

As per section 11.3 of MERC's (Electricity Supply Code and Conditions of Supply and Other Conditions of Supply), Regulations 2005, Tata Power as a distribution Licensee may require any of its consumers, to whom supply of electricity has been sanctioned, to deposit a security amount.

This is an initial security amount to be deposited by the customer, at the time of commencement of service.

This amount is estimated based on the sanctioned load, load factor, diversity factor and the no. of working shifts of the consumer.

Interest will be paid on the SD amount, at a rate equivalent to the bank rate of the Reserve Bank of India.

The SD amount will be adjusted against any final settlement at the time of termination of power supply, at the request of the customer.

A sample calculation of the Estimation of the security deposit amount is attached below:

Estimation of Security Deposit Amount to be collected from New/Changeover Customers

Tariff Category	LT Residential	LT (Comm.)	LT (Ind.)	HT (Comm.)	HT (Ind)
Sanctioned load (kW)	5	20	20	1000	1000
No. of hours	720	720	720	720	720
Load Factor*Diversity Factor	7.50%	30.00%	17.00%	45.00%	40.00%
Tariff (Rs/kWh)	3.3	4.7	4.8	5.20	5.0
Units consumed	270	4320	2448	324000	288000
Security Deposit per killo-Watt	70	1000	500	1500	1200
Security Deposit amount to be paid by customers (rounded off Rs.)	350	20000	10000	1500000	1200000

Note: - The sanctioned load, load factor and diversity factor are estimates based on past trends of consumption for the tariff category.
Tariff for LT is calculated on an average basis.

The SD amount is recalculated once in each financial year, based on the actual billing of the consumer; and adjustments as required in the amounts is done through the subsequent power supply bills. The amount of security deposit (SD) recalculated is based on the previous 12 months average.

