

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 172/Suo-motu/2012**

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

**Date of Order: 22.8.2012**

**In the matter of**

Default in opening of Letter of Credit in accordance with Central Electricity Regulatory Commission (Unscheduled Inter change charges and related matters) Regulations, 2009 by the regional entities during 2012-13

**And in the matter of**

1. Punjab State Power Corporation Limited, Chandigarh
2. Uttar Pradesh Power Corporation Limited, Lucknow, Uttar Pradesh
3. Department of Power Development , Government of Jammu & Kashmir, Srinagar
4. Haryana Vidyut Prasaran Nigam Limited, Panchkula
5. Himachal Pradesh State Electricity Board,
6. Chandigarh Administration, Chandigarh,
7. Everest Power Private Limited, Shimla
8. Jaypee Karcham Hydro Corporation Limited, Noida
9. Tamil Nadu Generation and Distribution Company Limited, Chennai
10. Simhapuri Energy Private Limited, Nellore, Andhra Pradesh
11. Meenakshi Energy Private Limited, Nellore, Andhra Pradesh
12. Kudankulam Nuclear Power Plant, Kudankulam, Tamil Nadu
13. Department of Power, Government of Arunachal Pradesh, Itanagar
14. Department of Power, Government of Manipur, Imphal
15. Meghalaya Electricity Corporation Limited, Shillong
16. Department of Power, Government of Mizoram, Aizwal
17. Department of Power, Government of Nagaland, Kohima
18. Tripura State Electricity Corporation Limited, Agartala
19. NEEPCO Limited, Shillong

**...Respondents**

20. Northern Regional Load Despatch Centre, New Delhi
21. Southern Regional Load Despatch Centre, Bangalore
22. Western Regional Load Despatch Centre, Mumbai
23. Eastern Regional Load Despatch Centre, Kolkata
24. North Eastern Regional Load Despatch Centre, Shillong

... Proforma Respondents

## ORDER

Regulation 10 of the Central Electricity Regulatory Commission (Unscheduled interchange charges and related matters) Regulations, 2009, as amended from time to time ( hereinafter referred to as "UI Regulations") provides for the schedule of payment of unscheduled interchange charges and payment security for settlement of UI dues as under:

### ***"10. Schedule of payment of Unscheduled Interchange Charges and Payment Security***

- (1) *The payment of UI charges shall have a high priority and the concerned constituent shall pay the indicated amounts within 10 (ten) days of the issue of statement of Unscheduled Interchange charge including Additional Unscheduled Interchange charges by the Secretariat of the respective Regional Power Committee into the "Regional Unscheduled Pool Account Fund" of the concerned region.*
- (2) *If payments against the Unscheduled Interchange charges including Additional Unscheduled Interchange charges are delayed by the more than two days, i.e. beyond twelve (12) days from the date of issue of the statement by the Secretariat of the respective Regional Power Committee, the defaulting constituent shall have to pay simple interest @ 0.04% for each day of delay.*
- (3) *All payments to the entities entitled to receive any amount on account of UI charges shall be made within 2 working days of receipt of the payments in the "Regional Unscheduled Interchange Pool Account Fund" of the concerned region:*

*Provided that in case of delay in the UI payment into the respective regional UI Pool Account and interest thereon if any, beyond 12 days from the date of issue of the Statement of UI chares then the regional entities who have to receive UI payment or interest thereon shall be paid from the balance available if any, in the regional UI Pool Account Fund of the region. In case the balance available is not sufficient to meet the payment to the constituents, then the payment from the regional UI Pool Account Fund shall be made on pro rata basis from the balance available in the Fund."*

- (4) *All regional entities which had at any time during the previous financial year failed to make payment of Unscheduled Interchange charges including Additional Unscheduled Interchange charges within the time specified in these regulations shall be required to open a Letter of Credit (LC) equal to 110% of its average payable weekly UI liability in the previous financial year, in favour of the concerned RLDC within a fortnight from the date these Regulations come into force.*

