KERALA STATE ELECTRICITY BOARD

No: Plg.Com 3924/2000/07-08/

Board Secretariat,
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram –4
Dated 20.04.2007

C I R C U L A R

Sub: - Methodology to regulate collection/refund of Security Deposit – Regarding.

Ref: -
1. Proceedings of the Board meeting dated 26.03.2007 in Agenda Item No: 188/2007.
2. Note No: Plg.Com 3924/2000/06-07 dated 21.03.2007 to Full Board.
3. Circular No: Plg.Com 3924/2000 dated 26.11.2005.
4. Kerala State Electricity Regulatory Commission Notification No: 1/1/KERC-2005/IV dated 02.03.2005.
5. B.O. No: 2962/96 (TC1/9314/88) dated 06.12.1996.
6. B.O. No: 2360/2000 (Plg.Com 3876/99) dated 23.09.2000.

As per clause 1 (ii) (b) of Board order dated 06.12.1996, for HT consumers, Security Deposit equivalent to two months' current charge shall be in Cash or Demand Draft. As per Board order dated 23.09.2000, the additional security deposit payable by the HT/deemed HT consumers shall be 50% in cash/Demand Draft and balance 50% as Bank Guarantee issued by a nationalized bank if the amount is more than 5 lakhs. If the additional security deposit payable is less than or equal to Rs. 5 lakhs, the entire payment shall be by cash/Demand Draft. Bank Guarantee is not acceptable in such cases. Circular dated 26.11.2005 directs to follow the above methodology.

But as per Clause 15 (3) (b) of Terms and Conditions to Supply Code 2005 approved by Kerala State Electricity Regulatory Commission for implementation with effect from 01.02.2006, for HT consumers "Total Security Deposit shall be remitted by cash or Demand Draft if the Security Deposit is less than or equal to Rs. 5 lakhs. For security deposit more than Rs. 5 lakhs, 50% of security deposit shall be remitted by cash or Demand Draft and for the balance 50% amount, Bank Guarantee is acceptable".

As so many cases are coming up seeking directions regarding the methodology to be followed for realization of Additional Cash Deposit both in cases of increase and decrease in Security deposit due to increase/decrease in current charge/average consumption, the Full Time Members meeting held on 16.03.2007 decided to place the details before the Full Board to issue clarification in the matter.

Considering the note read as 2nd paper, the Board hereby authorize the respective engineers who have executed/executing agreement for the supply of electrical energy to regulate collection/refund of security deposit in such a way that the total security deposit including Additional Cash Deposit at all times with the Board is as per following provisions contained in the Terms and Conditions to Supply Code 2005.

> "If the security deposit is less than or equal to Rs. 5 lakhs, the same shall be remitted by Cash or Demand Draft. For security deposit exceeding Rs. 5 lakhs, 50% of security deposit shall be remitted by Cash or Demand Draft and for the balance 50% amount, Bank Guarantee issued by a Nationalized Bank is acceptable".

Item 9 of the Circular dated 26.11.2005 under reference (3) stands modified to the above extent.

Sd/-
M. Subair
Secretary.

To

The Chief Engineer, Distribution South, Thiruvananthapuram.
The Chief Engineer, Distribution Central, Ernakulam.
The Chief Engineer, Distribution North, Kozhikode.
The Chief Engineer (Corporate Planning), KSE Board, Thiruvananthapuram.
The Chief Engineer, Transmission South, Thiruvananthapuram.
The Chief Engineer, Transmission North, Kozhikode.
The Chief Engineer, System Operation, Kalamassery.
The Chief Engineer, Generation, Moolamattom.
The Chief Engineer (HRM)) KSE Board, Thiruvananthapuram
The Chief Engineer (Commercial & Tariff), KSE Board, Thiruvananthapuram.
The Financial Advisor, KSE Board, Thiruvananthapuram.

P.T.O.

Copy to:

The Deputy Chief Engineer, Electrical Circle, **T**hiruvananthapuram/**K**attakkada/ **K**ollam/**K**ottarakkara/**P**athanamthitta/**A**lappuzha/**K**ottayam/**P**ala/**T**hodupuzha/ **P**erumbavoor/**E**rnakulam/**I**rinjalakuda/**T**hrissur/**M**anjeri/Tirur/Palakkad/**S**horanur/ **K**ozhikode/**V**adakkara/Kalpetta/**K**annur/ **S**reekantapuram/**K**asaragode
The Deputy Chief Engineer, Transmission Circle, **T**hiruvananthapuram/**K**ottarakkara/ **A**lappuzha/ **P**oovanthuruth/**K**alamassery/**T**hrissur/**P**alakkad/**K**ozhikode/ **M**alappuram/**K**annur.
The Chief Internal Auditor, KSE Board/The Director (MIS)/The Deputy Chief Engineer, APTS/TRAC/The Special Officer (Revenue)/The Inspector General of Police (V & S), KSE Board/The LA & DEO, KSE Board/The Joint Secretary (Law), KSE Board/The Joint Director, MIS (Computerization Cell), The special Officer(Public Relations)
T.A to Chairman/Member (Distribution &Transmission)/Chief of Generation
PA to Member (Finance)/Secretary
Fair Copy Superintendent/ Regional Audit Officers/Task Force/Library/Stock File.

Forwarded/By Order

Sd/-
Assistant Executive Engineer