

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 233/SM/2012

Coram:

**Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member**

Date of hearing: 20.11.2012

Date of Order: 27.11.2012

In the matter of

Default in payment of Unscheduled interchanges (UI) charges for the energy drawn in excess of the drawn schedule by Punjab State Power Corporation Ltd., Patiala.

And

In the matter of

1.Punjab State Power Corporation Ltd., Patiala
2.Chairman-cum-Managing Director, Punjab State Power Corporation Ltd., Patiala
Respondents

Following were present:

1. Shri V.V.Sharma, NRLDC
2. Shri H.K.Chawala, NRLDC
3. Miss Joyti Prasad, NRLDC
4. Shri Padmjit Singh, PSPCL
5. Shri T.P.S.Bawa, PSPCL

ORDER

In our order dated 17.10.2012, we had directed as under:

"3. Northern Regional Load Despatch Centre (NRLDC) has reported that a sum of ₹ 282.63 crore including surcharge is outstanding against Punjab State Power Corporation Ltd. towards UI payment as on 31.8.2012.



4. From the above facts, it emerges that the respondents have not complied with the provisions of the UI Regulations. The first respondent is directed to liquidate the entire outstanding UI payable including the current dues by 31.10.2012. Chairman-cum-Managing Director, Punjab State Power Corporation Ltd. is directed to personally ensure liquidation of the outstanding amount by 31.10.2012. If the outstanding UI dues are not liquidated by the said date, the respondents are directed to show cause, latest by 9.11.2012, as to why action under Section 142 of the Electricity Act, 2003 should not be taken against it for non-compliance of the provisions of the UI Regulations in regard to timely payment of UI charges and directions of the Commission."

2. During the course of hearing, the representative of the NRLDC submitted that a sum of ₹ 188.71 crore is outstanding against Punjab State Power Corporation Ltd. towards UI payment as on 19.11.2012.

3. The respondents have filed their joint reply vide letter dated 5.11.2012. It is clarified the parties are required to make their submissions to the petition through affidavit in accordance with Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

4. During the course of hearing, the representative of the respondents submitted that due to cash crunch, PSPCL was not in a position to make lumpsum payment of outstanding UI dues by 31.10.2012. He further submitted that despite the constraints of cash flow, PSPCL is committed to make the payment @ ₹ 11 crore every week plus current UI bill to clear the outstanding UI dues by 31.3.2013.

5. We are constrained to note that the respondents are not paying attention to the payment of outstanding UI charges that it deserves. It is clarified that 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, respondents have not only deprived the other constituents of their legitimate UI dues, but has created impediments in the operation of the commercial mechanism. We expect the respondents to consider the UI mechanism in correct prospective and liquidate the UI dues by the due date as per Regulation 10 of the UI Regulations.

6. We direct the second respondent to appear before us on the next date of hearing with a firm payment schedule for liquidation of outstanding UI dues.

7. The matter shall be listed on 18.12.2012 for further directions.

8. Officer-in-charge of NRLDC or his representative shall assist the Commission in the proceedings.

Sd/-
(M.Deena Dayalan)
Member

sd/-
(V.S.Verma)
Member

sd/-
(S.Jayaraman)
Member

sd/-
(Dr. Pramod Deo)
Chairperson