*Provided that if any regional entity fails to make payment of Unscheduled Interchange Charges including Additional Unscheduled Interchange Charges by the time specified in these regulations during the current financial year, it shall be required to open a Letter of Credit equal to 110% of weekly outstanding liability in favour of respective Regional Load Despatch Centre within a fortnight from the due date of payment.*

*Provided further that LC amount shall be increased to 110% of the payable weekly UI liability in any week during the year, if it exceeds the previous LC amount by more than 50%.*

**Illustration:** *If the average payable weekly UI liability of a regional entity during 2009-10 is Rs. 20 crore, the regional entity shall open LC for 22 crore in 2010-11. If the weekly payable liability during any week in 2010-11 is Rs. 35 crore which is more than 50% of the previous financial year's average payable weekly liability, the concerned regional entity shall increase the LC amount to Rs. 35 Crore by adding Rs. 13 Crore.*

- (5) *In case of failure to pay into the "UI Pool Account Fund" within the specified time of 12 days from the date of issue of statement of UI charges, the RLDC shall be entitled to encash the LC of the concerned constituent to the extent of the default and the concerned constituent shall recoup the LC amount within 3 days."*

2. As per clause (4) of Regulation 10 of the UI Regulations, all the regional entities which had at any time during the previous financial year failed to make payment of UI charges including Additional Unscheduled Interchange Charges within the specified time, are required to open a Letter of Credit (LC) equal to 110% of its average payable weekly UI liability in the previous financial year, in favour of the concerned RLDC within a fortnight from the due date of payment.

3. A chart showing the status of UI payment by the regional entities during 2012-13 is enclosed as **Annexure** to this order. It clearly emerges from the chart that the following regional entities which were required to open LC have not complied with the provisions of the UI Regulations.

- |                                   |                                |
|-----------------------------------|--------------------------------|
| (a) Punjab                        | (k) Meenakshi Energy Pvt. Ltd. |
| (b) Uttar Pradesh                 | (l) Kudankulam NPP             |
| (c) Jammu & Kashmir               | (m) Arunachal Pradesh          |
| (d) Haryana,                      | (n) Manipur                    |
| (e) Himachal Pradesh              | (o) Meghalaya                  |
| (f) Chandigarh                    | (p) Mizoram                    |
| (g) Everest Power Private Limited | (q) Nagaland                   |
| (h) JKHCL,                        | (r) Tripura                    |
| (i) Tamil Nadu                    | (s) NEEPCO Limited             |
| (j) Simhapuri Energy Pvt. Ltd.    |                                |

4. The respondents are directed to show cause by 14.9.2012 as to why appropriate actions under section 142 of the Electricity Act, 2003 should not be taken against them for non-compliance of the provisions of 10(4) of the UI Regulations.

5. The matter shall be listed for hearing and further directions on 25.9.2012.

6. Officers-in-charge of the Regional Load Despatch Centres or their representatives shall be present on the date of hearing to 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

**Annexure**

<b>Sr. No.</b>	<b>Name of the defaulting Utility</b>	<b>Required LC Amount during the Year (` in lakh)</b>	<b>Status of LC opening (Yes/No)</b>	<b>Remarks</b>
1.	PSPCL, Punjab	4405.02	No	-
2.	UPPCL, UP	2697.16	No	-
3.	PDD, J&K	687.65	No	-
4.	Haryana	2063.59	No	-
5.	HPSEB	360.18	No	-
6.	UT Chandigarh	76.76	No	-
7.	EPPL	1.11	No	-
8.	JKHCL	173.4	No	-
9.	Tamil Nadu	3284	No	Partly opened
10.	Simhapuri Energy Pvt. Ltd.	9.18	No	-
11.	Meenakshi Energy Pvt. Ltd.	7	No	-
12.	Kudankulam NPP	62	No	-
13.	Arunachal Pradesh	155.92	No	-
14.	Manipur	20.13	No	-
15.	Meghalaya	316.67	No	-
16.	Mizoram	48.27	No	-
17.	Nagaland	170.27	No	-
18.	Tripura	97.20	No	Partly opened
19.	NEEPCO	35.01	No	Partly opened

