

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 23/2012 (Suo-motu)

Coram

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

DATE OF HEARING: 15.3.2012

DATE OF ORDER: 9.5.2012

In the matter of

Non-compliance of para 10 of order dated 26.12.2011 in Petition No. 213/MP/2011 by Power Department, Govt. of Sikkim, Gangtok.

**And
In the matter of**

Power Department, Govt. of Sikkim, Gangtok
Secretary, Power Department, Government of Sikkim, Gangtok

Respondents

Following were present:

Shri Rakesh Prasad, PGCIL
Shri Rincheu O. Bhutia, Advocate, Govt of Sikkim

ORDER

The Commission vide its interim order dated 26.12.2011 in Petition No. 213/MP/2011 had observed as under:

"10. We have considered the submission of the petitioner. Non-payment of transmission charges or partial payment of transmission charges by the DICs for the transmission services availed by them is a matter of grave concern as it will



sooner or later cripple the financial viability of the petitioner and other inter-State transmission licensees. It will bring to a standstill the entire regulatory mechanism which has been evolved and put in place in order to supply safe, reliable and quality power to the consumers and will act as a dampener to the investment in the transmission sector which the country needs keeping in view the power requirement in future. This Commission which has been vested with the function to regulate the inter-State transmission of electricity has the mandate of the Parliament to ensure that inter-State transmission is regulated in a smooth and efficient manner and is not crippled on account of non-payment or partial payment of transmission charges. We direct all DICs to make timely payment of transmission charges and other charges to the petitioner in accordance with the bills raised by the CTU. Our direction will not be applicable in the Order in case of Odisha and West Bengal where the High Courts have allowed the DICs in those States to pay at the old rates till the disposal of the writ petitions."

2. While disposing of Petition No. 213/MP/2011, the Commission vide order dated 25.1.2012 had further observed as under:

*"17. We had directed the DICs in our order dated 26.12.2011 to make timely payment of transmission charges and other charges to the petitioner in accordance with the bills raised by the CTU. Despite our directions, some of the DICs have not made payments to the CTU. Except in cases where the matter regarding the amount due for payment is **sub judice** before the High Courts or Supreme Court or this Commission, we direct the staff to process the case for non-compliance of directions of the Commission by the defaulting DICs on account of non-payment of transmission charges and other charges."*

3. It was noticed from the report submitted by Power Grid Corporation of India (PGCIL) that a sum of ₹ 2.89 crore including surcharge was outstanding against Power Department, Govt. of Sikkim as on 8.2.2012 in regard to transmission charges beyond 60 days. As per the report received from PGCIL an amount of ₹ 0.61 crore is outstanding against the first respondent as on 2.5.2012 in regard to transmission charges.

4. The Commission in its order dated 22.2.2012 had directed the respondent to show cause as to why action Section 142 of the Electricity Act, 2003 shall not be initiated against him for non-compliance of order dated 26.12.2011 in regard to timely payment of transmission charges and other charges in accordance with the bills raised by the Central Transmission Utility.

5. The first respondent has not filed any reply to the show cause notice. It, therefore, follows that the first respondent has not complied with directions contained in order dated 26.12.2011.

6. We direct the second respondent to explain as to why he would not be held personally liable for non-compliance with the orders of the Commission.

7. The petition shall be listed for hearing on 12.6.2012.

8. The representative of the Power Grid Corporation of India Limited shall assist the Commission in the proceedings.

Sd/-

(M.DEENA DAYALAN)
MEMBER

sd/-

(V.S.VERMA)
MEMBER

sd/-

(Dr. PRAMOD DEO)
CHAIRPERSON