



## **TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION**

**Regd. No.** 181-8524/1998 – **CIN.No.** U37102TZ1998GAP008524

1st Floor, SIEMA Building, 8/4, Race Course, Coimbatore - 641 018

Phone: (0422) 4351400 Mobile No. 9787299000 E-mail: [teca@tecaonline.in](mailto:teca@tecaonline.in)

Web: [www.tecaonline.in](http://www.tecaonline.in)

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TECA 2024-25: CIR/21

August 26, 2024

To

All Members

Dear All,

Sub: **Review of Adequacy of Security Deposit for 2024-25**-Review  
commenced by SEs / DFCs-Regarding

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It looks that many SEs / DFCs have started reviewing the adequacy of available Security Deposit for 2024-25. Accordingly, the SEs of the Distribution Circles are now issuing statements to HT consumers, which has to be handled in the following the matter.

1. Many members have excess security deposits, which needs to be refunded to them. Normally, the SEs would review the adequacy of the security deposit, during the month of April and would issue a letter to the consumers, after crediting the interest on the security deposit held for the previous financial year, as per the rates notified by the Hon'ble Commission. For the security deposit held by the consumers during 2023-24, the Hon'ble Commission has notified the interest @ 6.75% P.A., as per its order in TO No. 3 of 2024 dated 12.03.2024. This fact has been updated by way of our Circular No.196/2023-24 dated 13.03.2024.

2. Accordingly, for those cases, where the security deposit is in excess of the requirement, the TANGEDCO would adjust the excess security deposit, against the CC bills, for future two months commencing from June 2022 onwards. However, as the review has happened only now, the adjustment can happen from CC Bill for the month of August 2024 only. If any further excess is there, after the adjustment of excess against two consecutive CC bills, either it has to be refunded by cheque to the concerned consumer or it can even be adjusted against further CC bills beyond two months, as per the request of the consumer, as per the Amendment made to the TN Electricity Supply Code 2004 in this regard.



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3. Hence, members having excess security deposit, may make use of the **Model Letter No.1** attached herewith to effect the adjustments accordingly, depending up on the situation.

4. In case of members having shortage of security deposit, the SEs will now issue a letter, demanding to pay the Additional Security Deposit (ASD/ACCD) and it has to be paid within 30 days from the date of the demand notice. However, to pay the ASD, the SEs concerned, are empowered to grant three instalments on their own, on a simple letter provided to the SEs by the consumers, as per the **Model Letter No. 2** and they have to provide an Undertaking also in **Form 5**.

5. If members want to avail more than three instalments, they can approach our Advocates Mr. S.P. Parthasarathy (89393 88999) immediately, with the original of the demand notice and accordingly, by filing an individual Writ Petition, by the mill concerned, such members can seek for more than three instalments, by a Court Order. Normally, in such cases, 6 instalments are being granted by the Courts. The delay in contacting the Advocates for grant of additional instalments to pay the ASD/ACCD should be avoided.

Accordingly, members are advised to regulate the matter of Security Deposit for 2024-25 suitably.

With Warm Regards,

N Pradeep  
President

Encl: - Model Letter Nos. 1 & 2.



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### **Model Letter No. 1**

To  
The Superintending Engineer,  
TANGEDCO,  
-----Electricity Distribution Circle,  
Station -----.

Date:

Sir/Madam,

Sub: Request to adjust the excess security deposit against CC bill(s)-Regarding.

Ref: Your Letter No. ----- dated.....

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With reference to your letter above cited, we wish to state that we have an excess security deposit of Rs. ----- with you, as communicated in your letter above cited. Therefore, we request you to kindly adjust the available excess security deposit against our CC bill for the next two months commencing from August 2024 payable in September 2024 and accordingly, oblige our request as per Regulation 5(5)(v) of the TN Electricity Supply Code 2004, as reproduced below. In case, if there is any further excess amount still available beyond the adjustment of first two months, the so available excess amount can be utilized for adjustment against our further CC bills even beyond two months also.

*"5 (5) (v) Where, on review, the amount of Security Deposit held is found to be in excess of the requirement, the excess shall be adjusted against two future demands for the electricity supplied. Where, after such adjustment in future two demands, there is balance to be refunded, the refund shall be made by cheque before the due date for payment of the third demand. **Where a request is made by the consumer to adjust the excess security deposit above two future demands, the distribution licensee shall adhere to such requests.**"*

Thanking you,

Yours Truly,



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### **Model Letter No. 2**

To  
The Superintending Engineer,  
TANGEDCO,  
-----Electricity Distribution Circle,  
Station -----.

Date:

Sir/Madam,

Sub: Request to grant 3 instalments to pay the ASD demanded.

Ref: Your Letter No. ----- dated.....

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With reference to your letter above cited, we wish to state that we have been demanded to pay an additional security deposit of Rs. ----- . As, we are suffering to source funds, due to the continuous financial stress experienced in the Textile Industry for the past three years and also on other reasons beyond the control of the management, the industry is not in a position to pay the entire additional deposit demanded in one lump sum. Therefore, we request you to kindly grant us three instalments to pay the ASD and on your grant of instalments, we will pay the same as per the schedule of payment notified by you without default, by providing an Undertaking in Form 5 as per Tamilnadu Electricity Supply Code 2004.

Thanking you,

Yours Truly,