

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**
3. **Shri Bhanu Bhushan, Member**

Petition No. 29/2004

In the matter of

Non-payment of Unscheduled Interchange (UI) Charges and Reactive Energy (RE) charges by Power Development Department, Jammu and Kashmir

And in the matter of

Northern Regional Load Despatch Centre

.... **Petitioner**

Vs

Power Development Department,
Govt. of Jammu & Kashmir, Jammu

..... **Respondent**

The following were present:

1. Shri P.K. Aggarwal, NRLDC
2. Shri Alok Roy, NRLDC

**ORDER
(DATE OF HEARING: 22.6.2004)**

In this petition, the petitioner has sought directions to the respondent to clear all dues on account of Unscheduled Interchange (UI) charges and Reactive Energy (RE) Charges with interest and in future to make these payments within stipulated period of 10 days of issue of UI accounts. A further direction is sought to the respondent to be more responsible in observing grid parameters of frequency and voltage and to self regulate the drawals in a manner appropriate to secure grid operations in the region.

2. Earlier, Petition No. 20/2003 was filed by the petitioner for recovery of outstanding UI charges amounting to Rs.46,70,51,805/- for the accounts issued

up to 16.3.2003. During pendency of the petition, the respondent made part payment of Rs.24,95,91,055/- only. While disposing of the petition, the Commission in its order dated 18.11.2003 had directed the respondent to pay all the arrears on account of UI charges, the subject matter of dispute in that petition, by 30.11.2003. The petitioner has submitted that in view of Commission's order, an amount of Rs.14,52,92,878/- only was due up to 16.3.2003 as per details given below:

1) UI Charges payable by PDD J&K	:	Rs.46,70,51,805/-
2) Less UI charges receivable	:	Rs. 8,02,96,309/-
3) Less amount paid as of 22 nd Oct 2003:		Rs.24,95,91,055/-
4) Interest accrued on above	:	Rs. 81,28,437/-

Total		Rs.14,52,92,878/-

3. The petitioner has submitted that since issue of order on 18.11.2003, no payment has been made by the respondent. It is stated that dues on account of UI charges have been mounting since the respondent continued to overdraw and as on 15.2.2004, a sum of Rs.1,23,01,05,565/- was due. In addition, an amount of Rs.9,70,69,053/- on account of interest on outstanding UI charges up to 15.3.2004 has also become payable. The petitioner has also placed on record the details of Rs.15,51,36,314/- of RE charges due from the respondent and the interest of Rs.1,58,84,440/- chargeable thereon. Accordingly, the petitioner has sought directions to the respondent for settlement of dues on account of UI charges and Reactive Energy charges.

4. The petition was listed for hearing after notice. However, none appeared on behalf of the respondent. Neither has any formal reply been filed. In the proceedings in Petition No.20/2003 also, there was not adequate representation on behalf of the respondent before the Commission. The position was repeatedly brought to the notice of Principal Secretary, Power Development Department, Jammu & Kashmir. We are constrained to observe that the repeated communications sent by the Commission, have remained unheeded and necessary assistance is not being rendered by the respondent in arriving at just and fair decision. We direct that the prevailing situation be once again brought to the notice of the concerned authorities.

5. Meanwhile, a fax message dated 19.4.2004 has been received from the office of Chief Engineer, Commercial and Survey Wing, Jammu & Kashmir, Jammu informing that his office received the consolidated list of UI charges up to 31.12.2003 on 1.3.2004, because of which the requirement of funds could not be projected in the yearly budget estimates of 2003-2004. It is stated that the provision for UI charges payable by Jammu & Kashmir during the year 2003-2004 has been reflected in the current year's budget and as soon as funds are made available, the accounts will be settled. Meanwhile, the Chief Engineer has undertaken that the efforts are being made to reduce overdrawal and in future such charges shall be paid regularly. It is thus clear that while the respondent has acknowledged its liability for payment of UI charges, it has made no definite commitment to pay up. This would not do. It is the sole responsibility of the respondent to assess the requirement of fund and project it in the budget as it is

the respondent only who is responsible for overdrawal and consequent payment of UI charges. In view of the persisting default, the Power Development Department, J&K is hereby directed to provide to the Commission a copy of the approved State budget for the current year duly identifying the amounts provided for UI payment liabilities for the past as well as current years.

6. On perusal of the facts placed on record by the petitioner, we are prima facie of the view that the respondent has not complied with the directions contained in the Commission's order dated 18.11.2003 since it has not settled the balance amount of Rs.14,52,92,878/- only till 30.11.2003, the time allowed by the Commission. No formal request has been made by the respondent for extension of time for this purpose and non-compliance of the order still continues. The respondent has further defaulted since the UI charges for the subsequent periods also remain unsettled. The UI charges advised by the petitioner have the approval of the Commission and are payable under the general directions contained in IEGC. We consider it appropriate to give another opportunity to the respondent to settle the outstanding dues. The respondent shall liquidate the charges due before the next date of hearing.

7. It should also be understood by the respondent that the Commission cannot allow to endanger the operations of Northern Grid for the continuous and prolonged default by the respondent. The Commission is free to take further action as deemed necessary to ensure smooth operations of the Northern Grid, if necessary by ordering power regulation for the State of J&K.

8. The continuous default on the part of the respondent in payment of UI charges, etc. should also be brought to the notice of Central Government through Ministry of Power.

9. List this Petition on 24th August, 2004 for further directions.

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 5th July, 2004