

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 210/2011 (Suo-motu)

Sub: 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.

Date of hearing : 10.1.2012

Coram : Shri S. Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member

Respondents : 1. Assam State Electricity Board, Guwahati.
2. Bihar State Electricity Board, Patna
3. Uttar Pradesh Power Corporation Limited, Lucknow
4. Punjab State Power Corporation Limited, Chandigarh
5. Deptt. of Power Development , Govt.J & K,
Srinagar
6. Jharkhand State Electricity Board, Ranchi
7. Electricity Department, Government of Goa, Panaji
8. Department of Power, Govt. of Arunachal Pradesh,
Itanagar
9. Department of Power, Government of Manipur,
Imphal
10. .Meghalaya Electricity Corporation Limited, Shillong
11. Department of Power, Government of Mizoram,
Aizwal
12. Department of Power, Government of Nagaland,
Kohima
13. Chhattisgarh State Power Distribution Company
Ltd., Raipur
14. Madhya Pradesh Power Transmission Company
Limited, Jabalpur
15. Department of Power Daman & Diu, Silvassa
16. Tamil Nadu Generation and Distribution Company
Limited, Chennai

Respondents

17. Northern Regional Load Despatch Centre, New
Delhi

18. Southern Regional Load Despatch Centre, Bangalore
19. Western Regional Load Despatch Centre, Mumbai
20. Eastern Regional Load Despatch Centre, Kolkata
21. North Eastern Regional Load Despatch Centre, Shillong

Proforma Respondents

Parties present : Shri S.K.Sonee, NLDC
Shri V.K.Agarwal, NRLDC
Shri V.V.Sharma, NRLDC
Shri Rajiv Porwal, NLDC
Shri S.R.Narasimhan, NLDC
Shri Neeraj Kumar, NRLDC
Shri S.S.Barpanda, NLDC
Shri G.Mitra, ERLDC
Miss S.Usha, WRLDC
Shri Kharshing, MeECL
Shri Rahul Srivastava, Advocate , SLDC, UP
Shri Mukesh Kumar Gupta, UPPTCL
Shri Manoj Dubey, Advocate, MPPTCL
Shri Deepak Srivaastava, MPPTCL
Shri T.P.S.Bawa, PSPCL
Shri M.L.Batra, PXIL
Shri M.K.Adhikari, APDCL
Shri S.Vallinayagam, Advocate, TAGEDCO
Shri R. B. Sharma, Advocate, BSEB, JSEB & BSES
Shri Swparna Srivastava, Advocate, CSPDCL

Record of Proceedings

The representative of the National Load Despatch Centre (NLDC) submitted that as per the order dated 1.12.2011, 16 States were indentified for having not opened the Letter of Credit (LC), in terms of Central Electricity Regulatory Commission (Unscheduled inter change charges and related matters) Regulations, 2009 (UI Regulations). As regards the latest position, of the LCs, he submitted that in Northern Region, regional entity of Punjab has opened the LC. As per information available, regional entities of U.P. and Jammu and Kashmir have not open LC so far. None of the regional entities in North Eastern Region has opened the LC. The regional entity of Manipur has informed that the proposal for opening the LC is under consideration of State Government and after obtaining approval, the LC would be opened.

2. The representative of the SRLDC submitted that regional entity in Tamil Nadu has not opened the LC. Tamil Nadu has informed that the LC opening is under process.
3. The representative of the ERLDC submitted that as per the information received, regional entities of Bihar and Jharkhand are in the process of opening the LC.
4. The representative of the WRLDC submitted that the regional entities of Madhya Pradesh and Daman and Diu are under the process of opening the LC. No information is received from Goa and Chhattisgarh.
5. The learned counsel for the MPPTCL due to financial constraints, MPPTCL is not able to open the required LC and all endeavours are being taken to improve the financial position and as soon as the same is met with, required LC shall be opened with priority.
6. The representative of the Punjab State Power Corporation Limited submitted that it has opened LC as per the UI Regulations.
7. Leaned counsel for the Chhattisgarh State Power Distribution Company Ltd. submitted that as per Regulation 10(4) of the UI Regulations, the liability to open an LC arises if there is default in payment of weekly UI bills within the stipulated date. All weekly bills have been paid within the due date, the regional entity is not required to open the LC.
8. Learned Counsel for the Uttar Pradesh Power Corporation Ltd. submitted that UPPCL has challenged UI Regulations before the Hon`ble High Court of Allahabad (Lucknow Bench). An application has also been filed for interim relief praying for stay of the implementation of order dated 1.12.2011. In reply to query of the Commission as to whether the Hon`ble High Court has passed any order staying the implementation of the order dated 1.12.2011, the learned counsel replied in the negative.
9. The learned counsel for the TANGEDCO submitted that due to financial constraint, TANGEDCO could not open the LC. He further submitted that TANGEDCO is in process of opening LC.
10. The learned counsel for the BSEB and JSEB submitted that Bihar would open the LC shortly and JSEB is in the process of opening the LC.
11. The representative of the Assam submitted that step has been initiated for opening of LC of required quantum in spite of fund constraints.

12. After hearing the representatives of the RLDCs and the respondents, the Commission reserved the order in the petition.

By order of the Commission

**Sd/-
(T. Rout)
Joint Chief (Law)**