

## CIRCULAR

**Subject: Amendments to Terms & Conditions for Supply of Electricity-2004 regarding payment of interest in cases of delay in refund of any kind of amount to the consumer.**

In pursuance to order dt 21.8.07 issued by RERC in the matter of amendments in "RERC (Electricity Supply Code & Connected Matters) Regulations - 2004", an order No. JPD/CE(C)/C/IF-4(261)PL VII/D/2216 dt. 14.11.07. (JPR5-434) was issued. Following are some of the amended provisions of TCS-04, related to payment of interest for delay in refund of amount to consumers :-

**Clause - (4) : Application for Supply :**

**Sub-Clause (10) :** The Nigam will provide the receipt of the application/L-form received from the applicant. In case of deficiency or incomplete application, the Nigam, within seven days of the receipt of application, shall inform the applicant of the deficiencies, including non-attachment of L-form. If the deficiency is not removed by the applicant within 30 days from the date of receipt of such intimation by the applicant, the application will stand cancelled and the application fee forfeited.

**However, the refundable amount shall be refunded within 30 days, beyond which interest thereon shall be paid by the Nigam at prevailing Bank rate.** \*\*\*\*\*

**Clause - (5) : Withdrawal of application :**

**Sub-Clause (1) :** If person, after applying for connection, withdraws his application or refuses to take supply, the application fee shall be forfeited but the security money shall be refunded whereas the amount, deposited by the applicant towards the line cost and plant cost will be refunded as here-under :-

i. In case the execution of work has not commenced by the **Full amount**  
Discount by that time.

ii. Otherwise **50% amount**

**The refund shall be made by the licensee within 30 days of the receipt of withdrawal/refusal letter, beyond which interest shall be payable at the Bank rate.**

**Clause- (16) : Security in respect of electricity supplied :**

**Sub-Clause- (F) adjustment of excess security :**

(7) If, under Clause 16(D)(5), the security given by a consumer is found to be in excess and the difference between the amount so worked out and the security amount deposited with the Nigam exceeds Rs. 500 or 10% of the existing security whichever is more, **the Nigam shall refund the excess security amount to the consumer by adjustment through bills issued or otherwise, latest by September end of the next year, thereafter the Nigam shall pay the interest on the unpaid security amount at the bank rate plus 2% per annum from 1<sup>st</sup> October of the year.**

**Clause - 18 : Payment of interest on security**

The Nigam shall pay the interest at the Bank rate as on April 1 of the year, on the security deposit. **The interest accrued during a financial year shall be paid to the consumer at an early date by adjustment through bills issued or otherwise, latest by September end of the next year, falling which interest at the bank rate on the unpaid amount of interest shall also be payable from 1<sup>st</sup> October of the year**

The interest on security deposit will be admissible until it gets adjusted against the dues. The LPS/DPS shall accrue only on the unadjusted balance amount, if any. However, where the security amount

still remains in balance, interest will be payable on it, even during the disconnected period.

From the above provisions it may please be noted that in any of above case(s) the delay in refund will attract additional liability of interest. It is therefore, enjoined upon all concerned that they must ensure timely refund of such amount. Failure to comply with it, the amount of additional interest to be paid shall be deducted from the salary of defaulting officer/ official.

**sd/-**

**(B.L. Agarwal)**

**Chief Engineer (Comm.)**

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