

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No.40/2012 (Suo-motu)

Coram:

Dr. Pramod Deo, Chairperson

Shri S.Jayaraman, Member

Shri V.S.Verma, Member

Shri M.Deena Dayalan, Member

Date of Hearing: 27.9.2012

Date of Order: 5.11.2012

In the matter of

Default in payment of Unscheduled interchanges (UI) charges for the energy drawn in excess of the drawn schedule by Power Development Department, Jammu and Kashmir.

And

In the matter of

1. Power Development Department, Jammu and Kashmir
2. Secretary, Power Development Department, Jammu and Kashmir
3. Principal Secretary, Government of Jammu and Kashmir

Respondents

Following were present:

Shri Shashank K.Lal, Advocate for the respondents
Shri Vinod Khajuria, PDD, J & K
Shri Vikas Sharma, PDD, J & K
Shri Alok Kumar, NRLDC
Miss Jyoti Prasad, NRLDC

ORDER

The Commission vide its order dated 23.7.2012 had observed as under:

"4. We have considered the submission made by Shri Pandey. It needs to be understood that UI is a pool account. The States over-drawing from the grid in deviation of their schedule are required to pay at the prescribed UI rates to the UI pool account and the States under-drawing from the grid or the generators which have been injecting into the grid shall get payment from the UI pool account at the prescribed rate. Therefore, default in payment by any State defeats the self regulating mechanism of UI. The request of Shri Pandey for payment in installments will result in accumulation of interest and additional burden on the State. It is, therefore, in the interest of Power Development Department, State of J&K to liquidate the outstanding dues along with

interest at the earliest. We therefore, direct the Principal Secretary, Power Development Department, State of J&K to file on affidavit the payment plan to liquidate the outstanding UI dues along with interest by 3.8.2012. We make it clear that the current UI charges shall be liquidated as and when it arises."

2. During the course of hearing on 6.9.2012, learned counsel for the respondents had submitted that matter is under discussion by Power Development Department (PDD) with the Finance Department of Government of Jammu and Kashmir and requested for four weeks time to file the payment plan to liquidate the outstanding UI dues along with interest.

3. The Commission vide order dated 11.9.2012 directed the Principal Secretary, Power development Department to ensure payment of outstanding UI dues by 25.9.2012. It was further directed that if the outstanding UI dues are not liquidated by that date, Principal Secretary, Power development Department would be liable for personal penalty of non-compliance of the Commission`s order.

4. The respondent vide its affidavit dated 24.9.2012 has submitted that Power Development Department, Government of J & K has submitted a proposal to Finance Department for depositing the balance amount of ₹ 637.185 crore in equated monthly installments. Finance Department vide its letter dated 18.9.2012 has expressed its inability to earmark such a huge amount in short time span and has granted approval for a payment plan spread for the repayment of the said amount. The respondents have submitted that Power Development Department has made a payment of ₹ 29.50 crore each in the month of June and July, 2012. The respondents have requested to permit the Government of Jammu and Kashmir to liquidate the balance amount of ₹ 578.185 crore along with accumulated interest over the period

of next five years.

5. During the course of hearing on 27.9.2012, learned counsel for the respondents submitted that in compliance with Commission`s directions dated 23.7.2012, PDD has submitted payment plan. Learned counsel requested to grant the permission to Power Development Department to liquidate the outstanding UI amount along with interest within five years.

6. It is noted that during the course the hearing on 23.7.2012 Shri Sudhansu Pandey, Principal Secretary, Power Development Department, State of Jammu and Kashmir had submitted that the matter has been taken very seriously by the State Government and directions have been issued to all technical officers manning the SLDCs not to resort to over-drawal from the grid. Shri Pandey had requested the Commission to permit Power Development Department, State of Jammu and Kashmir to pay the entire amount of the outstanding UI dues along with interest during the current financial year in 10 monthly equated installments. Now, the respondents have filed the affidavit for permission to liquidate the outstanding dues over a period of five years.

7. At the cost of repetition, we are constrained to observe that the outstanding dues payable by PDD, Jammu and Kashmir is receivable by other constituents States and the Commission cannot permit PDD, Jammu and Kashmir to default clearing the outstanding UI dues at the cost of interest of other States. As per information received from Northern Regional Load Despatch Centre, an amount of ₹ 427.35 crore is outstanding with surcharge against PDD as on 25.9.2012. Accordingly,

we direct PDD, Jammu and Kashmir to deposit the entire outstanding amount in NRUI pool account by 30.11.2012.

8. The Principal Secretary, Power Development Department, State of Jammu and Kashmir has not complied with the directions of the Commission. Accordingly, we impose a penalty of ₹ one lakh on the Principal Secretary, Power Development Department, State of Jammu and Kashmir for non-compliance with the provisions of UI Regulations and directions of the Commission. The Principal Secretary, Power Development Department, State of Jammu and Kashmir is directed to deposit the penalty within one month from the date of issue of this order.

9. If the outstanding UI dues are not paid by 30.11.2012, we direct the Finance Secretary, Government of India to recover the amount from the Central Plan Assistance to the State of Jammu and Kashmir and remit the money to NR UI Pool Account.

10. The petition is disposed of in terms of the above directions.

Sd/-
(M.Deena Dayalan)
Member

sd/-
(V.S.Verma)
Member

sd/-
(S.Jayaraman)
Member

sd/-
(Dr. Pramod Deo)
Chairperson