

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R. Krishnamoorthy, Member**

**Petition No. 54/2008
(Suo-motu)**

In the matter of

Default in payment of Unscheduled Interchanges (UI) charges for the energy drawn in excess of the drawal schedule.

And in the matter of

Bihar State Electricity Board, Patna

..... Respondent

ORDER

As per the report received from Executive Director (SO & NRLDC), PGCIL, an amount of Rs.122 crore was outstanding against the respondent, Bihar State Electricity Board on account of UI drawal as on 24.3.2008. The Commission, in its order dated 6.5.2008, had directed the respondent to show cause as to why action under appropriate provisions of the Electricity Act, 2003 should not be initiated against it for recovery of outstanding UI dues along with interest.

2. The respondent in its reply dated 26.5.2008 has explained that after reorganization of the State of Bihar, major generating capacities of the erstwhile Bihar State were transferred to Jharkhand State, leaving a meager generation capacity of 540 MW at MTPS Kanti and Barauni TPS I with Bihar State. Both the generating stations are undergoing R & M at present and are not able to generate power on sustainable basis. The respondent has stated that under these circumstances, it is

dependent on the central sector generation in the Eastern Region to meet its requirement of power. It has been submitted that low availability of power from NTPC generating stations in the Region, non-availability of hydro power during the pre-monsoon periods and swapping of power from Kahalgaon STPS in lieu of Tala HEP have aggravated the power position in the State which led to agitation in different parts of Bihar and even to police firing at Kahalgaon. During April 2007 to March 2008, the respondent is said to have a deficiency of 609,593 MU and to meet this shortfall, it had to draw 212.897 MU of energy under UI during the period 15.10.2007 to 30.3.2008 at a cost of Rs.124.5459 crore.

3. It has been further stated that drawal under the UI during the period of extreme power crisis was undertaken on the instructions of the Government of Bihar who have agreed to bear the expenses for purchase of such power. Due to non-receipt of funds from the State Government, the respondent has not been able to clear the outstanding dues. It is also pointed out that Bihar is supplying more than 50 MW power to Nepal out of its own central sector allocation. The payments for power by Government of Nepal are not regular and at present, an amount of approximately Rs.50 crore is outstanding against Nepal for the power supplied to that country during January-April 2008. It is averred that these factors have contributed to accumulation of UI arrears against the respondent. Despite these problems and handicaps, the respondent, it has been sought to assure, intends to pay the UI charges regularly and liquidate all the outstanding dues. It has been prayed that keeping in view the financial hardships and constraints being faced by the respondent, it may be allowed to liquidate the dues in ten equal monthly instalments.

5. We have considered the submissions of the respondent. In these proceedings we are not concerned with the reasons for overdrawing. Our principal concern at this stage is to ensure recovery of the dues on account of overdrawing. We direct that the respondent shall take steps to liquidate the outstanding UI dues as on 24.3.2008 by paying not less than Rs.20 crore per month starting from the current month, that is, June 2008, till all dues including interest are liquidated. This will be in addition to the timely payment of the current UI dues, if any, as per the UI charges statement issued by ERPC secretariat. ERLDC is directed to apprise the Commission in the first week of every month starting from July 2008 regarding the UI payment status of the respondent.

6. Let us make it clear that the payment of UI dues through installments as permitted above will not entail any relaxation of the provisions of the IEGC with regard to computation and payment of interest for the delay in payment of UI charges. It is further clarified that the foregoing is without prejudice to compliance by the respondent of any other provisions of the Commission's regulations and the IEGC.

**Sd/-
(R. KRISHNAMOORTHY)
MEMBER**

**Sd/-
(BHANU BHUSHAN)
MEMBER**

New Delhi, dated the 4th June 2008