

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram**

**Dr. Pramod Deo, Chairperson  
Shri Bhanu Bhushan, Member  
Shri R. Krishnamoorthy, Member  
Shri S. Jayaraman, Member**

**Petition No.8/2009  
(Suo-motu)**

**In the matter of**

Default in payment of Unscheduled Interchanges (UI) charges for the energy drawn in excess of the drawal schedule by the Uttaranchal Power Corporation Limited.

**And in the matter of**

1. Uttaranchal Power Corporation Limited , Dehradun
  2. Shri. S Mohan Ram, Managing Director, Uttaranchal Power Corporation Limited, Dehradun
- Respondents**

**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 IEGC 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. Northern Regional Load Despatch Centre in its report dated 31.12.2008 has submitted that a sum of Rs. 56.96 crore is outstanding against the first respondent on account of UI drawal as on 28.12.2008 as per details given hereunder:

(Rs. in crore)

	Opening Balance	Current bills		Paid during the month	Disbursed to the constituent	Closing Balance
		Amount	Weeks			
July 2008	-0.90	10.34	11 to 13	9.72	3.58	3.30
August 2008	3.30	54.30	14 to 19	0.00	0.00	57.60
September 2008	57.60	27.02*	20 to 23	9.53	0.00	75.09
October 2008	75.09	-21.88	24 to 27	0.00	0.00	53.21
November 2008	53.21	-5.71	28 to 32	0.00	0.00	47.50
December 2008 (up to 28.12.2008)	47.50	12.94	33 to 36	3.48	0.00	56.96

\*Includes Rs. 1.14 crore of differential amount on account of revision and the charges for weeks 20 to 23

3. From the above table it is noted that the first respondent has, since July 2008 consistently defaulted in making payments and settling UI account. Accumulation of arrears by the first respondent on account of UI charges is a matter of serious concern, particularly because the first respondent as a State utility is expected to behave in a reasonable and responsible manner and discharge its obligations under the law. Non-payment of UI charges amounts to extracting energy from the grid without paying for it. The Commission feels concerned with acts of continuous over-drawal by the first respondent coupled with its laxity in payment of UI charges.

4. The first respondent is hereby directed to show cause, latest by 5.2.2009, as to why action under Section 142 of the Electricity Act, 2003 (the Act) should not be taken against it for non-compliance of the provisions of the IEGC mandating timely payments of UI charges.

5. Under Section 149 of the Act, the person in charge of and responsible for the conduct of business of the company found guilty, as well as the company is deemed to be guilty of having committed the offence and such a person is also liable to be proceeded against and punished accordingly. Therefore, in exercise of power under sub-section (1) of Section 149 of the Act, we direct issuance of notice to the second respondent, Shri Mohan Ram, Managing Director of the first respondent to show cause, also latest by 5.2.2009, as to why he may also not be deemed to have committed the offence of violation of the provisions of the IEGC and punished accordingly.

6. Officer-in-charge of NRLDC is directed to forward a copy of its letter dated 31.12.2008 to the respondents. He or his representative shall also be present at the hearings to assist the Commission.

7. List on 10.2.2009 for further directions.

**Sd/-**  
**(S. Jayaraman)**  
**Member**

**Sd/-**  
**(R. Krishnamoorthy)**  
**Member**

**Sd/-**  
**(Bhanu Bhushan)**  
**Member**

**Sd/-**  
**(Dr. Pramod Deo)**  
**Chairperson**

**New Delhi, dated the 9<sup>th</sup> January 2009**