

**Karnataka Electricity Regulatory Commission,
Bangalore.
Notification No.D/ISD/07/4 dated: 25th March 2005**

K.E.R.C (Interest on Security Deposit) Regulations, 2005.

Preamble:

In exercise of the powers conferred by section 181 read with section 47 (4) of the Electricity Act 2003 (Central Act 36 of 2003) and all powers enabling it in that behalf, the Karnataka Electricity Regulatory Commission hereby makes the following Regulations, namely: -

1. Short title, commencement and interpretation

- a) These Regulations shall be termed as K.E.R.C. (Interest on Security Deposit) Regulations, 2005.
- b) They shall come into force with effect from the notification in the official gazette of the State of Karnataka.
- c) They shall extend to the whole State of Karnataka.

2 Definitions

In these Regulations, unless the context otherwise requires: -

- a) “**Act**” means the Electricity Act, 2003 (36 of 2003);
- b) “**ASD**” means Additional Security Deposit to make up the minimum deposit as per the relevant regulation;
- c) “**Bank Rate**” means the Bank Rate as notified by Reserve Bank of India;
- d) “**Commission**” means the Karnataka Electricity Regulatory Commission;
- e) “**Consumer**” means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be;
- f) “**Installation**” means the whole of the electric wires, fittings, motors and apparatus installed and wired by or on behalf of a Consumer on one and the same premises starting from the point of commencement of supply.
- g) “**KER. Act**” means the Karnataka Electricity Reform Act, 1999 (Karnataka Act No. 25 of 1999.)
- h) “**Licensee**” means a person who is a distribution licensee under section 14 of the Electricity Act 2003.

- i) **“R.R. No.” or “REVENUE REGISTER NUMBER.”** means the number assigned to the Consumer’s installation.
- j) **“Security Deposit”** means MMD (Months Minimum Deposit) / MSD (Meter Security Deposit). MMD includes 2 Months Minimum Deposit / 3 Months Minimum Deposit / Year’s Minimum Deposit.

The words and expressions used and not defined in these regulations but defined in the Act/KER Act shall have the meanings as assigned to them in the Acts. In case of inconsistency in the words and expressions used between the Act and the KER Act, 1999, the provisions in the Act shall always prevail.

3.0 Interest on Security Deposit

- 3.1 The Licensee shall pay interest on security deposit of the consumer at the Bank Rate prevailing as on 1st April of the financial year for which interest is due.
- 3.2 The accrued interest on security deposit for each financial year shall be credited to the consumer’s account during the first quarter of the subsequent financial year and be adjusted against the consumption charges.
- 3.3 The details of the deposits held and the interest thereon shall be furnished to the consumers along with the bill in the month in which the interest is adjusted.
- 3.4 For the ASD/MSD collected during the course of the year, interest on such deposit shall be computed for the months following the month in which such security deposit is collected.
- 3.5 In respect of new installations, interest on security deposit shall be computed for the months following the month in which service is provided to the installation.
- 3.6 Interest shall be payable on security deposit held against each R.R.No irrespective of the amount of deposit held.
- 3.7 The amount of interest on security deposit payable shall be rounded off to the nearest Rupee.

4.0 Miscellaneous

4.1 Power to remove difficulties

- (a) 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 Licensee to take suitable action, not being inconsistent with the provisions of the Electricity Act, 2003, which appears to it to be necessary or expedient for the purpose of removing the difficulty.
- (b) 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.

5. Repeal and Savings:

Section 30.05(c) of KERC (ES&D) Code 2000-2001 is hereby repealed.

By the order of the Commission

Sd.

Secretary, K.E.R.C.