

**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: 18.12.2012**

**Date of Order: 26.12.2012**

**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.K.Kalra, Director (Finance), PSPCL
2. Shri R.Gupta, PSPCL
3. Shri Rakesh Gupta, PSPCL
4. Shri Padmjit Singh, PSPCL
5. Shri T.P.S.Bawa, PSPCL
6. Shri H.K.Chawala, NRLDC
7. Miss Joyti Prasad, NRLDC

**ORDER**

As per Regulation 10 of the Central Electricity Regulatory Commission (Unscheduled Interchange charges and related matters) Regulations, 2009



(hereinafter referred to as 'the UI Regulations') payment of UI charges which enjoys highest priority shall be made within 10 days of the issue of the UI statement by the Regional Power Committee and for delay beyond 12 days the defaulting entity shall be liable to pay interest 0.04% per day.

2. From the report submitted by the Northern Regional Load Despatch Centre (NRLDC) on payment status of UI charges in the NR UI pool account as on 31.8.2012, it was noticed that an amount of ₹ 282.63 crore including surcharge was outstanding against the Punjab State Power Corporation Ltd. (PSPCL) on account of UI drawal.

3. As the huge arrears due from the respondent on account of non-payment of UI charges were matters of serious concern, the Commission in its order dated 17.10.2012 directed as under:

"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."

4. In our order dated 27.11.2012, we had directed the second respondent to appear before us on the next date of hearing with a firm payment schedule for liquidation of outstanding UI dues

5. The respondent, Punjab State Power Corporation Ltd. vide its affidavit dated 4.12.2012 has submitted as under:

(a) Due to cash crunch, PSPCL is not in a position to make lumpsum payment of UI arrears charges by 31.10.2012;

(b) Government of India scheme for debt restructuring (including power purchase arrears) acknowledge that 50% of the total short term loans/liabilities are ₹ 5823 crore. However, this scheme has not been made operational/functional;

(c) Government of India scheme does not allow for short term loan to pay for power purchased arrears;

(d) FIs/Banks are not allowing short terms loans for payment of power purchase arrears;

(e) The respondent has requested to allow it to make the payment @ ₹ 11 crore every week plus current UI bill to clear the outstanding UI dues by 31.3.2013.

6. The representative of the NRLDC submitted during the hearing that as on date, ₹ 131 crore is outstanding against the PSPCL on account of UI drawal.

7. Shri V. K. Kalra, Director (Finance), PSPCL submitted that due to health problem, Chairman-cum-Managing Director, Punjab State Power Corporation Ltd could not appear before the Commission. He submitted that though PSPCL was committed to liquidate the outstanding UI dues, due to cash crunch, PSPCL was not in

a position to make lumpsum payment and requested three months time be granted to enable PSPCL to liquidate outstanding UI dues along with the current dues.

8. We have considered the submission of the respondents. The respondents have explained the poor financial conditions of PSPCL as the main reason for their failure to clear the UI dues in time. Being fully aware of the financial constraints of PSPCL, the respondent should have curtailed overdrawal from the grid to the level they could have paid for. We are constrained to observe that the explanations of the respondents do not justify their actions either for overdrawal from the grid in excess of the schedule or for their failure to pay the UI charges in time.

9. The first respondent has requested for three months time for liquidation of its UI liabilities including payment of outstanding UI charges. Considering the assurances given by the respondents to liquidate the outstanding UI dues up to 31.3.2013, we allow the respondents to take necessary action to deposit the outstanding UI dues of ₹ 131 crore in weekly installments by 31.3.2013 in addition to the current UI dues.

10. The payment through installments as permitted above, will, however, not entail any relaxation in provisions of the Grid Code with regard to computation and payment of interest for the delay in payment of UI charges. It is clarified that this relief has been granted as one time relaxation and should not be quoted as precedent in future.

11. NRLDC is directed to apprise the Commission in the first week of every month starting from February 2013 about the UI payment status of PSPCL.

12. In view of the above, the notices are discharged against the respondents and the petition is disposed of accordingly.

**sd/-**  
**(M.Deena Dayalan)**  
**Member**

**sd/-**  
**(V.S.Verma)**  
**Member**

**sd/-**  
**(S.Jayaraman)**  
**Member**

**sd/-**  
**(Dr. Pramod Deo)**  
**Chairperson**