



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

Web: www.tecaonline.in

TECA:2022-23/034

04th July 2022

CIRCULAR

To

All Members

Sub: **Review of Adequacy of Security Deposit for 2022-23**-Review has to start immediately as the CFC-Revenue issues instructions-Regarding.

Ref: Circular Memo No. CFC/Rev/FC/Rev/DFC/AAO/Asst/F. ASD Review / D.489/22, dated 02.07.2022 of the CFC-Revenue.

Please find enclosed the soft copy of the Circular Memo issued by CFC-Revenue for the information of all members. Accordingly, the SEs of the Distribution Circles would now handle the matter as below.

1. Many members have excess security deposits, which needs to be refunded to them. Normally, the SEs will 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.

We have already updated vide our Circular No. 2021-22/80 dated 04th March 2022, that the Hon'ble Commission has notified the interest @ 4.25% P.A., for the Year 2021—22 as per its order in TO No. 2 of 2022 dated 23.02.2022

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. 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 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.

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. Even though there was no mention in the Circular Memo of the CFC-Revenue on the refund of excess security deposit, consumers have a statutory right to claim back the excess security deposit as per the provisions of the TN Electricity Supply Code 2004 and therefore, they can claim the same accordingly by way of adjustment against future CC bills.



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3. 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.
4. If members want to avail more than three instalments, they can approach our Advocates Mr. S.P. Parthasarathy (89393 88999) or Mr. M.Saravanakumar (95000 63838) immediately, with the original of the demand notice and accordingly, by filing an individual writ petition seeking 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 2022-23 suitably.

With Warm Regards

Dr. CB Senthilkumar
Secretary