

**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

..... **Respondent**

ORDER

According to the regulations of the Commission and the Indian Electricity Grid Code (hereinafter referred to as IEGC), all regional constituents are required to pay Unscheduled Interchange (UI) charges for the energy drawn by them in excess of their respective drawal schedules. The UI accounts are issued by the Regional Power Committee (RPC) secretariat on a weekly cycle. Clause 5 of Annexure-I of Chapter 6 of the Indian Electricity Grid Code clearly stipulates that payment of UI charges shall have a high priority and the concerned constituents shall pay the indicated amounts into the regional pool account operated by the RLDC within ten days of the issue of statement by the RPC Secretariat. Clause 7 of the said annexure further provides that if UI payments are delayed beyond 12 days from the date of issue of the statement, the defaulting constituents shall have to pay simple interest @ 0.04% for each day of delay.

2. Executive Director (SO & NRLDC), PGCIL in his report dated 24.3.2008 submitted to the Commission has stated that an amount of Rs.122 crore is outstanding against Bihar State Electricity Board (BSEB) on account of UI drawal as on 24.3.2008.

3. The huge arrears due from BSEB on account of non-payment of UI charges is a matter of serious concern, particularly because BSEB being a State utility is expected to behave in a responsible manner and discharge its obligations under the law. Non-payment of UI charges therefore amounts to extracting energy from the grid without paying for it. The Commission further feels concerned that on account of continuing overdrawal from the grid by BSEB and laxity in payment of UI charges, the outstanding UI amounts are growing at an alarming rate and calls for urgent remedial action.

4. BSEB is hereby directed to show cause, latest by 30.5.2008, 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, apart from recommending to the Central Government for appropriating the outstanding UI dues from the Central Plan Assistance earmarked for the State of Bihar.

5. We also direct the Secretariat of the Commission to endorse copies of this order to Cabinet Secretary and Secretary (Power), Government of India, Chief Secretary, Government of Bihar, and Chairperson, BERC for their kind information and remedial actions as considered appropriate.

Sd/-
(R. KRISHNAMOORTHY)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi dated the 6th May 2008