

TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION

Formerly (TamilNadu Electricity Consumers Association)

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

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TECA: 2013/2014/DB/195

31st May 2014

CIRCULAR

To

ALL MEMBERS

Dear Sir,

Sub: TNERC proposal's to amend TN Electricity Supply Code 2004 by including Open Access Consumers (other than wind) in the net of reviewing adequacy of security deposit-Draft Amendment issued.

Ref: TNERC's Draft Notification No.TNERC/SC/7- Dated 27-05-2014

We wish to inform our members that TNERC has published a Draft Notification No. TNERC/SC/7 – dated 27.05.2014 to amend the Tamil Nadu Electricity Supply Code in Regulation 5, in sub-regulation (5), in clause (ii) after item (d). We are enclosing the same for your reference.

We are stating the existing Regulation in Tamil Nadu Electricity Supply code for your reference.

Existing Regulation (TNERC's Proposal to include the explanation is specified in yellow shade)

(5) Additional Security Deposit

(i) The adequacy of security deposit may be reviewed and refixed once in a year in case of HT consumers and once in every two years in case of LT consumers taking into account the interest due for credit. Such reviews shall be made in the month of April/May. The rate of interest on the security deposit shall be on the basis of the Commission's directive to the Licensees in this regard.

(ii) The adequacy of security deposit shall be based on the periodicity of billing for the respective category.

(a) For the categories of consumer under monthly billing, the Security Deposit is equivalent to two times of the monthly average

of the electricity charges for the preceding twelve months prior to April.

(b) For the categories of consumer under bi-monthly billing, the Security Deposit is equivalent to three times of the monthly average of the electricity charges for the preceding twelve months.

(c) For the categories of consumer under half yearly billing, the security deposit is equivalent to seven times of the average charges per month.

(d) The security deposit in the above categories shall exclude incidental charges like operation and maintenance of lines/sub-stations of generators, charges for purchase of power from third parties, but shall be inclusive of all other charges specified by the Commission from time to time.

(Amendment Proposed)

(the following explanation shall be added namely):-

“Explanation:-In case of consumers who partially brings energy through open access for their consumption, the electricity charges for the billing period shall be calculated for the net energy after deducting the energy brought in through open access from the total consumption of the consumer and the security deposit for the respective period shall be equivalent to two times of the maximum of such electricity charges.”

(iii) Interest at Bank rate or more as specified by the Commission shall be calculated and credited to the Security Deposit accounts of the consumers at the beginning of every financial year i.e. April and the credit available including the interest shall be informed to each consumer before the end of June of every year.

(iv) If available deposit is less than the revised Security deposit, the balance shall be collected as Additional Security deposit. Intimation of such Additional Security Deposit shall be through a separate notice in the case of HT services and by a distinct entry in the consumer meter card or separate notice in the case of LT services. Thirty days notice period shall be allowed for the payment. However on request by consumers, the Licensee is permitted to collect such Additional Security Deposit in three installments commensurate with the billing cycle.

(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.

(vi) In the event of the consumer failing to pay to the Licensee any sum that may become due for payment to the Licensee on the dates fixed for payment thereof, the Licensee may, in addition to and without prejudice to the other rights of the Licensee, appropriate a part or whole of the Security Deposit and interest thereon towards the sum due from the consumer.

TECA feels that there is no clarity available in the following terms/ phrases used in the Regulations,

1. In the Regulation 5(5) (ii) (a) and also in sub-clause (b), the words appearing in the Clause as “Monthly Average of Electricity Charges” need to be defined / explained.

In TNERC Order No. 6 of 2012 dated 31.07.2012 of Hon'ble Commission states the following in the matter of collection of security deposit in respect of windmill captive consumers.

*“8.12.2 As regards the security deposit to be paid by captive /third party user, the Commission decides to retain the present arrangements. i.e., charges corresponding to two times the **maximum net energy** supplied by the distribution licensee in any month in the preceding financial year shall be taken as the basis for the payment of security deposit.”*

Therefore, the words / phrases “maximum net energy” need to be defined / explained.

3. We also found with the same ambiguity in the Proposed Draft Amendment and hence the words found in the proposed amendment need also to be either defined or explained.

*“Explanation:-In case of consumers who partially brings energy through open access for their consumption, the electricity charges for the billing period shall be calculated for the net energy after deducting the energy brought in through open access from the total consumption of the consumer and the security deposit for the respective period shall be equivalent to two times of the **maximum of such electricity charges.**”*

The words “Net Energy” and “Maximum of such Electricity Charges” need to be either defined or explained.

Hence TECA will request the Hon'ble Commission/ TANGEDCO to propose a fresh draft amendment for the usages of these words and phrases to be properly defined in the respective Regulations in TN Electricity Supply Code 2004 to avoid uncertainty/dispute arises in future.

We request the members to send their comments/suggestions if any on TNERC's Draft Amendment directly to TNERC to the following email ID tnerc@nic.in with a copy marked to TECA to the following email id: teca@tecaonline.in, on or before 12th June 2014.

With Warm Regards

D Balasundaram
President