

**AUTHORITATIVE ENGLISH TEXT**

**HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION**

**SHIMLA**

F.No.HPERC/414

Dated: Shimla, the March,2005

**NOTIFICATION**

The Himachal Pradesh Electricity Regulatory Commission, in exercise of the powers conferred by clauses (v) and (w) of sub-section (2), of section 181 read with section 47 of the Electricity Act, 2003(36 of 2003) and all other powers enabling it in this behalf, after previous publication, hereby makes the following regulations, namely :-

**REGULATIONS**

**1. Short title, extent and commencement.-** (1) These Regulations may be called the Himachal Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2005.

(2) These regulations shall be applicable to all distribution licensees in their respective licensed areas, in the State of Himachal Pradesh.

(3) These regulations shall come into force from the date of their publication in the Rajpatra, Himachal Pradesh.

**2. Definitions -** In these regulations, unless the context otherwise requires, -

- (a) (a) "Act" means the Electricity Act, 2003 (36 of 2003);
- (b) "applicant" means the owner or occupier of any premises who makes an application to the distribution licensee for supply of electricity;
- (c) "Commission" means the Himachal Pradesh Electricity Regulatory Commission;
- (d) (d) "consumption charges" means the consumption of electrical energy in kWh or kVAh multiplied by appropriate tariff rates and also includes demand/fixed charges, and customer charges etc., wherever applicable;

- (e) “licensee” means a distribution licensee authorized to operate and maintain a distribution system and supply electricity at any voltage to consumers in the concerned area of supply;
- (f) “month” means the calendar month and the period of about 30 days between the two consecutive meter readings shall also be regarded as a month for the purpose of billing;
- (g) “person” shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person and also includes the Central and the State Government Department, the State Government Undertaking and their employees.
- (h) (h) “State” means the State of Himachal Pradesh; and
- (i) (i) other words and expressions used and not defined in these regulations, but defined in the Act, shall have the meanings as assigned to them in the Act.

**3. Power to require security.-** (1) The distribution licensee shall require every person, who requires a supply of electricity to his premises in pursuance of section 43 of the Act, to give security as provided in regulation 4, for the payment of all monies, which may become due to the licensee -

- (a) (a) in respect of the electricity supplied to such person; or/and
- (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, plant and/or meter.

(2) If such person fails to give such security under sub-regulation (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.

**4. Security deposit for the supply of electricity: -** (1) The consumer shall, at all times maintain with the licensee an amount equivalent to consumption charges for the billing cycle period, as security during the period the agreement for supply of energy to such consumer remains in force:

Provided that where billing cycle is changed the security deposit shall be reduced/increased on pro-rata basis.

(2) If any person is prepared to take the supply through a pre-payment meter, the distribution licensee shall not be entitled to collect the security deposit in respect of the electricity supplied to such person:

Provided that in the case of existing consumer who opts for the supply through the pre-payment meter, the licensee shall refund the amount of the security deposit of such consumer lying with the licensee.

(3) The initial security deposit payable at the time of releasing the supply shall be at flat rates mentioned in regulation 5.

(4) The amount payable towards security shall be in the form of cash/demand draft (DD) drawn in favour of the licensee;

Provided that where the amount payable towards security exceeds rupees 5.00 lacs, the consumer may opt to furnish the security in the form of Bank Guarantee.

**5. Initial security deposit.** - (1)The applicant shall pay initial security deposit towards the electricity to be supplied to him at the flat rates as given in the following table :-

**Table**

Sr. No.	Type of category	Initial security deposit per kW/kVA or fraction thereof of connected load/contract demand (amount in rupees)			
		4 months billing	3 months billing	2 months billing	monthly billing
1	Tribal areas, remote, difficult and hard areas - all categories except temporary metered supply and street light supply upto 20 kW.	330			
2	Tribal areas, remote, difficult and hard areas-all categories above 20 kW except industry, bulk supply, temporary metered supply and street light supply.			240	
3	Rural areas all categories upto 20 kW, except industries, temporary metered supply and street light supply.		360		
4	Rural areas all categories above 20 kW, except industries and bulk supply, temporary metered supply and street light supply.				120
5	Urban areas up to 20 kW except industries, bulk supply, temporary metered supply and street supply				
	(a) DS			340	
	(b) CS/NDNCS/WPS			700	

6	Urban areas above 20 kW except industries, bulk supply, temporary metered supply and street supply				
	(a) DS				170
	(b) CS/NDNCS/WPS				350
<b>Industries bulk supply, temporary metered supply and street light supply.</b>					
7	Small and medium industries power supply upto 20 KW for all areas except tribal, remote, difficult and hard areas				500
8	Small and medium industrial power supply (Above 20 kW to 100 kW) for all areas				750
9	Large industries power supply (above 100 kW) for all areas				1000
10	Bulk supply (BS) for all areas				850
11	Temporary metered supply for all areas				850
12	Street light supply above 20 kW for all areas				500

**Explanation.**-For the purpose of this regulation,-

(a) “remote, difficult and hard areas” means the areas which are declared as remote, difficult and hard areas by the State Government from time to time.

(b) ”rural areas” means the areas which are not the urban areas.

