

## DRAFT



**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**  
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### **ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

#### **Regulation No      of 2018**

#### **(Second Amendment to (Security Deposit) Regulation, 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 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) 2<sup>nd</sup> Amendment Regulation, 2018.
- 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.

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

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 after sub clause (4) of clause 5 shall be inserted:-
- 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 gap towards security deposit.
- Clause 5(6)**: The Distribution licensee shall not grant installments towards security deposit.
- Provided, however, that if any person seeks installments, the DISCOM may grant installments at its discretion subject to taking bank guarantee.
4. The following proviso shall be appended under 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 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 -xx-2018**

Joint Director (Engg.)