

**HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION SHIMLA**

**NOTIFICATION**

**Shimla, the 3<sup>rd</sup> July, 2020**

**No. HPERC/414/(Security Deposit):-** The Himachal Pradesh Electricity Regulatory Commission, in exercise of the powers conferred by clauses (v) and (w) of sub-section (2) of section 181, read with section 47 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in this behalf, after previous publication, hereby makes the following regulations, namely:-

**REGULATIONS**

**1. Short title and commencement.-** (1) These regulations may be called the Himachal Pradesh Electricity Regulatory Commission (Security Deposit) (Third Amendment) Regulations, 2020.

(2) These regulations shall come into force from the date of their publication in the Rajpatra, Himachal Pradesh.

**2. Amendment of regulation 4.-**

In regulation 4 of the Himachal Pradesh Electricity Regulatory Commission (Security Deposit) Regulations, 2005 (hereinafter referred as “the said regulations” ) –

(i) for the sub-regulation(1), the following sub-regulation (1) shall be substituted, namely:-

“(1) The applicant for a new electricity connection or additional load shall, on demand from the licensee at the rates worked out as per regulation 5, deposit, within the time limits in which such amount is demanded, the initial security deposit for the connected load (in case of connections covered under single part tariff) and for the contract demand (in case of connections covered under two part tariff).”;

(ii) for the existing sub-regulation (3), the following sub-regulation (3) shall be substituted, namely:-

“(3) Save as provided in sub-regulation (1) and sub-regulation (2), the consumer shall also, on demand from the distribution licensee as per the provisions of Regulation 6, deposit such additional amount by which the total amount of security already deposited by him

falls short of the amount equivalent to the average bill (excluding arrears but including late payment surcharge, if any) for (n+1.35) months based on the bills raised in relation to the period of twelve billing months (April to March) of the immediately preceding year.

**Note:** ‘n’ means the number of months contained in the billing cycle applicable for the applicant depending upon the area in which connection is to be released and the tariff category.”;

- (iii) in the first proviso to sub-regulation (4), for the words “i.e. at the time of release of new connection or for sanction of additional load exceeds rupees ten lacs”, the words “exceeds rupees twenty five lacs” shall be substituted;
- (iv) in sub-regulation (5), for the words “rupees ten lacs” appearing to its first proviso, the words “rupees twenty five lacs” shall be substituted;
- (v) in sub-para (b) of sub-regulation (6), for the words “within the validity period, the licensee shall recover the corresponding amount”, the following words, brackets and figure shall be substituted, namely:-

“even till the date falling on 30<sup>th</sup> day prior to expiry of the validity period, the distribution licensee shall immediately get the bank guarantee encashed well before the expiry of the validity period and further in such cases, the licensee shall also immediately review the adequacy of the security deposit as per the sub-regulation (1) of regulation 6 and recover the amount of additional security deposit, if due,”; and

- (vi) after existing sub-regulation (7), the new sub-regulation (8) shall be inserted, namely:-

“(8) Save as provided in sub-regulations (4), (5) and (6), the Bank Guarantee shall be furnished on a form containing the terms and conditions and the validity period etc., as may be standardized and posted on the website by the distribution licensee, from time to time”.

3. **Amendment of regulation 5.-** For the existing regulation 5 of the said regulations, the following regulation 5 shall be substituted, namely:-

**“5. Initial security deposit.-** (1) The distribution licensee shall recover and the applicant shall pay the initial security deposit towards the electricity to be supplied to him, at the rates worked out in sub-regulation (2) of this regulation for each kW of the connected load applied for/sanctioned in case of the tariff categories covered under single part tariff and for each kVA of contract demand applied for/ sanctioned in case of tariff categories covered under two part tariff, as per the tariff order of the Commission for the relevant year:

Provided that in case of application for additional load, the initial security deposit shall be recovered only for such additional load or contract demand, as the case may be, and not on the total connected load or contract demand inclusive of the additional load or contract demand.

(2) The distribution licensee shall work out the per kW or per kVA rates of initial security deposit in accordance with the following formula:-

Rate in Rs. /kW of connected load =  $L * D * H * F * T * (n+1.35)$  or per kVA of Contract Demand

Where,

‘L’ is 1kW of connected load for applicant(s) falling under single part tariff; and 1kVA of contract demand in case of applicant(s) falling under two part tariff as per the retail tariff order of the Commission for the relevant year for which such rates are to be calculated;

‘D’ is the average number of working days in one month for the relevant tariff category, as tabulated in the table below;

‘H’ is the number of hours per day for which power is used on average basis by the consumers under respective categories and the values for the same for the respective categories of consumers shall be taken as given in table below;

‘F’ is demand factor for respective categories of consumers as per the value tabulated below;

‘T’ is the average tariff in Rs./kWh or Rs./kVAh as the case may be, for the relevant category (i.e schedule of

tariff) in accordance with the retail tariff order of the Commission for the relevant year for which such rates are to be calculated;

‘n’ is the number of months contained in the billing cycle applicable for the applicant depending upon area in which connection is to be released and the tariff category;

