

CENTRAL ELECTRICITY REGULATORY COMMISSION
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Coram:

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

Petition No. 38/2004

In the matter of

Maintaining the regional grid frequency above 49 Hz by curbing overdrawals in line with Section 6.2 (l) and 7.4.4 respectively of the Indian Electricity Grid Code (IEGC).

And in the matter of

Northern Regional Load Despatch Centre ... **Petitioner**

Vs

Uttar Pradesh Power Corporation Ltd., Lucknow ... **Respondent**

The following were present:

1. Shri V. Mittal, PGCIL
2. Shri V.K. Agarwal, NRLDC
3. Shri P.K. Agarwal, NRLDC
4. Shri S.R. Narasimhan, NRLDC
5. Shri Alok Roy, NRLDC
6. Shri D.D. Chopra, Advocate, UPPCL
7. Shri Anil Kumar, EE, UPPCL
8. Shri S.K. Agarwal, UPPCL
9. Shri V.K. Purohit, UPPCL

ORDER
(DATE OF HEARING: 27.7.2004)

The petitioner, Northern Regional Load Despatch Centre (NRLDC) has sought a directive to the respondent to contain its overdrawals from the Northern Regional Grid and to plan its load during the summer season.

2. The petitioner has alleged that the respondent is one of the main utilities in the Northern Region, responsible for sustained low frequency operation in the region since it has the propensity to overdraw from the regional grid. The

petitioner has summarised the incidence of grid violation by the respondent as given in the table below:

S. No.	Month	%age of time 15-minute average frequency <49.0Hz	Average overdrawal 'MW' during the period in Col.A	Average of maximum overdrawal 'MW' during the period in Col.A
1	Jan 2004	5.78	227	339
2	Feb 2004	10.06	247	370
3	Mar 2004	20.83	329	628
4	Apr 2004 (up to 11th)	16.38	319	563

3. It is stated that the petitioner had taken up the matter with the respondent on numerous occasions in the past to persuade it to limit its overdraws in keeping with the provisions of the Indian Electricity Grid Code (IEGC). The petitioner has placed on record certain letters written to the respondent which are annexed as Annexure II to the petition. The emergency meetings of Northern Regional Electricity Board are stated to have been convened to discuss the power supply position in Northern Region on 13.3.2004 and 29.3.2004 whereat the issue regarding overdrawals by the respondent were also raised. However, despite these efforts, it is stated, the position in regard to overdrawal by the respondent remain unchanged, and the data for the period ending 11.4.2004 extracted above reveals that the respondent had overdrawn power.

4. It is averred that the indiscipline by the respondent is leading to frequent excursions of the system frequency to a level below 48.5 Hz. Hence this petition with prayers noted above.

5. Section 7.4.4 of the IEGC enjoins upon the States to endeavour to restrict their net drawal from the grid within the respective drawal schedules whenever the system frequency is below 49.5 Hz. It further states that when the frequency falls

below 49.0 Hz, requisite load shedding shall be carried out by the concerned State to curtail the overdrawal. Section 7.4.5 of the IEGC casts a duty upon the State Load Despatch Centres and the State Transmission Utilities to regularly carry out the necessary exercises regarding short-term and long-term estimation for their respective states to enable them to plan in advance as to how they would meet their consumers load without overdrawing from the grid. We find there is enough evidence on record to support that these provisions of the IEGC have not been followed by the respondent or the Uttar Pradesh State Load Despatch Centre presently being operated by the respondent.

6. During the hearing, it came to our notice that the respondent was not only overdrawing power but was also defaulting in making payments towards UI charges for overdrawal from the regional grid. This compounded the culpability of the respondent. In the first instance, it was continuously overdrawing power, which legitimately was the share of other States in the region, in violation of the provisions of the IEGC and without paying any heed to the instructions of the petitioner, a statutory authority responsible for real time operations of the regional grid. On the top of it, the respondent was withholding payments due to the other States whose share of electricity had been misappropriated by the respondent and who were made to pay the charges to the central sector generating companies on account of the firm allocation of power from the generating stations belonging to these generating companies. This was an extraordinary situation which required extraordinary remedy. Therefore, we had thought of invoking the powers available to us under the law to enforce discipline and if necessary, by levying penalty or fine. However, after initial dithering, assurances were made on

behalf of the respondent to curtail overdrawals from the regional grid and also to settle the UI energy account operated by the petitioner on behalf of NREB. In view of these assurances, we had deferred a decision to invoke the penal provisions.

7. An affidavit, sworn on 24.7.2004 was filed on behalf of the respondent wherein it had acknowledged its liability and obligation to meet its financial commitments arising out of accumulation of UI charges. The respondent in its affidavit assured that it would be making every possible effort to liquidate the accumulated and unpaid UI charges. In the affidavit, the respondent had proposed that it would be making payment of Rs.25 crore every month, in addition to the payment of the current bill to liquidate its dues towards UI charges. The respondent has also placed on record the efforts being made or proposed to be made by it to curtail and check overdrawals. At the hearing on 27.7.2004, it was stated by the petitioner that a sum of about Rs.153 crore was due against the respondent on account of UI charges only, and excluding the interest. At the hearing, Shri D.D. Chopra, Advocate along with Shri S.K. Agarwal, informed that a sum of Rs.53 crore along with up to date interest for the delayed payment and the current dues for UI charges would be paid by 7.8.2004. The representatives of the respondent undertook that the balance of Rs.100 crore would be liquidated in four monthly instalments at the rate of Rs.25 crore per month payable by 15th day of each month. In addition, the representatives of the respondent undertook to pay the interest due as also the current dues on account of UI charges on monthly basis. As a special case, we have accepted the undertaking given. The respondent would remain bound by the undertaking given on its behalf at the hearing, notwithstanding anything to the contrary stated in the affidavit. In case

the committed payments are delayed, the petitioner may regulate the power supply to the respondent after giving a 24-hour notice, without seeking any further clearance from the Commission, and the matter shall be reported to the Commission by the petitioner for other appropriate action in accordance with law. At the same time, the respondent shall curtail and check the overdrawals of power from the regional grid and shall ensure compliance of the provisions of the IEGC, a brief reference to some of which has been made above.

8. The respondent in its affidavit stated that some other States like Punjab, Haryana and Rajasthan were also having resort to overdrawal from the grid resulting in fall of grid frequency. The petitioner in its petition had also cited certain instances of overdrawals by these States. It was, however, stated by the petitioner that the concerned States were responding to the instructions issued by the petitioner and therefore, no proceedings were proposed to be taken against those States. We make it clear that any instances of non-compliance of the provisions of the IEGC by any State in the region or overdrawals of power when frequency is below 49.0 Hz shall be brought to the notice of the Commission by the petitioner for appropriate action, particularly when grid security is jeopardised.

7. With the above, the petition stands disposed of.

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 9th August 2004