

**Jammu and Kashmir
State Electricity Regulatory Commission (J&K SERC)
(Security Deposit) Regulation, 2008.**

Notification No. 9 of 2008.

In exercise of the power conferred under section 17(2) (f) of the J&K State Electricity Regulatory Commission Act, 2000, the J&K State Electricity Regulatory Commission hereby makes the following Regulations namely:-

CHAPTER-1

1. Short title, extent and commencement:

(a) These Regulations may be called the J&K State Electricity Regulatory Commission (Security Deposit) Regulations, 2008.

(b) These Regulations extend to the whole of the State of Jammu and Kashmir and shall apply to all Distribution Licensees / Utilities within their respective licensed areas.

(c) These Regulations shall come into force on the date of their publication in Govt. Gazette.

CHAPTER-2

2. Definitions:

2.1 In these Regulations, unless the context otherwise requires, -

(a) “Act: means the J&K State Electricity Regulatory Commission Act, 2000;

(b) “Electricity Charges” means the cost of electrical energy consumed which shall include Demand / Fixed Charges, Fuel Price and Power Purchase Adjustment Charges and any other charges approved by the Commission. Electricity duty and any other levies, taxes as may be

approved by the statutory authorities from time to time shall also be included;

(c) “Demand Charge” refers to a charge payable by a consumer, which is based on the Contracted Demand or Maximum Demand recorded as specified in the tariff schedule read with the relevant regulations as approved by the Commission from time to time;

(d) “Energy Charge” refers to a charge leviable towards the consumption of electricity as specified in the tariff schedule read with the relevant regulations as approved by the Commission from time to time;

(e) “Fixed Charge” refers to a charge payable by a Consumer according to tariff in force from time to time, which is based on sanctioned load or maximum demand recorded or Contract Demand.

(f) “Installation” means any composite electrical unit used for the purpose of generating, transforming, transmitting, converting, distributing or utilizing energy;

(g) “month” means a time lasting from a specified date in one calendar month until the same date in the next calendar month (a period of time equivalent to about 30 days);

(h) “Premises” includes any land, building or structure;

(i) “Tariff” means a schedule of standard prices or charges for specified services, which are applicable to all such specified services provided to the type of consumers specified in the Tariff approved by the Commission

(j) “Temporary Service / Supply” means supply of electricity to load of temporary nature.

Words and expression used and not defined in these Regulations shall have the meanings assigned to them in the J&K State Electricity Act, Samvat 1997 or the J&K Electricity Duty Act, 1963 or the J&K State Electricity Regulatory Commission Act, 2000. Expressions used herein but not specifically defined in these Regulations or in the said Acts but defined under any law passed by a competent legislature and applicable to the Electricity Industry in the State shall have the meanings assigned to them in such law. Subject to the above, expressions used herein but not specifically defined in the Regulations or in these Acts or any law passed by the State Legislature shall have the meaning as is generally assigned in the Electricity Industry.

Interpretation:

2.2. In the interpretation of these Regulations, unless the context otherwise requires. -

(a) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;

(b) the term “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” regardless or whether such terms are followed by such phrases or words of like import;

(c) references herein to the “Regulation” shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force;

(d) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations;

(e) references to the statutes, regulations or guidelines shall be construed as including all provisions consolidating, amending or replacing such statutes, regulations or guidelines, as the case may be, referred to.

CHAPTER-3

3. Power to require security:

3.1 As provided in section 17 (2) (f) of the J&K State Electricity Regulatory Commission Act, 2000, the Distribution Utility / Licensee may require from any person, who requires a supply of electricity to his premises, to deposit sufficient security against the estimated payment which may become due to him in respect of electricity supplied to such person [which shall include Energy Charges, Fixed / Demand Charges, Fuel Price and Power Purchase Adjustment (FPPPA) Charges, and any other charges as may be levied from time to time].

3.2 If such person fails to give such security under regulation 3.1, the distribution utility / licensee may refuse to give the supply of electricity for the period during which the failure continues.