**Table**

<b>Category</b>	<b>D</b>	<b>H</b>	<b>F</b>
Domestic Supply	30	8	0.3
Non-Domestic Non-Commercial Supply	25	12	0.4
Commercial Supply	25	12	0.4
Small Industrial Power Supply	25	8	0.6
Medium Industrial Power Supply	25	12	0.6
Large Industrial Power Supply	25	20	0.75
Irrigation and Drinking Water Pumping Supply	30	12	1
Bulk Supply	30	12	1
Street Lighting Supply	30	10	1
Temporary Metered Supply	30	12	1
Railway Traction	30	12	1

Provided that in case of the Below Poverty Line (BPL) beneficiary, the rate of initial security deposit shall be equal to ‘one half’ (or ‘50%’) of the respective rate that would have been applicable in normal cases;

**Explanation:-** For this purpose “the Below Poverty Line (BPL) beneficiary” means the person belonging to very poor category of persons below poverty line, declared as such, by general or special order, by Central/State Government, from time to time.

- (3) Save as provided in the 3<sup>rd</sup> proviso to this sub-regulation, the distribution licensee shall calculate the category wise rates of security deposit in the beginning of the each financial year and circulate the same to its field units which shall be charged from the applicants to whom demand notices are issued on or after the first day of July of that year:

Provided that in case the issuance of tariff order for the relevant year is delayed for some reasons, such rates shall be worked out and applied w.e.f. the 16<sup>th</sup> day from the date on which the retail tariff order is issued by the Commission:

Provided further that the rates applicable for the previous year shall continue to remain applicable till the rates based on the tariff order of the relevant current year are worked out and applied as per the first proviso to this sub-regulation:

Provided further that the distribution licensee shall work out and shall circulate the same before the 30<sup>th</sup> September, 2020 such rates for the period 1<sup>st</sup> October, 2020 to 30<sup>th</sup> June, 2021 by taking into account the average category wise rates as per the retail tariff order for the latest year as available on the said date.”

#### **4. Amendment of regulation 6.-**

In regulation 6 of the said regulations -

- (i) for sub-regulation (1), the following sub-regulation (1) shall be substituted, namely:-

**“(1) General Review.-** The distribution licensee shall, on first day of July of each year or soon thereafter, check the adequacy of the security deposit recovered by it from the each consumer excepting those specifically exempted from payment of security deposit in accordance with sub-regulations(1) of regulations 3 and shall ascertain, in case of each consumer, as to whether the amount already recovered from him on account of security deposit falls short of the amount required to be maintained in accordance with sub-regulation (3) of regulation 4 and shall, in case of any shortfall, issue demand notice for the additional security deposit as per sub-regulations (2) of this regulation:

Provided that in cases falling under sub-regulation (6) of regulation 4, or when the circumstances otherwise so warrant, the distribution licensee may carry out special review in relation to individual consumers even more than once in a year on the basis of average billing for 12 months immediately preceding the month in which such additional review is made:

Provided further that in case of consumer(s) where the amount of security deposit exceeds, or is likely to exceed as a result of any such review, Rs. 5 Lacs, the distribution licensee may also require such consumers to submit the additional information from them on the formats, as it may, from time to time, standardise and post on its website.”

- (ii) in clause (a) under sub-regulation (2), for the existing proviso, the following provisos shall be substituted, namely:-

“Provided that if the shortfall is less than Rupees 500 (five hundred only) of the existing security deposit, no demand shall be made by the licensee:

Provided further that, save as provided in the fourth proviso to this clause, the amount of additional security deposit to be demanded in any period of three months shall not exceed 30% of the average monthly bills raised in relation to the period of twelve billing months (April to March) of the immediately preceding year:

Provided further that in case the demand for additional security deposit is restricted in accordance with the preceding proviso, the demand (s) for the balance amount of additional security deposit shall be raised at intervals of three months ensuring that the limit as per the preceding proviso is not exceeded in any such demand notice for additional security deposit:

Provided further that the amount of additional security deposit in case of existing consumers appearing in the list of poor credit rated consumer (s) as per sub-regulation (2) of regulation 9, the entire amount of additional security deposit shall be recovered through a single demand notice and the restriction as per the preceding two provisions shall not be applicable in that case.”

**5. Amendment of regulation 8.-** for sub- regulation (2) of regulation 8 of the said regulations, the following sub-regulation (2) shall be substituted, namely:-

“(2) In case of permanent reduction of connected load (in case of single part tariff) and contract demand (in case of two part tariff), the total amount of security deposit already recovered from that consumer shall be apportioned against the security deposit for the balance connected load/contract demand, as the case may be, worked out at the rates of initial security deposit as applicable for FY 2020-21 or any subsequent period encompassing the effective date of such reduction and the balance amount of security deposit already recovered, if any, shall be refunded to that consumer after adjusting the outstanding dues recoverable from him:

Provided that such refund, if due, shall first be made by way of release of bank guarantee, if any, to that extent and the

refund in cash shall be made only after exhausting the said mode involving release of bank guarantee:

Provided further that refund, if due, shall be made to the consumer within thirty days of the effective date of reduction of connected load/contract demand:

Provided further that in case where any refund is required to be made in cash, if such refund is delayed beyond the period of 30 days as specified above, the distribution licensee shall pay the simple interest @12% per annum on the such amount for the numbers of days for which the same is unduly withheld (other than bank guarantee) beyond the permitted period of 30 days.”

**By order of the Commission**

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**Secretary**