

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Bhanu Bhushan, Member**
2. **Shri A.H. Jung, Member**

Petition No.151/2005

In the matter of

Endangering the Northern Regional Grid Security by continuous violation of Sections 6.2 (I) and 7.4.4 of the Indian Electricity Grid Code (IEGC)

And in the matter of

Northern Regional Load Despatch Centre., New Delhi

...**Petitioner**

Vs

1. Power Development Department, Govt. of J&K, Jammu
2. Uttar Pradesh Power Corporation Limited, Lucknow
3. Haryana Vidyut Prasaran Nigam Ltd., Panchkula
4. Punjab State Electricity Board, Patiala
5. Delhi Transco Ltd., New Delhi
6. Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Jaipur
7. Himachal Pradesh State Electricity Board, Shimla
8. Uttaranchal Power Corporation Ltd., Dehradun
9. Electricity Department, UT Chandigarh, Chandigarh

....**Primary Respondent**

.....**Proforma Respondents**

The following were present:

1. Shri P.K. Agarwal, NRLDC
2. Shri A. Mani, NRLDC
3. Shri R.N. Sharma, PDD
4. Shri N.A. Thakur, PDD
5. Shri N.K. Joshi, DGM, DTL

**ORDER
(DATE OF HEARING: 2.3.2006)**

The petitioner seeks directions to Power Development Department, Government of Jammu & Kashmir, referred to as "the primary respondent", to strictly follow the earlier orders of the Commission, to adhere to the provisions of IEGC, particularly Section 6.2 (I) and 7.4.4 thereof to avoid overdrawals from the Northern Regional Grid and also to pay the current as well as the past outstanding UI dues

with up to date interest. The directions are sought to other respondents also for strict compliance with the provisions of IEGC.

2. Heard the representatives of the parties.

3. On behalf of the petitioner, it has been stated that a total sum of Rs.473 crore, excluding interest, was outstanding against the primary respondent for the period up to 12.2.2006. It has also been stated that the primary respondent has continued with heavy overdrawals during the months of December 2005 and January 2006, frequently endangering the grid security. We have also been informed that cheques (payment advice to Treasury) for an amount of Rs.100 crore earlier issued by the primary respondent have remained unpaid.

4. The overdrawals and non-payment of UI charges by the primary respondent has a chequered history. Without going into the incidents of distant past, we confine ourselves to the proceedings arising out of Petition No.29/2004, also filed by the present petitioner for the similar directions as sought in the present petition. The proceedings culminated into the following order made on 22.2.2005 after Secretary, Power Development Department of the State Government who appeared before the Commission gave assurances that overdrawals from the regional grid will be limited and the dues will be settled:

- “(a) The respondent shall make every effort to contain its drawals from the regional grid to its allocated share. The respondent shall completely stop overdrawal from the grid when the frequency is below 49.0 Hz. This is necessary to avoid grid collapse and breakdown of power supply in large part of the country;
- (b) The current dues starting from the week ending 30.1.2005 and onwards on account of UI charges and reactive energy charges shall be cleared

by the respondent within 10 days in accordance with the existing regulations on the subject. Accordingly, no arrears shall be allowed to accumulate in future; and

- (c) The recovery of arrears pertaining to the period prior to 30.1.2005 shall await the decision of the Central Government with whom the matter is presently pending. It needs no emphasis that the petitioner should continue to pursue with the Central Government to address the question of settlement of arrears in an expeditious and reasonable manner, as ultimately it is the responsibility of respondent to settle the dues”.

5. Despite the assurances given on behalf of the primary respondent and the directions of the Commission based on these assurances, we have been informed that no payment has been received after Rs.49.94 crore in August 2005, while overdrawals have continued resulting in exponential increase in the outstanding dues. Thus, there is no compliance of the order dated 22.2.2005.

6. The representatives of the primary respondent have informed that the respondent has already issued three cheques (payment advice) on 28.2.2006, one for Rs.50 crore and two for Rs.25 crore each for clearance by the State treasury against the earlier cheques of Rs.100 crore which have remained uncleared. They have assured us that the total amount will be credited to the petitioner's account latest by 9.3.2006, They have further informed that in addition, the balance outstanding amount will be liquidated in the following manner:

- (a) Rs.50 crore by 10.3.2006,
- (b) Rs.25 crore by 31.3.2006,
- (c) Rs.75 crore by 30.6.2006,
- (d) Rs. 75 crore by 30.9.2006,
- (e) Rs.75 crore by 31.12.2006, and
- (f) Rs.75 crore by 31.3.2007.

7. It has been stated that in this manner, the arrears as on date will get liquidated by 31.3.2007. The representatives of the primary respondent also assured that the current UI charges shall be paid on weekly basis as and when due and no arrears will be accumulated.

8. It is understood that instead of issuing cheques/drafts which could be directly credited into a bank account, the primary respondent issues only payment advices to the State Treasury. There is also a history of the payments not being released for months even after issuance of such payment advice. It is, therefore, directed that it would be the responsibility of the primary respondent to do the necessary legwork in its State, and ensure that the payment gets credited into the correct account being operated by NRLDC for this purpose.

9. The representative of Delhi Transco Limited (DTL), opposed the time schedule given by the primary respondents for settlement of outstanding UI bills. He submitted that most of the outstanding dues are recoverable by DTL who has paid its dues to the generating companies from which power is being purchased.

10. We have considered the submissions made on behalf of the parties. We accept the time schedule given on behalf of the primary respondent for settlement of the existing dues as well as the current dues. We have adopted the course because of our desire to settle the long outstanding issue. However, we make it very clear that any violation of the time schedule given by the primary respondent will attract penal action under the law. We give liberty to the petitioner to bring to the Commission's notice in case the time schedule given by the primary respondent

has not been adhered to. We would come to the time frame for payment of interest by the primary respondent on account of delay in payment of UI charges later on. Let it be clear that this liability would still remain to be settled.

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

Sd/-
(A.H. JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi dated the 8th March 2006