

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 159/2011 (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: 15.11.2011

DATE OF ORDER: 5.12.2011

In the matter of

Default in payment of Unscheduled interchanges (UI) charges for the energy drawn in excess of the drawn schedule by Tamil Nadu Electricity Board, Chennai.

And

In the matter of

1. Tamil Nadu Electricity Board, Chennai
 2. Chairman-cum-Managing Director, Tamil Nadu Electricity Board, Chennai
- Respondents**

Following was present:

Shri S.Vallinayagam, Advocate, TANGEDCO
Shri S.Balaguru, TANGEDCO
Shri V.K.Jain, TANGEDCO
Shri S.Arulsamy, TANGEDCO
Shri S.Nallarasan, SRLDC

INTERIM ORDER

The Commission in its order dated 21.20.2011 has directed as under:

"6. 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.

7. We further direct the second respondent to ensure that the outstanding dues including current UI dues are liquidated by 31.10.2011. If the outstanding UI dues are not liquidated on or before 31.10.2011, we direct the second respondent to personally appear before us on 15.11.2011 to explain the reasons for non-compliance with the provisions of UI regulations and our directions in this order."

2. The learned counsel appearing for the respondents submitted that the respondents have deposited the outstanding UI dues along the penalty imposed by the Commission. Tendering apology on behalf of the second respondent, the learned counsel submitted that the second respondent could not appear before the Commission due to some personal difficulty.

3. The representative of SRLDC submitted that the first respondent has paid an amount of ₹ 74.96 Crore on 11.11.2011 towards outstanding UI charges. However, an amount of ₹ 1.45 crore towards surcharge has not been paid so far. He further submitted that an amount of ₹ 17.27 crore is still outstanding till the month of November, 2011.

4. The representative of the SRLDC has also submitted that the as per Regulation 10 (4) of UI regulations, all regional entities which has at any time during the previous financial year failed to make payment of UI charges within the time specified, are required to open a Letter of Credit (LC) in favour of the concerned RLDC, but the first respondent has not opened LC in terms of Regulation 10 (4) of UI regulations.

5. It is clarified that the Regulation 10 (1) of the UI Regulations provides that the payment of UI charges shall have a high priority and the concerned constituent shall pay the indicated amounts within 10 days of the issue of the statement of Unscheduled Interchange charges including additional Unscheduled Interchange by the Secretariat of the respective Regional Power Committee. The respondents have not complied with the provisions of UI regulations. However, the respondents were directed to deposit the outstanding dues by 31.10.2011 whereas payment has been made on 11.11.2011 and still some amounts are outstanding. We are of the view that the respondents have not fully complied with the directions of the Commission.

6. We consider the presence of second respondent necessary before the Commission to explain the reasons for non-compliance with the provisions of UI regulations on the next date of hearing and order accordingly.

7. Officer-in-charge of SRLDC and the Member-Secretary, SRPC or their representatives shall be present at the hearing to assist the Commission in the proceedings.

8. List on 22.12.2011 for further directions.

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