

**CENTRAL ELECTRICITY REGULATORY COMMISSION**

**NEW DELHI**

**Petition No.40/2012 (Suo-motu)**

**Coram:**

- 1. Shri S.Jayaraman, Member**
- 2. Shri V.S.Verma, Member**
- 3. Shri M.Deena Dayalan, Member**

**DATE OF HEARING: 6.9.2012**

**DATE OF ORDER: 11.9.2012**

**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 Vikas Sharma, PDD, J & K  
Shri Sanjay Sharma, PDD, J & K  
Shri Neeraj 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. Power Development Department, Government of Jammu and Kashmir has not liquidated any outstanding dues as on the date of hearing on 14.8.2012. During the hearing, learned counsel for the respondents sought three weeks time to file the payment plan for liquidation of outstanding UI dues along with interest, which was allowed and matter was fixed for hearing on 6.9.2012.

3. During the course of hearing on 6.9.2012, learned counsel for the respondents submitted that matter is under discussion by Power Development Department with the Finance 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.

4. We note from the report of NLRDC as on 3.9.2012, the respondents have made a payment of ₹ 29.50 crore and as on date an amount of ₹ 473.59 crore is the total outstanding against Power Development Department, Jammu and Kashmir. The respondents have not furnished the payment plan as assured by the Principal Secretary, Power Development Department during the hearing on 10.7.2012. We are constrained to note that the respondents are not paying due attention to the payment of outstanding UI charges which

it deserves. We have emphasized time and again that UI is a pool account and amounts payable by one constituent are receivable by other constituents. Any default on the part of the single constituent deprives the other constituents their legitimate dues. Therefore, we are not inclined to allow further time to the respondents to liquidate the outstanding UI dues. Accordingly, we direct that it shall be personal responsibility of Principal Secretary, Power development Department to ensure payment of outstanding UI dues by 25.9.2012. If the outstanding UI dues are not liquidated by that date, Principal Secretary, Power development Department shall be liable for personal penalty of non-compliance of the Commission`s order.

5. The matter shall be listed for hearing on 27.9.2012.

Sd/-

**(M.DEENA DAYALAN)**  
**MEMBER**

sd/-

**(V.S.VERMA)**  
**MEMBER**

sd/-

**(S.JAYARAMAN)**  
**MEMBER**