

BEFORE THE HONOURABLE ANDHRA PRADESH ELECTRICITY
REGULATORY COMMISSION

At its office at 4th Floor, Singareni Bhavan, Red Hills, Hyderabad-500 004

File No. /2020

Case No. /2020

IN THE MATTER OF:

Seeking approval of the Honourable Commission to consider issuing suitable amendments to certain Clauses of the Regulation 6 of 2004, in pursuant to clause 11 (2) of Regulation 6 of 2004.

AND

IN THE MATTER OF:

Southern Power Distribution Company of A.P Limited (APSPDCL)

- Petitioner

Affidavit

I, B. Lalitha, D/o B. Raja Rao, aged 51 years, residing at Tirupati, the deponent named above do hereby solemnly affirm and state on oath as under:-

1. That the deponent is the Chief General Manager, RAC of Southern Power Distribution Company of AP duly authorized by APSPDCL to make this affidavit on its behalf and the deponent is acquainted with the facts deposed below,

2. I, B. Lalitha, the deponent named above do hereby verify that the contents of the affidavit and those of the accompanying petition are true to my personal knowledge and verify that no part of this affidavit is false and nothing material has been concealed.


DEPONENT
CHIEF GENERAL MANAGER
RAC
APSPDCL :: TIRUPATI

VERIFICATION:

I, the above named Deponent solemnly affirm at Tirupati on this 27th day of February, 2020 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.


DEPONENT
CHIEF GENERAL MANAGER
RAC
APSPDCL :: TIRUPATI

Solemnly affirmed and signed before me.


COMPANY SECRETARY
APSPDCL :: TIRUPATI.

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MOST RESPECTFULLY SHOWETH THE SUBMISSION

The APSPDCL humbly submits the following:

1. In pursuant to clause 11 (2) of Regulation 6 of 2004, the licensee humbly requests the Hon'ble APERC to kindly consider to issue suitable orders/amendments to the following clauses of Regulation 6 of 2004.

(A) Seeking amendment to Clause 4- Security Deposit, to require 3 months consumption charges as security deposit instead of 2 months.

Section 47 of the Electricity Act, 2003 reads as follows:

Section 47. (Power to require Security):

(1) Subject to the provisions of this section, a distribution licensee may require any person, who requires a supply of electricity in pursuance of section 43, to give him reasonable security, as may be determined by regulations, for the payment to him of all monies which may become due to him :

(a) In respect of the electricity supplied to such persons; or

(b) Where any electric lines or electrical plant or electric meter is to be provided for supplying electricity to person, in respect of the provision of such line or plant or meter,

And if that person fails to give such security, the distribution licensee may, if he thinks fit, refuse to give the supply of electricity or to provide the line or plant or meter for the period during which the failure continues.

- (i) Thus, in accordance to the Electricity Act 2003, the Hon'ble APERC issued Regulation 6 of 2004 (Security Deposit Regulation) wherein Clauses 3 & 4 of the Regulation reads as follows:

Clause (3) Power to require security:

(1) The distribution licensee may require from any person, who requires a supply of electricity to his premises in pursuance of section 43 of the Act, to give security as provided in clause 4 herein, for the payment of all monies, which may become due to the licensee

a) in respect of the electricity supplied to such person; and /or

b) where any electric line or electrical plant or electric meter is to be provided for supplying electricity to such person, in respect of the provision of such line or plant or meter.

(2) If such person fails to give such security under sub-clause (1), the Distribution Licensee may refuse to give the supply of electricity or to provide the line or plant or meter for the period during which the failure continues.

Clause (4) Security deposit for the electricity supplied / to be supplied:

*(1) The LT consumers shall at all times maintain with the licensee an amount equivalent to consumption charges (i.e demand/fixed charges and energy charges etc., as applicable) of **three months wherever bi-monthly billing is in vogue and two months' charges in the case of monthly billing cycle, as security during** the period the Agreement for supply of energy to such LT consumers is in force:*

Provided that as and when the bi-monthly cycle is replaced with monthly billing cycle, the licensee shall refund the excess amount, if any, over the two months' charges by adjustment against the then outstanding dues to the Licensee or any amount becoming due to the Licensee immediately thereafter.

(2) The HT consumers shall at all times maintain with the licensee an amount equivalent to consumption charges (i.e demand charges and energy charges etc., as applicable) of two months as security during the period the Agreement for supply of energy to such HT consumers is in force.

(ii) After the issue of Regulation No.6 of 2004, the licensee was collecting 3 months consumption charges as security deposit for bi-monthly billing consumers and 2 months consumption charges for monthly billing consumers. The licensee has **subsequently shifted to monthly billing for all categories and therefore only 2 months consumption charges as Security Deposit is being maintained at present.**

(iii) In this connection it is to submit that, as per the present billing cycle and procedure, the security deposit of 2 months consumption charges is **inadequate** as security in the event of default of consumer in payment cc charges and until termination as submitted below:

- (a) The billing period is 1 month.
- (b) Bill will be issued after billing period of 1 month.
- (c) The disconnection will be effected in the event of non-payment of CC charges after 1 month from bill date.
- (d) After completion of 3 months period from the date of disconnection, 1 month notice will be issued for termination of Agreement.
- (e) Termination will be effected after expiry of 1 month notice.
- (f) Monthly minimum charges will be raised during these 4 months as per Clause 5.9.4.3 of GTCS.

(iv) Thus it may be seen from the above that the Security Deposit collected as **2 months** consumption charges covers only for the consumption period of **1 month** billing period+ disconnection period of **1 month**.

(v) Whereas for monthly minimum charges raised for 4 months (i.e. for the period 3 months from the date of disconnection + one month Termination notice), **there is no security for collection** during the 4 months period.

(vi) Thus, it is submitted that consumption charges of at least for 3 months as **Security Deposit** are required as security to protect the revenues of licensee in the event of default of the consumers as depicted in the table below:

S.No	Event	Requirement
1	Billing period	1 month consumption charges
2	Disconnection in the event of default for payment	1 month consumption charges

