

**JOINT ELECTRICITY REGULATORY COMMISSION FOR  
THE STATE OF GOA AND UNION TERRITORIES  
GURGAON**

Coram\*

Shri S.K.Chaturvedi, Chairperson

Petition No. 132/2014

Date of Order 23.05.2014

**In the matter of**

Petition for seeking extension of time for implementation of directions A) Framing of software and policy for pre-paid meters; b) Acceptance of security deposit in form of Bank Guarantee; c) To pay interest at bank rate on the amount of security deposit/ ACD charges from the date of commencement of Electricity Act, 2003, issued by the Commission in Petition No. 127/2014 vide order dated 11.02.2014.

**And in the matter of**

Electricity Department - Chandigarh

..... Petitioner

**And in the matter of**

Chandigarh Industrial Area Tenant Association.

..... Respondent

**Present**

**For Petitioner**

1. Shri M.P. Singh, SE, ED- Chandigarh

**For Respondent**

1. Shri Sanjeev Sagar, President, Chandigarh Industrial Area Tenant Association
2. Shri B.S. Saini, Gen. Secretary, Chandigarh Industrial Area Tenant Association.

**ORDER**

ED- Chandigarh respondent herein Petitioner has filed the present petition for seeking extension of time for implementation of directions A) Framing of software and policy for pre-paid meters; b) Acceptance of security deposit in form of Bank Guarantee; c) To pay interest at bank rate on the amount of security deposit/ ACD charges from the date of commencement of Electricity Act, 2003, issued by the Commission in Petition No. 127/2014 vide order dated 11.02.2014.

The brief facts giving rise to the present petition are that the petitioner- Chandigarh Industrial Area Tenant Association herein respondent filed Petition no. 127/2014 for review under Section 94 (1) of Electricity Act, 2003 and Regulation 74 of JERC (Conduct of Business) Regulations, 2009 of order dated 20.11.2013 passed by Joint Electricity Regulatory Commission (for the State of Goa and Union Territories) in petition no. 116/2013.

The Commission vide order dated 11.02.2014 allowed the review petition no. 127/2014 and observed as under:-

*The Commission has recently amended the JERC (Electricity Supply Code) Regulations, 2010 in the form of Second Amendment in JERC (Electricity Supply Code) Regulations, 2013 and has included bank guarantee as a form of security deposit. The Commission is of the opinion that with inclusion of bank guarantee as a form of security deposit the grievance of cash crunch to deposit ACD/ security deposit is resolved and their grievance stands redressed. Hence, the order dated 20.11.2013 requires review and the same is modified as under:-*

1. *The petitioner/consumers are entitled for interest on security deposit/ ACD Charges from date of commencement of Electricity Act, 2003 or date of payment of security deposit by the consumers whichever is later. This Commission, therefore, directs the respondent to pay interest at bank rate on the amount of security deposit/ ACD Charges from the date of commencement of Electricity Act, 2003 or date of payment of security deposit/ ACD Charges by the consumers whichever is later.*

2. *The Commission further directs the respondent ED- Chandigarh to approve list of manufacturers of pre-paid meters and frame a software and policy for pre-paid meters within six months from 20.11.2013 (date of order under review). The respondent shall also accept security deposit/ ACD charges from the members of the petitioner association in the form of bank guarantee as per JERC (Electricity Supply Code) Second Amendment Regulations, 2013 so that the members of the petitioner association do not face problem of cash crunch in depositing ACD charges / security deposit.*

Further, the case of the petitioner is that the competent authority vide its memo no. 854 dated 23.01.2014 in principle accorded approval to appoint PSUs (NTPC, PGCIL etc.) as Consultant to implement pre-paid metering. The petitioner vide memo no. 265 dated 27.01.2014 and 268 dated 27.01.2014 requested M/s PGCIL and M/s NTPC to submit offer for consultancy services to introduce pre-paid metering in ED- Chandigarh. M/s NTPC vide e-mail dated 06.02.2014 submitted the offer which is under consideration of the petitioner.

In order to implement the JERC (Electricity Supply Code) Second Amendment Regulations, 2013 and order dated 11.02.2014 regarding acceptance of security deposit in form of Bank Guarantee, the petitioner vide memo no. 271 dated 27.01.2014 requested its billing agency M/s NIELIT to submit proposal regarding developing a software system which can take care of all modes of security deposit including bank guarantee, validity etc. and timely reflect the due information related to such issues in the ledgers as well as consumer bill. M/s NIELIT vide letter no. 24063 dated 11.03.2014 submitted a proposal regarding security amount reconciliation system and its integration with regular electricity billing and the same is also under consideration of the petitioner.

