

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 158/2011 (Suo-motu)

Coram

1. Dr. Pramod Deo, Chairperson
2. Shri S.Jayaraman, Member
3. Shri V.S.Verma, Member
4. Shri M.Deena Dayalan, Member

DATE OF HEARING: 18.10.2011

DATE OF ORDER: 25.10.2011

In the matter of

Default in payment of Unscheduled interchanges (UI) charges for the energy drawn in excess of the drawn schedule by Department of Power, Government of Mizoram, Aizwal

And

In the matter of

1. Department of Power, Government of Mizoram, Aizwal
 2. Secretary, Department of Power, Government of Mizoram, Aizwal
- ...Respondents**

Parties present:

None

ORDER

It was noticed from the report of Northern-Eastern Regional Load Despatch Centre (NERLDC) that an amount of ₹ 10.47 crore including surcharge was outstanding against the Department of Power, Government of Mizoram on account of arrears of UI drawl as on 31.5.2011. The Commission in its order dated 12.7.2011 had directed the first respondent and Secretary, Department of Power, Government of Mizoram (second

respondent) to show cause as to why action under Section 142 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') shall be not initiated against them for non-compliance of the provisions of the Central Electricity Regulatory Commission (Unscheduled Interchange charges and related matters) Regulations, 2009 (hereinafter referred to as 'UI regulations'). In response, the respondents had neither filed any reply to the show cause notice nor had entered appearance in person or through advocate.

2. The matter was listed for hearing on 26.7.2011. None appeared on behalf of the respondents. The Commission in its order dated 27.9.2011 had directed the first respondent to liquidate the outstanding UI including the current UI charges by 10.10.2011. Second respondent was also directed to personally appear before the Commission on 18.10.2011 to explain the reasons for non-compliance with the provisions of UI regulations and directions contained in our order dated 12.7.2011.

3. During the hearing of the matter on 18.10.2011, none appeared on behalf of the respondents. Secretary, Department of Power, Government of Mizoram, who was directed to personally appear before the Commission was conspicuous by his absence.

4. We note with concern that some of the constituent States have not understood the UI mechanism in its correct prospective. Any constituent utility drawing power from the grid over and above its schedule is getting the

power at the cost of other constituents. Consequently, it is under obligation to make prompt payment for consuming the power which legitimately belongs to other constituents. By not making prompt payment for the power drawn under UI, the first respondent has not only deprived the other constituents of their legitimate UI dues, but has created impediments in the operation of the commercial mechanism. The respondents have therefore, clearly violated the provisions of Regulation 10 of the UI regulations. Accordingly, we impose a penalty of ₹ one lakh on the first respondent under Section 142 of the Act which shall be deposited within 15 days from the date of issue of this order.

5. The second respondent did not appear before the Commission on 18.10.2011 as directed nor had he filed any affidavit listing the reasons for his non-appearance. Therefore, a clear cut case of violation of Section 142 of the Act has been made out against the second respondent for non-compliance with the order of the Commission. Accordingly, we impose a penalty of ₹ one lakh on the second respondent which he will be personally liable to pay for non-compliance of the order of the Commission.

Sd/-	sd/-	sd/-	sd/-
(M.DEENA DAYALAN) MEMBER	(V.S.VERMA) MEMBER	(S.JAYARAMAN) MEMBER	(Dr. PRAMOD DEO) CHAIRPERSON