Before the Appellate Tribunal for Electricity (Appellate Jurisdiction)

Appeal No. 69 of 2006

Dated: 23rd January, 2007

Present: Hon'ble Mr. Justice Anil Dev Singh, Chairperson

Hon'ble Mr. A.A. Khan, Technical Member Hon'ble Mr. H.L. Bajaj, Technical Member

KPTCL & Ors., -Appellants

V/s.

Kanara Small Scale Industries Asson. & Ors., , -Respondents

Counsel for appellant : Mr. M.G. Ramachandran with

Mr. Anand K. Ganesan for NTPC

Counsel for Respondents : Mr. Rohit Rao for FKCCI

ORDER

This appeal is directed against the order of the Karnataka State Electricity Regulatory Commission, dated May 20, 2004, whereby the amount of security required to be deposited by a consumer has been reduced from an amount equivalent to three months power supply bills worked out on the basis of estimated consumption or three months line minimum charges, whichever is higher to an amount equivalent to estimated two months power supply bills. The appellant- KPTCL aggrieved by the order has filed the instant appeal.

We find that the impugned order passed by the Commission is contrary to Regulation 30.02 of the Karnataka Electricity Regulatory Commission (Electricity Supply and Distribution) Code 2001 (for short 'Code'). According to the aforesaid Regulation, security deposit equal in value to estimated three months power bill or three months line minimum

charges is required to be deposited by a consumer, but the impugned order allows it to pay estimated two months power bill as security deposit in violation of Regulation 30.02 of the Code. It is apparent from the impugned order that the Commission realized that it was passing an order contrary to Regulation 30.02 of the Code, but it was of the view that the Regulation could be amended by it. This approach adopted by the Commission is not correct. It is required to follow the Regulations even though it has power to amend the same. Even otherwise, we find that the deposit of security, on the basis of an estimated consumption for two months by the consumers, may not be sufficient. The Commission in the impugned order worked out the security deposit payable by a consumer on the basis of an estimated consumption for two months in the following manner:

"Consumption period of one month 30 or 31 days

Maximum period for issue of bills from the

End of the month 4 days

Maximum time allowed for payment 15 days Notice period for disconnection 7 days."

It appears that the Commission has not taken into consideration the period which is required by the appellant to locate the defaulters, who do not make the payment of the bills within the specified period. It is only after the appellant comes to know about the consumers, who have not

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paid the charges due from them, they are required to issue statutory

notice of disconnection to them.

It seems to us that a period of seven days for finding out the

defaulting consumers, who may not have paid the bills, need to be

added to the period calculated by the Commission. Thus, the total

number of days would work out to be 72 days. Keeping in view the

practicalities and realities of the situation, the security amount covering

estimated two months power supply bills is not adequate and has to be

more than that which shall be determined by the Commission for the

future.

In the circumstances, therefore, we set aside the order of the

Commission, dated May 20, 2004, and hold that the security deposit must

be paid in accordance with the Regulations. This order shall be

applicable for monthly billing cycle.

The appeal is allowed.

(A.A.Khan) Technical Member (H.L. Bajaj) Technical Member (Anil Dev Singh) Chairperson