

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 155/2011 (Suo-motu)**

**Coram**

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

**DATE OF HEARING: 20.10.2011**

**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 Power Development Department, Jammu and Kashmir.

**And**

**In the matter of**

1. Power Development Department, Jammu and Kashmir
  2. Shri B. R. Sharma, Principal Secretary, Power Development Department, Jammu and Kashmir
- ...Respondents**

**Parties present:**

None

**ORDER**

It was noticed from the report of Northern Regional Load Despatch Centre (NERLDC) that an amount of ₹ 307.24 crore including surcharge was outstanding against the Power Development Department, Jammu and



Kashmir 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, Power Development Department, Jammu and Kashmir to show cause as to why action under Section 142 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') should 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 directed the Shri R. B. Sharma, Principal Secretary, Power Development Department, Jammu and Kashmir (hereinafter referred to as 'the second respondent') to personally appear before the Commission on 20.10.2011 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 20.10.2011, none appeared on behalf of the respondents. Principal Secretary, Power Development Department, Jammu and Kashmir who was directed to personally appear before the Commission, was conspicuous by his absence.

4. From the report of NRLDC, regarding UI charges, it is evident that an amount of ₹ 276.79 crore including surcharge is still outstanding against the first respondent on account of arrears of UI drawl as on 17.10.2011.

5. 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. The respondent has not complied with the direction of the Commission as per the order dated 26.7.2011. 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.

6. The second respondent did not appear before the Commission on 20.10.2011 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/-

**(M.DEENA DAYALAN)**  
**MEMBER**

SD/-

**(S.JAYARAMAN)**  
**MEMBER**

SD/-

**(Dr. PRAMOD DEO)**  
**CHAIRPERSON**