



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

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

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

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TECA:2023-24:CIR/013

May 19, 2023

To All Members

### **CIRCULAR**

Dear Members,

Dear All,

Sub: Review of Adequacy of Security Deposit held with TANGEDCO-Regarding.

Ref: The communication of CFC-Revenue to all SEs in Circular Memo No. CFC/Rev/DFC/AAO/Asst/F.ASD/D.324/23 dated 17.05.2023.

Please find enclosed herewith a soft copy of the communication of CFC-Revenue-TANGEDCO cited above for the information of all members. In this connection, we wish to inform our members that;

In the backdrop of the increase ordered, the TANGEDCO has now advised all SEs to review the adequacy of Security Deposit to be held by each consumer for 2023-24 suitably. Even though, an interest of 5.70% was allowed for the Security Deposit held during the year 2022-23, the work of crediting the interest along with the available Security Deposit, as on 31.03.2023 would begin only now.

Contrary to the expectations, we are happy to inform that the TANGEDCO has started issuing ASD / ACCD requirement notices to all consumers, only based on the old calculations of Rs.800/KVA and not at Rs.1200/KVA as expected.

This is a great relief for all HT consumers.

It is learnt unofficially that the rate of Rs.1200/KVA would be applicable and collected only for new Service Connections effected from 10.09.2022 onwards.

Therefore, the ASD / ACCD requirement for 2023-24 will be Rs.800 x the sanctioned demand, as they have been calculating during all these years.

As usual, for the OA consumers, the Security Deposit will be two times the highest CC bill paid during the year 2022-23.



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For others dependent only on TANGEDCO power, it would be two times of the average of the CC bills paid during the year 2022-23.

Members who have excess security deposits with TANGEDCO, needs to be refunded to them or has to adjust the excess security deposit, against the CC bills for future two months. If any further excess is there, after the adjustment of excess against two CC bills, either it has to be refunded by cheque to the concerned consumer or it can even be adjusted against the CC bills beyond two months also, as per the request of the consumer, as per the Amendment made to the TN Electricity Supply Code 2004 in this regard. This option has been made available, by amending the TN Electricity Supply Code 2004, during the year 2020, as per the Notification No. TNERC/SC/7-40 dated 18.12.2019 (published in TN Government Gazette No.5 dated 29.01.2020.

Members please note that members having shortage of security deposit, the SEs will issue a letter, demanding to pay the Additional Security Deposit (ASD/ACCD) and it has to be paid within 30 days of 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 enclosed.

If members want to avail more than three instalments, can seek direction from the Court by filing individual Writ Petitions to pay the ASD / ACCD, at a maximum of 6 instalments. Accordingly, on receipt of demand for ASD / ACCD, which can happen shortly, members can decide the matter suitably.

For those seeking 6 instalments through Court orders, can immediately approach our Legal Team at 89393 88999 / 95000 63838, without any loss of time and accordingly, they can start filing the Writ Petitions then and there immediately without making any delay in filing the Writ Petition. The delay in contacting the Advocates for grant of additional instalments to pay the ASD/ACCD should be avoided

Therefore, members are advised to regulate the matter of Security Deposit accordingly.

With Warm Regards

N. Pradeep  
President