



Uttar Pradesh Electricity Regulatory Commission

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No. UPERC/Consumer/AKS/2007-
Dated: 26.7.2007

To,

Managing Director,
Madhyanchal Vidyut Vitran Nigam Ltd.,
4 Gokhale Marg,
Lucknow

Sir,

May please refer to letter dated 20.7.2007 from **M/s Tribhuvan Industries Ltd.** Lucknow (copy enclosed), requesting for clarification from UPERC in respect of clause 4.20(g) of Electricity Supply Code 2005 effective from 18.2.2005 for payment of interest on security deposit .

'Not by way cash' was substituted in lieu of payment option by 'Bank Guarantee' specified in ESC 2002. Since this has raised subsequent interpretation to other modes of payment, therefore it was clarified through 14.9.2006 amendemnt by including 'cash, cheque or bank draft' in clause 4.20 (g), as these are all cash based measures.

This had to be done as field officers were releasing interest on security only were deposits were made by way of cash as specified in Electricity Supply Code notified on 18.2.2005.

It is to clarify that for payment of interests on security deposits, made by any mode including cash, cheque or bank draft, qualify as cash payment if the same has been converted into cash in the hand of licensee.

As such, the present controversy in the matter as raised by Executive Engineer, EUDD, MVVNL, Kanpur Road, regarding payment of interest on security for the financial year 2005-06 and 2006-07 should not have arisen.

Yours faithfully

(Sangeeta Verma)
Secretary

CC: All MD's of Discoms and MD, UPPCL.