

BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION, LUCKNOW

In the matter of: Specifying the rate of interest on security deposit at Bank Rate of RBI.

Ref: (1) KESCO letter No.2368/P A © UPERC dated 30.10.2007
(2) DVVNL letter No.6035/Pra.Ni./DVVNL/Mu.Aa(Va)/C-321(Tarrif dated 19.11.2007)
(3) UPPCL letter No. 1479/RAU/ARR 08-09 dated 29.12.2007

In the matter of:

1. Managing Director, UP Power Corporation Ltd.7th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow.
2. Managing Director, Madhyanchal Vidyut Vitran Nigam Ltd., 4 Gokhale Marg, Lucknow.
3. Managing Director, Poorvanchal Vidyut Vitran Nigam Ltd., Bhikharipur, 132 KV Substation, P.O.-D.L.W, Varanasi
4. Managing Director, Pashchimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut.
5. Managing Director, Dakshinanchal Vidyut Vitran Nigam Ltd., Urja Bhavan 220, K.V. Up-Sansthan Bypass Road Agra-282007
6. Managing Director, KESCO Ltd, 14/71, Civil Lines, KESA House, Kanpur.
7. Chief Executive Officer, Noida Power Company Ltd., Commercial Complex H-Block, Alpha Sector II, Greater Noida-201308

ORDER NO. 3

This Commission received representations from consumers as well as the Distribution Licensees seeking clarification / definition of the term 'Bank Rate' used in Clause 4.20(i) of Electricity Supply Code, 2005 (3rd Amendment) notification on 14.9.2006 as quoted below:

*“The Licensees shall pay interest on security deposit on the consumers at **bank rate** as on 1st April of applicable financial year by way of credit in the bill of the consumer in the months of April, or May or June as per the applicable billing cycle. However, no interest shall be payable if the deposit is not made by way of cash, cheque or bank draft. The interest rates are subjected to change as per the tariff orders of Commission from time to time”.*

In exercise of powers vested under Clause 9.5(i) of the said Code under power to remove difficulties, the Commission in its order dated 21.3.2007 for the purposes of clause 4.20(i), defined: 'bank rate shall mean the Rate as notified by the Reserve Bank of India”.

Requests were received from consumers as well as licensee, to specify the bank rate. Since the website of Reserve Bank of India (www.rbi.org.in) under “Current Rates – Policy Rates” specifies the bank rate as 6%, accordingly, the Commission specifies the rate of interest as 6% for the financial year 2007-08 valid upto 31.3.2009, payable to consumers on 1st April of applicable financial year in terms of clause 4.20(i) of the said Code.

Managing Director of all Distribution Licensees are directed to issue necessary instructions to their field/billing staff and take necessary action for information of the general public.

(R D Gupta)
Member

(P N Pathak)
Member

(Vijoy Kumar)
Chairman

Lucknow

Dated: 28th April, 2008