

CONSUMER ALERT

INTEREST ON YOUR DEPOSIT WITH ELECTRICITY COMPANY IS DUE

It is time for the electricity supply companies (ESCOMS) to pay you interest on the Security Deposit you have maintained with the ESCOMS. Sub-Section 4 of Section 47 of the Electricity Act 2003, requires every distribution licensee to pay interest at the prescribed rate.

The Karnataka Electricity Regulatory Commission (KERC) has issued the required regulations in this regard. The Regulations has come into effect from 12th May 2005, the date on which, the regulation was published in the Official Gazette of Karnataka. Here are some of the highlights of the Regulation

At what rate the interest is to be paid?

ESCOMS shall pay interest on security deposit at the bank rate prevailing as on 1st April of the financial year for which interest is due

How the interest is paid?

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. So interest for the financial 2005-06 is to be credited to your account within June 2006.

Will the interest be paid in cash or by way of adjustment?

It shall be adjusted against the consumption charges

How to know the details of the interest calculations?

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

If deposit is paid during the course of the year, how interest is calculated?

For the Additional Security Deposit/Meter Security Deposit collected during the course of the year, interest shall be computed for the months following the month in which such security deposit is collected

How interest is calculated in case of new installations?

In respect of new installations, interest shall be computed for the months following the month in which service is provided to the installation

What are the other provisions?

Interest shall be payable on security deposit held against each RR Number irrespective of the amount of deposit held

The amount of interest on security deposit payable shall be rounded off to the nearest rupees

What is Security Deposit?

Security Deposit means Months Minimum Deposit (MMD), Meter Security Deposit (MSD). MMD includes two months minimum deposit / three months minimum deposit / Years minimum deposit

This Consumer Alert is intended only to inform the consumer. Consumers are advised to contact the respective ESCOMS or consult the Regulation available on the website www.kerc.org

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May, 2006