CHAPTER-4

4. Security Deposit for the electricity supplied / to be supplied:

4.1 All the consumers shall at all times maintain with the utility / licensee an amount equivalent to Electricity Charges for the period as noted hereunder, as security against any default in payment towards the cost of electricity supplied / to be supplied to the consumer during the agreed period of supply of energy:-

- (a) L.T. Agriculture Consumer – for three months;
- (b) L.T. and H.T. Consumers – for two months;
- (c) L.T. temporary consumers for the period for which electricity is required subject to a minimum of three days based consumption @ ten units/KW/per day of applied load at the prevailing tariff;
- (d) The State/ Central Government / local bodies consumers shall be exempt from payment of the security deposit;

with the proviso that consumer shall have to pay additional security deposit at prevailing tariff rate as and when the monthly billing cycle is replaced with bi-monthly billing cycle.

4.2. The security deposit amount for electricity supplied / to be supplied shall be paid in the following form:-

- (i) In cash if the total amount is up to Rs. 1000/-
- (ii) As FDR from J&K Bank, if the total amount is more than Rs. 1000/- but up to Rs. 5.0 lacs.
- (iii) As a Bank Guarantee from J&K Bank if the total amount is more than Rs. 5.0 lacs.

with the proviso that the security deposit shall be in one form, only. If on revision the cash security deposit exceeds Rs. 1000.00 (rupees one thousand) the same shall be got converted into FDR. Similarly, when FDR security exceeds Rs. 5.0 lacs (rupees five lacs) the same shall be got converted into a Bank Guarantee from J&K Bank.

4.3 The applicants shall pay as Security Deposit, towards the electricity to be supplied to them, an amount which shall be equal to: -

For L.T.Supply:

- (i) Domestic Supply
 - (a) Metered Consumers:
Electricity charges for two months for consumption of 50 units per month for every 0.5 KW or part thereof of connected load at prevailing tariff.
 - (b) Un-metered Consumers (existing as on 01-04-2007):
Electricity charges for two months as per prevailing tariff.
- (ii) Non-Domestic / Commercial
 - (a) Metered Consumers:
Electricity charges for two months for consumption of 75 units per month of every 0.5 KW or part thereof of connected load at prevailing tariff.
 - (b) Un-metered Consumers (existing as on 01-04-2007):
Electricity charges for two months as per prevailing tariff.
- (iii) For LT Industrial Power
 - (a) Metered Consumers:
Electricity charges for two months for consumption of electricity noted below at prevailing tariff: -
Up to 20 HP 75 Units / HP / Month.
21-50 HP 150 Units / HP / Month.
51 HP and above300 Units / HP / Month.
 - (b) Un-metered Consumers (existing as on 01-04-2007):
Electricity charges for 2 months at prevailing tariff.
- (iv) For LT supply to Agricultural Consumers
 - (a) Metered Consumers:
Electricity Charges for 90 days for consumption of 10 units / KW / day at prevailing tariff.
 - (b) Un-metered Consumers (existing as on 01-04-2007):
Electricity charges for three months at prevailing tariff.
- (v) LT Temporary Supply
 - (a) Metered Consumers:
Electricity Charges for the period for which supply is required, subject to a minimum of 3 days based consumption @ 10 Units/KW/day of applied load at the prevailing tariff. Fixed/demand charges, if applicable, shall be applied proportionately.

For H.T/E.H.T. demand based supply:

(vi) For H.T. Industry

Metered Consumers:

Electricity charges for two months taking demand charges based on 85% of contract demand plus energy charges based on 60% of load factor plus all other levies and takes.

For calculation, the power factor shall be reckoned at 0.85.

(vii) For H.T. Power Intensive Units

Metered Consumers:

Electricity charges for two months taking demand charges based on 85% of contract demand plus energy charges based of 80% of load factor plus all other levies and taxes.

For calculation, the power factor shall be reckoned at 0.85.

(viii) General purpose bulk Supply

Metered Consumers:

Electricity Charges for two months taking demand charges based on 85% of contract demand plus energy charges based on 50% of load factor plus all other levies and taxes.

For calculation, the power factor shall be reckoned at 0.85.

