.

3.2 If such person fails to give such security under Regulation 3.1, the distribution licensee may refuse to give the supply of electricity for the period during which the failure continues.

CHAPTER – 4

4. **Security Deposit for the electricity supplied / to be supplied**

4.1 The LT consumers shall at all times maintain with the licensee an amount equivalent to Consumption Charges of three months where bi-monthly billing cycle is applicable or to such charges of two months in the case of monthly billing cycle, as the case may be, as security against any default in payment towards the electricity supplied / to be supplied to him during the period, the agreement for supply of energy 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 estimated at prevailing tariff rate by adjustment against the existing dues or those becoming due immediately thereafter.

4.2 The HT consumers shall at all times maintain with the licensee an amount equivalent to Consumption Charges of one and half months as security towards the electricity supplied / to be supplied, against any default in payment during the period the agreement for supply of electricity is in force.

4.3 The amount payable towards security shall be in the form of cash or demand draft (DD) drawn in favour of the licensee.

4.4 The applicants for electricity shall pay in the beginning a Security Deposit towards the electricity to be supplied to them as under:

(i)	For supply to Residential premises	Consumption Charges for consumption of 50 Units for every 0.5 KW of applied load at prevailing tariff, but in no case less than Rs. 200/-.
(ii)	For supply to other than Residential premises	Consumption Charges for consumption of 75 Units for every 0.5 KW of applied load at prevailing tariff, but in no case less than Rs. 500/-.
(iii)	For LT motive power in all premises governed by connected load Up to 20 HP	Consumption Charges for consumption of:

	21-50 HP 51 HP and above	Up to 20 HP75 Units/HP 21-50 HP150 Units/HP 51 HP and above.....300 Units/HP but not less than Rs.800/- in any case.
(iv)	For LT supply to Agricultural consumer	Consumption Charges equivalent to 25% of the prevailing annual tariff rate (based on H.P. tariff) per B.H.P. of contracted load.
(v)	LT Temporary supply	Consumption Charges for consumption of 10 units/kW of applied load at the prevailing tariff for a minimum period of seven days.
For demand based supply		
(vi)	For Continuous Process Industry	1.5 times the monthly Consumption Charges taking demand charges based on 85% of contract demand plus energy charges based on 80% of load factor plus all other levies and taxes. For calculation, the power factor shall be reckoned at 0.9.
(vii)	For Non-Continuous Process Industry	1.5 times the monthly Consumption Charges taking demand charges based on 85% of contract demand plus energy charges based on 60% of load factor plus all other levies and taxes. For calculation, the power factor shall be reckoned at 0.9.
(viii)	For establishments of Central Government,	1.5 times the monthly Consumption Charges taking demand charges based

	semi Government and local authority	on 85% of contract demand plus energy charges based on 40% of load factor plus all other levies and taxes. For calculation, the power factor shall be reckoned at 0.9.
(ix)	For temporary Supply	2.0 times the monthly Consumption Charges taking demand charges based on 85% of contract demand plus energy charges based on 60% of load factor plus all other levies and taxes. For calculation, the power factor shall be reckoned at 0.9.
(x)	For purpose other than those specified above	1.5 times the monthly Consumption Charges taking demand charges based on 85% of contract demand plus energy charges based on 50% of load factor plus all other levies and taxes. For calculation, the power factor shall be reckoned at 0.9.

4.5 In the case of consumers whose additional demand is to be sanctioned, the amount of Security Deposit shall be calculated as if it is a new service, for the entire load at prevailing applicable tariff rate as specified in Clause 4.4

4.6 Subject to the restrictions of the periods of three months or two months or one and half months as specified in Clauses 4.1 and 4.2, the adequacy of the amount of Security Deposit calculation in respect of consumers may be reviewed by the licensee usually once in every year (preferably after revision of tariff for the respective year) based on the average unit consumption for the period representing 12 (twelve) months from April to March of the previous year.

- 4.7 In case, a consumer requests, based on his average consumption in the last twelve (12) months, to review his Security Deposit amount, then the licensee shall review the same. Based on such review, refund of excess will be made by the licensee.
- 4.8 In case, a consumer seeks reduction in contract demand/contracted load, then the licensee shall review the request. Upon such review, if licensee reduces contract demand/contracted load, then the Security Deposit shall be calculated at the prevailing applicable tariff rate for the reduced demand as if it is a new service, as specified in Clause 4.4. Based on such review, refund of excess will be made by the licensee.
- 4.9 Based on such review, the licensee may either seek increase in amount of Security Deposit or reduce its amount as the case may be. Provided that if the Security Deposit payable by the consumer is short by not more than 10% of the existing Security Deposit, no demand will be made for payment of further Security Deposit. If the existing Security Deposit of a consumer is found to be in excess by more than 10% of the required Security Deposit, refund of the excess Security Deposit shall be made by adjustment in future bills. Where the consumer is required to pay additional amount by way of Security Deposit, a notice for payment within 30 days shall be issued.
- 4.10 If the applicant does not make payment of required Security Deposit as demanded by the licensee, as mentioned in clause 4.4, the licensee can refuse to release supply. In case where the security deposit requirement is reviewed by licensee in terms of clause 4.8, and accordingly, the consumer is required to pay further amount as Security Deposit and the consumer does not make payment, the supply of consumer shall be liable for disconnection as per sections 47(3) and 56 of The Electricity Act, 2003.
- 4.11 The licensee shall pay interest on Security Deposit of consumer for the electricity supplied, at the Bank Rate (as on 1st April of every year) notified by Reserve Bank of India or such higher rate as may be fixed by the Commission from time to time. The interest accrued to the credit of the

consumer during the previous year shall be adjusted in electricity bills of May of every year for consumers covered under the monthly billing cycle and in electricity bill of May or June for those covered under two monthly billing cycles.

- 4.12 In case a consumer commits default in making payment towards the energy bill, the amount of Security Deposit paid earlier shall be subjected to review by the Distribution Licensee. The said deposit amount shall be worked out based on the prevailing norms in accordance with these Regulations.
- 4.13 The consumers shall pay the further Security Deposit within thirty days from the date of service of the demand notice issued by the licensee. If there is any delay in payment, the consumer shall pay surcharge thereon at 0.25% per week or at such rate as may be fixed by the Commission from time to time.
- 4.14 The Licensee, on termination of the agreement by either party shall refund Security Deposit after adjustment of dues, if any within 30 days.

CHAPTER-5

5 Miscellaneous

Power to remove difficulties

- 5.1 In case of any difficulty in giving effect to any of the provisions of these Regulations, the Commission may by general or special order, direct the licensee to take suitable action, not being inconsistent with the provisions of Electricity Act, 2003, which it appears to be necessary or expedient for the purpose of removing the difficulty.

The licensee may make an application to the Commission and seek suitable orders to remove any difficulties that may arise in implementation of these Regulations.

Issue of orders and Guidelines

5.2 Subject to the provisions of the Electricity Act, 2003 and these Regulations, the Commission may, from time to time, issue orders and guidelines with regard to the implementation of the regulations and procedures to be followed.

Power to amend

5.3 The Commission may, at any time add vary, alter, modify or amend any provisions of these Regulations as and when need arises.

**P. S. SHAH
SECRETARY**

AHMEDABAD
31ST March, 2005