As far as the direction to pay interest at bank rate on the amount of security deposit/ ACD charges from the date of commencement of Electricity Act, 2003 or date of payment of security deposit/ ACD charges, the petitioner has collected chronology of bank rate and for payment of same approval of the Commission is required.

The above proposals regarding pre-paid metering, software system which can take care of all modes of security deposit including bank guarantee and paying interest on security deposit from the date of commencement of Electricity Act, 2003 are either under development stage/ under consideration/ under approval stage and the implementation of the same may take some more time. Hence, the petition with prayer to Grant extension of time for three months till 31<sup>st</sup> August, 2014 for implementation of directions A) Framing of software and policy for pre-paid meters; b) Acceptance of security deposit in form of Bank Guarantee; c) To pay interest at bank rate on the amount of security deposit/ ACD charges from the date of commencement of Electricity Act, 2003, issued by the Commission In Petition No. 127/2014 vide order dated 11.02.2014 to ED- Chandigarh.

The Commission received the petition on 28.04.2014, examined the same and found the petition in line with JERC (Conduct of Business) Regulations, 2009 and Electricity Act, 2003.

The Commission admitted the petition on 01.05.2014 and numbered as the Petition no. 132/2014. The Commission sent notice to the parties for hearing for today.

The respondent did not file reply/objection to the petition. However, the representatives of the respondent during hearings apprehended delay in implementation of the order dated 11.02.2014.

The Commission heard the representatives of the parties at length and has gone through the main petition, review petition and the present petition, accompanied documents and relevant provisions of Electricity Act, 2003 and JERC (Conduct of Business) Regulations, 2009 and JERC (Electricity Supply Code) Regulations, 2010 very carefully and thoroughly.

The Commission considered the prayer of the petitioner and observed that implementation of the directions issued by the Commission vide order dated 11.02.2014 in review petition no. 127/2014 and the proposals regarding pre-paid metering, software system which can take care of all modes of security deposit including bank guarantee and paying interest on security deposit from the date of commencement of Electricity Act, 2003 are either under development stage/ under consideration/ under approval stage and the implementation of the same may take some more time and the Commission is of the opinion that it is a fit case wherein extension of time be granted to the petitioner.

Therefore, the Commission directs the petitioner to implement direction no. 1 "the petitioner/consumers are entitled for interest on security deposit/ ACD Charges from date of commencement of Electricity Act, 2003 or date of payment of security deposit by the consumers whichever is later. This Commission, therefore, directs the respondent to pay interest at bank rate on the amount of security deposit/ ACD Charges from the date of commencement of Electricity Act, 2003 or date of payment of security deposit/ ACD Charges by the consumers whichever is later" by 30.06.2014 positively.

However, the Commission will consider the payment of arrears of interest on security deposit/ ACD charges of the previous years and FY 2014-15 during review/ true -up exercise for FY 2014-15 based on necessary documents evidencing the actual payment to the consumers.

The Commission also directs to the petitioner to implement direction no. 2 "the Commission further directs the respondent ED- Chandigarh to approve list of manufacturers of pre-paid meters and frame a software and policy for pre-paid meters within six months from 20.11.2013 (date of order under review). The respondent shall also accept security deposit/ ACD charges from the members of the petitioner association in the form of bank guarantee as per JERC (Electricity Supply Code) Second Amendment Regulations, 2013 so that the members of the petitioner association do not face problem of cash crunch in depositing ACD charges / security deposit" by 30.11.2014 positively.

The Commission further directs the petitioner to submit bi-monthly progress report on implementation of direction no. 2 of the order dated 11.02.2014.

The petition stands disposed off accordingly.

Sd/-

(S.K.Chaturvedi)

Chairman

Member (Vacant)

- \* As per Regulation 9 (II) of JERC (Conduct of Business) Regulations, 2009 "Coram is two". Whereas as per proviso of Regulation 9 (II) of JERC (Conduct of Business) Regulations, 2009 if Chairperson or the Member is prevented from attending hearing of which he has been given notice the Member or the Chairman as the case may be attending the meeting shall validly constitute the Coram. Post of the Member is vacant. According to provisions of Section 93 of the Electricity Act, 2003 no act or proceedings of the appropriate Commission shall be questioned or invalidated merely on the ground of existence of any vacancy or defect in the Constitution of the appropriate Commission. So the Chairperson only constitute a valid Coram.

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Anish Garg)

Secretary