(ix) For Temporary Supply

Metered Consumers:

Electricity Charges for two months taking demand charges based on 85% of contract demand plus energy charges based on 60% of load factor plus all other levies and taxes.

For calculation, the power factor shall be reckoned at 0.85.

For State/ Centre Government installations:

(x) State Government / Central Exempt from paying security deposit.
Government and Local Bodies

Note: - (i) Electricity Charges are defined in 2(d).
(ii) Pending notification of Supply Code by the Commission, applicability and character of supply shall be as per the prevailing Tariff Order.

4.4. Review of Security Deposit:

- 4.4.1 The adequacy of the amount of Security Deposit in respect of each consumer shall be reviewed by the utility/licensee at least once in every year (preferably after revision of tariff for the respective year) based on the average unit consumption for the period representing 12 (twelve) months from April to march of the previous year.
- 4.4.2 In case, a consumer requests, based on his average consumption during the previous twelve (12) months, to review his Security Deposit amount, then the utility/licensee shall review the same. Based on such a review, refund of excess will be made by the utility / licensee.
- 4.4.3 In the case of consumers whose additional demand is to be sanctioned, the amount of Security Deposit shall be calculated as if it is a new service, for the entire load at prevailing applicable tariff rate.
- 4.4.4 In case, a consumer seeks reduction in contract demand / connected load, then the utility / licensee shall review the request. Upon such review, if utility / licensee reduces the contract demand / connected load, then the Security Deposit shall to be calculated at the prevailing applicable tariff rate for the reduced demand as if it is a new service
- 4.4.5 In case a consumer commits default in making payment towards the energy bill, the amount of Security Deposit paid earlier shall be subjected to review by the Distribution Utility / Licensee. The said deposit amount shall be worked out based on the prevailing norms in accordance with these Regulations.
- 4.4.6 Based on such a review, if the Security Deposit payable by the consumer is found short by not more than 10% of the existing Security Deposit, no demand will be made of payment of further Security Deposit. If the existing Security Deposit of a consumer is found to be in excess by more than 10% of the required Security Deposit, refund of the excess Security Deposit shall be made by adjustment in future bills. Where the consumer is required to pay additional amount by way of Security Deposit, a notice for payment within 30 days shall be issued.
- 4.4.7 The consumers shall pay the additional Security Deposit within thirty (30) days from the date of service of the demand notice. If there is any delay in payment, the consumer shall pay surcharge thereon at 1.5% per month or part thereof at such rate as may be fixed by the Commission from time to time.
- 4.4.8 If the applicant / consumer does not make payment of required / additional Security Deposit as demanded by the utility / licensee within a reasonable

period, the utility / licensee can refuse to release supply or stop supply as the case may be.

4.5. Refund of Security Deposit:

- 4.5.1 On termination of the agreement by either party, the utility / licensee shall refund Security Deposit after adjustment of dues, if any, within 30 days.
- 4.5.2 While returning the cash Security Deposit the utility / licensee shall pay simple interest at Savings Bank Rate prevailing as of the J&K Bank on 1st of April every year or such higher rate as may be fixed by the Commission from time to time for the entire period, the deposit remained with the utility / licensee.
- 4.5.3 For any delay beyond 30 days in refund of the Security Deposit the utility / licensee shall pay interest at 1.5% per month.

CHAPTER – 5

5. Miscellaneous:

Power to remove difficulties:

- 5.1. In case of any difficulty in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, direct the utility / licensee to take suitable action, not being inconsistent with the provisions of J&K State Electricity Regulatory Commission Act, 2000, which it appears to be necessary or expedient for the purpose of removing the difficulty. The licensee may make an application to the Commission and seek suitable orders to remove any difficulties that may arise in implementation of these Regulations.

Issue of orders and guidelines:

- 5.2 Subject to the provisions of the Act and these Regulations, the Commission may issue orders and guidelines, from time to time, with regard to the implementation of the regulations and procedures to be followed.

Power to amend:

- 5.3 The Commission may, at any time, add, vary, alter, modify or amend any provisions of these Regulations as and when need arises.

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K.B.Pillai
Chairman