(c) “tribal areas” means such areas as may by order be declared to be Scheduled Areas under Part-C of the Fifth Schedule to the Constitution of India.

(d) “urban areas” means the areas which are declared as the larger urban areas, the smaller urban areas or the transitional urban areas under the Act concerning the municipalities.

(2) In the case of consumers who have sanctioned additional demand, the additional security deposit shall be calculated only for the additional demand.

(3) If the applicant does not make payment of initial security deposit in terms of this regulation, the licensee can refuse to release supply.

**6. Review and payment of additional security deposit for the electricity supplied .-**

**(1) General review,-** Subject to the billing periods as specified in regulation 4, the adequacy of the amount of security deposit in respect of the consumers credit-rated as poor under regulation 9, shall be reviewed by the licensee generally once in every year (preferably after revision of tariff for the respective year) based on the average consumption for the period representing 12 (twelve) months from April to March of the previous year.

**(2) Demand notice for additional security deposit.-**

(a) Based on the review as per sub-regulation (1), the demand for shortfall will be made by the licensee :

Provided that if the short fall is less than 10% of the existing security deposit, no demand shall be made by the licensee.

(b) (b) Where the consumer is required to pay additional security deposit, the licensee shall issue, to the consumer, a 30 days' demand notice specifying the amount payable with supporting calculations.

**(3) Surcharge for belated payment of additional security deposit.-**

(a) The consumer shall pay the additional security deposit within thirty days from the date of service of the demand notice issued by the licensee.

(b) If there is any delay in payment, the consumer shall pay simple interest thereon at 12% per annum or at such rates as may be fixed by the Commission from time to time, without prejudice to the licensee's right to disconnect supply of electricity, as per sub-regulation (4) of this regulation.

**(4) Disconnection for non-payment of additional security deposit for the electricity supplied.-** Where additional security deposit is demanded by the licensee in terms of this regulation, and the consumer does not make the payment, the supply to the consumer shall be liable for disconnection, without any further notice.

**7. Interest on security deposit payable by the licensee.-** (1) Subject to the provisions of sub-section (2) of section 47 of the Act, the licensee shall, with effect from the month succeeding the date on which the security amount is deposited, pay simple interest on security deposit of a the consumer at the Bank Rate (as on 1<sup>st</sup> April of every year) as notified by the Reserve Bank of India or such higher rate as may be fixed by the Commission from time to time and the amount of interest payable shall be rounded off to the nearest rupee.

(2) Where either the security deposit is less than rupees 100 or a connection is disconnected within one year after giving the supply, no interest shall be payable thereon.

(3) The interest accruing to the credit of the consumer shall be adjusted annually against the amounts outstanding from the consumer to the licensee as on 30<sup>th</sup> June of every financial year and the amounts becoming due from the consumer to the licensee immediately thereafter.

(4) The licensee shall duly show the amounts becoming due to the consumer towards interest on the security deposit in the bills raised on the consumer and due after 30<sup>th</sup> June.

(5) The distribution licensee shall maintain for accrual of interest on security deposit of the consumers a separate head of account.

(6) The licensee shall pay penal interest on the interest payable at twice the rate specified under sub-regulation (1) for the delay in making the adjustments for interest on security deposit beyond a period of 30 days after the date as specified in sub-regulation (3). This penal interest shall not be a pass through to the consumers in the licensee's Annual Revenue Requirement.

**8. Refund of security deposit.-** (1) 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 simple interest on such deposit @ 12 % per annum from the effective date of termination of the agreement without prejudice to other rights of and remedies available to the consumer.

(2) Where contract demand/connected load is reduced by the consumer or the billing cycle is reduced, the licensee shall reduce the amount of security on pro-rata basis and refund excess amount, after making adjustments for the amounts outstanding from the consumer to the licensee, within one month of the effective date of reduction of contract demand/connected load;

Provided that if such refund is delayed beyond the period of one month as specified above, the licensee shall pay simple interest on such deposit @ 12 % per annum from the effective date of reduction of contract demand/connected load, without prejudice to other rights of and remedies available to the consumer.

### **Miscellaneous**

**9. Credit Rating.-** (1) Every year, the licensee shall, through reputed consultants, carry out the credit rating of the existing consumers.

(2) Every year the licensee shall publish the list of poorly rated consumers who are habitually defaulters for an amount exceeding rupees ten thousand in the newspapers and host the same on its website.

**10. Power to remove difficulties.-** (1) In case of any difficulty in giving effect to any of the provisions of these regulations, the Commission may, either suo motu or on application made to it, do or undertake to do things, or by general or special order direct

the licensee to take suitable action, not being inconsistent with the Act, which appears to the Commission to be necessary or expedient for the purpose of removing the difficulty.

**11. Issue of orders and practice directions.-** Subject to the provisions of the Act, and these regulations, the Commission may, from time to time, issue orders and practice directions with regard to the implementation of these regulations and procedures to be followed for such implementation and matters incidental or ancillary thereto.

**12. Interpretation** - All issues arising in relation to interpretation of these regulations shall be determined by the Commission and the decision of the Commission on such issues shall be final.

By Order of the Commission

Sd/-  
Secretary