

BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Petition No: - 1280 / 2018

Quorum

Shri S. K. Agarwal, Chairman

In the matter of:

Exemption in Charging of Security Deposit under 'Saubhagya Scheme'

Petitioners:

1. Chairman, UP Power Corporation Ltd., 7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow.
2. Managing Director, UP Power Corporation Ltd., 7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow.
3. Managing Director, Madhyanchal Vidyut Vitran Nigam Ltd., 4 Gokhale Marg, Lucknow.
4. Managing Director, Poorvanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Bhawan, P.O. Vidyut Nagar, DLW, Varanasi.
5. Managing Director, Paschimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.
6. Managing Director, Dakshinanchal Vidyut Vitran Nigam Ltd., Urja Bhawan 220, K.V. Up-Sansthan Bypass Road Agra – 282007.
7. Managing Director, Kanpur Electricity Supply Co. Ltd., 14/71, Civil Lines, KESA House, Kanpur.
8. CE, RAU, Regulatory Affairs Unit, U.P. Power Corporation Ltd., 15th Floor, Shakti Bhawan Extension, 14, Ashok Marg, Lucknow – 226001.

ORDER

(Hearing 23.01.2018)

Brief History & Background

Government of India vide office memorandum dated 11.10.2017 formulated a scheme "Pradhan Mantri Sahaj Bijli Har Ghar Yojana" - (Saubhagya) to ensure last mile connectivity and electricity connections to all remaining un – electrified households in the country.

GOI further vide letter dated 20.10.2017 circulated guidelines for "Pradhan Mantri Sahaj Bijli Har Ghar Yojana" - (Saubhagya) under which it is provided that no fee and

security deposit shall be charged by the Discoms / Power Deptt. from the households covered under this proposal for providing electricity connections in urban & rural area except for provisions contained in para 2.3 of these guidelines for households not found eligible as per SECC 2011 data in rural area.

Provisions related to Security Deposit

The Provisions related to Security Deposit as provided in the Electricity Supply Code, 2005 and Cost Data Book 2016 are quoted below:

Electricity Supply Code, 2005 under Clause 4.6 'Estimate' provides the following:

*(b) The **estimate shall include security deposit**, charges for laying the service line, distribution mains (if required) & material, and system-loading charges etc, as determined by the Licensee with the approval of the Commission once in two years.*

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Further, Electricity Supply Code, 2005 under Clause 4.20 'Security Deposit' provides the following:

(a) [A security deposit to cover the estimated power consumption for two months shall be made by all consumer / applicant.

(b) The estimated consumption and security deposit amount for different categories of new consumers shall be determined by the Licensee with the approval of the Commission.

(c) In case of enhancement of load, only additional security to cover the additional load (Load after enhancement minus existing load) shall need to be deposited.

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Further, Cost Data Book 2016 provides for charging of security deposit from different consumers in Chapter 3. The rates for LMV -1 consumers are provided as under:-

Sl. No.	Description	Security in Rs.
1	Domestic Light & Fan for load upto 1kW only (LMV -1) (For BPL Consumers)	NIL
2	Rural Domestic Light & Fan for load upto 2kW (LMV -1)	100 / kW
3	Urban Domestic Light & Fan for load upto 2kW (LMV -1)	300 / kW
4	Domestic Light & Fan over 2kW (LMV -1)	400 / kW

It can be observed from above, that there is contradiction between the provisions under the Saubhagya Scheme and the provisions of the Supply Code regarding payment of security deposit.

The Petitioners submitted that for the implementation of the Saubhagya Scheme it is imperative to relax Clause 4.20 of Electricity Supply Code, 2005 for charging of the security deposit for release of connection under this scheme and thereby requested waiver of security deposit for release of connections under this scheme.

In view of the objective of the 'SAUBHAGYA' scheme, in the public interest, the Commission has been requested to relax the provision of Electricity Supply Code 2005 and Cost Data Book regarding charging of security deposit. The Commission is of the view that in order to successfully implement the above welfare scheme there is no harm in relaxing the provisions regarding security deposit.

In view of the above, the Commission under Clause 9.5 of the Electricity Supply Code, 2005 'Power to Remove Difficulties' relaxes the charging of security deposit by Discoms for providing electricity connection to the rural & urban households covered under the 'Saubhagya' scheme.

The Discoms shall also note that the Commission vide its Order May 25, 2017 had made Amendment in Chapter 4 – System Loading Charges in Cost data book for exemption of System loading charges for connections up to 5 kW for all categories except Industrial category (LMV-6).

(S.K. Agarwal)
Chairman

Dated: 24.01.2018