

**Before**

**UTTARAKHAND ELECTRICITY REGULATORY COMMISSION**

**In the matter of:**

In the matter of Rate of Interest payable on Security Deposit of consumers.

**Coram**

**Shri V.J. Talwar    Member**

**Shri V.K. Khanna    Member**

**Date of Order: 27<sup>th</sup> July 2007**

**ORDER**

In exercise of powers conferred under Regulation 2.3.1(4) of Uttarakhand Electricity Regulatory Commission (The Electricity Supply Code) Regulations, 2007 and Regulation 5(10)(iv) of Uttarakhand Electricity Regulatory Commission (Release of New LT Connections, Enhancement and Reduction of Loads) Regulations, 2007 and all other powers enabling it in this behalf, the Commission orders that:

1. With effect from 1<sup>st</sup> April 2007, the distribution licensee shall pay interest on Security Deposit of consumer, both consumption and material security, at the Bank Rate as on 1<sup>st</sup> April of the financial year for which interest is due. Bank Rate shall mean the Rate as notified by Reserve Bank of India u/s 49 of the RBI Act, 1934.
2. It shall be the responsibility of the distribution licensee to track and maintain record of changes in the Bank Rate.
3. The interest accrued to the credit of the consumer for the financial year shall be adjusted in their electricity bills in the following financial year latest by 30<sup>th</sup> June.

4. The Licensee shall duly show the period and rate of interest, amount becoming due to the consumer towards interest on the security deposit and adjustment for the same in the relevant bills raised on the consumer.
5. Interest shall be payable on the amount of security deposit held by distribution licensee for full calendar month.
6. Interest shall be payable only if the security deposit is paid in cash (including cheque or bank draft). No interest shall be payable where security has been provided by way of Bank guarantee, letter of credit, etc.
7. In the event of delay in making the adjustment for interest on security deposit by the Licensee, it shall pay interest at 1 ½ times the rate specified under clause (1) above and the burden of additional liability for this delay shall not be allowed to be passed through in tariff.

**(V.K. Khanna)**  
Member

**(V.J. Talwar)**  
Member