

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 237/SM/ 2012**

**Coram:**

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

**Date of Hearing: 8.1.2013**

**Date of Order: 15.1.2013**

**In the matter of**

Default in payment of Unscheduled interchanges (UI) charges for the energy drawn in excess of the drawn schedule by Meghalaya Energy Corporation Ltd, Shillong.

**And**

**In the matter of**

1. Meghalaya Energy Corporation Ltd, Shillong
  2. Chairman-cum-Managing Director, Meghalaya Energy Corporation Ltd, Shillong
- ... Respondents**

**Following were present:**

1. Shri J.P.Prakesh, Principal Secretary, Govt. of Meghalaya
2. Shri D.P.Wahlay, Director (Finance), MeCL
3. Shri A.Kharpan, MeCL
4. Shri R.Sutradhar, NERLDC

**ORDER**

In our order dated 5.12.2012, we had directed as under:

"5. We are constrained to note that the respondents are not paying attention to the payment of outstanding UI charges that it deserves. It is clarified that any constituent utility drawing power from the grid over and above its schedule is getting the power at the cost of other constituents. Consequently, it is under obligation to make prompt payment for consuming the power, which legitimately belongs to other constituents. By not making prompt payment for the power



drawn under UI, respondents have not only deprived the other constituents of their legitimate UI dues, but has created impediments in the operation of the commercial mechanism. We expect the respondents to consider the UI mechanism in correct prospective and liquidate the UI dues by the due date as per Regulation 10 of the UI Regulations.

6. We direct the Principal Secretary (Power), Government of Tripura and Chairman-cum-Managing Director, Meghalaya Energy Corporation Ltd to appear before us on the next date of hearing with a firm payment schedule for liquidation of outstanding UI dues."

2. The representative of NERLDC submitted that Meghalaya Energy Corporation Ltd. (MeECL) has not made any payment since June 2012 and the outstanding UI dues have accumulated to ₹44.20 crore as on 31.12.2012.

3. Principal Secretary (Power), Government of Meghalaya submitted that the MeECL would be in a position to pay the outstanding dues after the current budget. He further submitted that power was drawn under UI without his permission.

4. The Commission observed that, Principal Secretary (Power) being in-charge of the company is responsible for its affairs and the submission that overdrawal was made without his permission is not acceptable.

5. Director (Finance), MeECL submitted that there is cash flow problem in the company for the past one and half years. The new tariff petitions are likely to be approved by the State Commission shortly after which the company will be in a position to clear the outstanding UI dues. He further submitted that huge amount to the tune of ₹ 68 crore is outstanding for payment by the various Government Departments and MeECL has moved to Finance Department for ensuring the payment within the current financial year. He requested that further time be allowed to make payment of the outstanding UI dues.

6. We have considered the submissions of Principal Secretary (Power), Government of Meghalaya and the Director (Finance), MeECL. Poor financial condition of MeECL for the last one and half years has been cited as the main reason for failure to clear the UI dues in time. In our view, being fully aware of its financial constraints, MeECL should have strictly confined drawal of power to the schedules and should have undertaken load management by resorting to necessary load shedding instead of over drawing from the grid under UI. Moreover, the respondents are under obligations to make payment within 12 days in accordance with the provisions of the Grid Code.

7. We direct Principal Secretary (Power), Government of Meghalaya to ensure that the outstanding UI dues are liquidated in addition to the current UI dues by 28.2.2012. If the payment is not made by that date, Principal Secretary (Power) shall be held responsible for non-compliance with the provisions of the Grid Code and UI Regulations and the directions of the Commission and shall be liable for penalty as considered appropriate.

8. NERLDC is directed to apprise the Commission in the first week of March, 2013 about the UI payment status of MeECL.

9. The matter shall be listed on 14.3.2013 for further directions.

10. Officer-in-charge of NERLDC or his representative shall assist the Commission in the proceedings.

Sd/-	sd/-	sd/-	sd/-
<b>(M.Deena Dayalan)</b> <b>Member</b>	<b>(V.S.Verma)</b> <b>Member</b>	<b>(S.Jayaraman)</b> <b>Member</b>	<b>(Dr. Pramod Deo)</b> <b>Chairperson</b>