



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

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TECA:CIR:2021-22:029  
03.07.2021

### **CIRCULAR**

To All Members

Dear Sir,

Sub: **Review of Adequacy of Security Deposit**-Review has to start now as the CFC-Revenue communication to keep it in abeyance **was withdrawn**-Regarding.

- Ref: 1. Memo No. CFC/REV/FC/REV/DFC/AAO/JA/F. ASD Review/ D.202/21, dated 30.03.2021 of CFC-Revenue.
2. TECA Circular No.2/2021-22 dated 05.04.2021
3. Memo No. CFC/REV/FC/REV/DFC/AAO/JA/F. ASD Review/ D.202-1/2021, dated 10.05.2021 of CFC-Revenue.
4. Circular. No. CFC/REV/FC/REV/DFC/AO/HT/D. 412/21, dated 02.07.2021.

In continuation to the above, we wish to inform our members that vide Circular of the CFC-Revenue 4th cited above, CFC-Revenue has **withdrawn** its decision to keep the matter of review of adequacy of security deposit which was kept in abeyance. Therefore, the SEs of the Distribution Circles would now handle the matter as below.

- a) Members who have excess security deposits with TANGEDCO, 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. For the security deposit held by the consumers during 2020-21, the Hon'ble Commission has notified the interest @ 4.30% P.A
- b) However, during this year, even though many SEs have issued letters about the available excess security deposit, with the concerned consumers, they

have not allowed the CC bills of such consumers adjusted against the available excess security deposit. Some of the SEs have done the adjustment for April and May 2021 and however, some of the SEs have not done it for May 2021 alone. For some, even the review has not at all happened and therefore, the consumers may not have the details of the available excess security deposit at their account till now. However, in such cases, the SEs will issue the letters informing the details of the available excess security deposit.

- c) Accordingly, for those cases, where the security deposit is in excess of the requirement, TANGEDCO 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).

Therefore, those members, having excess security deposit, can request the SE concerned, as per the **Model Letter No. 1**, to adjust the same against their future CC bills.

- d) In case of 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.
- e) 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**.
- f) 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 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.

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

With Warm Regards

Dr. CB Senthilkumar  
Secretary

Encl:- Model Letter Nos. 1 & 2.