

**BEFORE THE TAMIL NADU ELECTRICITY REGULATORY COMMISSION  
CHENNAI**

**Order No. T.O 1 – 103 dated 27/05/2007**

**Present: Thiru S.Kabilan, Chairman  
Thiru.B.Jeyaraman, Member**

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**In the matter of: Interest on Security Deposit from consumers  
for the year 2006-07 – ordered.**

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1) As per sub-section (4) of Section 47 of Electricity Act 2003, the Distribution Licensee shall pay interest equivalent to the Bank rate or more as may be specified by the Commission on the security in respect of electricity supplied to the consumers as well as for the meter provided to the consumers.

2) As per Regulation 5(5) (i) of the Tamil Nadu Electricity Supply Code, rate of interest on Security Deposit shall be on the basis of Commission's direction.

3) As per Regulation 5(5) (iii) of the Tamil Nadu Electricity Supply Code, the interest at Bank Rate or more as specified by the Commission shall be calculated and credited to the Security Deposit Accounts of the consumer at the beginning of every financial year (i.e.) April and the credit available including the interest shall be informed to each consumer before the end of the year.

4) The Bank Rate as on 01.04.2007 as announced by the Reserve Bank of India was 6%.

5) The Commission directs that the Tamil Nadu Electricity Board shall pay interest at 6% on the Security Deposit from the consumers for the year 2006

-07. The interest on Meter Security Deposit of by HT consumers shall be also 6% as per the Commission's order on Non-Tariff related miscellaneous charges.

6) The TNEB may review the adequacy of security deposit taking into account the interest allowed.

7) The credit including interest available in the accounts of the consumer as on 31.03-2007 may be intimated to the consumer by 30.06.2007, and the compliance furnished by **30.09.2007**.

**(By order of the Commission)**

**R.Balasubramanian  
Secretary**

To,

The Chairman / Tamil Nadu Electricity Board, Chennai 600 002.