

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 159/MP/2015

**Coram:
Shri Gireesh B.Pradhan, Chairperson
Shri A.K.Singhal, Member
Shi A.S.Bakshi, Member**

**Date of Hearing: 23.7.2015
Date of Order: 23.9.2015**

In the matter of

Default in payment of Unscheduled interchanges (UI) charges and Deviation charges in excess of the drawal schedule by Everest Power Private Limited and default in opening of Letter of Credit towards the non-payment of Deviation (DSM) charges.

**And
In the matter of**

Northern Regional Load Despatch Center
18-A, Shaheed Jeet Singh Sansanwal Marg,
Katwaria Sarai, New Delhi-110 016

Petitioner

Vs.

Everest Power Private Limited
1st Floor, Hall 1, NBCC Tower,
Bhikaji Cama Place,
New Delhi-110 066

Respondent

Member-Secretary
Northern Regional Power Committee
18-A, Shaheed Jeet Singh Sansanwal Marg,
Katwaria Sarai, New Delhi-110 016

Proforma Respondent

The following were present:

Shri H.K. Chawla, NRLDC
Shri B.S. Bairwa, NRPC
Shri Manish Maurya, NRPC



Ms. Pragya Singh, WRLDC, POSOCO
Shri Ankur Gupta, Advocate, EPPL
Shri Jaideep Lakhtakia, EPPL

ORDER

This petition has been filed by the Northern Regional Load Despatch Centre under Regulation 10 of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014 (Deviation Settlement Regulations) for default in payment of Unscheduled Interchange (UI) and Deviation Charges in excess of the drawl schedule by the respondent, Everest Power Private Limited and default in opening Letter of Credit towards the non-payment of UI Charges and Deviation Charges . The petitioner has made the following prayers:

- (a) Direct Respondent No. 1 to clear the outstanding dues of the UI charges i.e. Rs. 40,08,872/- and Deviation charges of Rs.1,17,90,259/- due as on 5.6.2015 within the next 15 days;
- (b) Direct Respondent No. 1 to open Letter of Credit as per the advice given by the petitioner with immediate effect;
- (d) Direct Respondent No. 1 to pay the weekly bills of DSM charges being issued by the Respondent No. 2 (NRPC) on respondent in future, regularly within the stipulated period of 10 days of the issue of the Deviation Charges;
- (e) Issue appropriate directions under Regulation 25A of the CERC (Open Access in inter-State Transmission) Regulations, 2008 and any amendment thereof;
- (f) Take appropriate action against the Respondent No. 1 under Section 142 of the Electricity Act, 2003 for violation of Regulation 10 of the DSM Regulations, 2014
- (g) The Hon`ble Commission may pass any or such further order or orders as may be deemed just and proper in the facts and circumstances of this case.”

2. The petitioner has submitted that the Respondent is a generating company having an installed capacity of 100 MW located at Mallana-II HEP, Village Chouuki, District Kullu, Himachal Pradesh. The COD of the both units of the generating station



was declared on 12.7.2012. After declaration of COD of the units, the respondent has been selling power through LTA/STOA and the same has been facilitated by NRLDC as per the provisions of the Central Electricity Regulatory Commission (Open Access in inter-State in Transmission) Regulations, 2008.

3. The petitioner has submitted as per Regulation 10 of Deviation Settlement Regulations, the respondent is required to pay the deviation charges within 10 days of the issue of the deviation 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. The petitioner has further submitted that as per Regulation 10 (4), all regional entities are required to open Letter of Credit (LC) equal to 110% of its average payable weekly liability for deviations in the previous financial year.

4. The petitioner has submitted that net outstanding dues as on 5.6.2015 against the respondent stood at ₹ 1.17 crore. The petitioner has submitted that the issue of non-payment of UI/DSM charges by the respondent was discussed in the various meetings of NRPC and OCC. The petitioner has also submitted that the respondent is not liquidating the outstanding UI/DSM dues despite repeated requests.

5. The petitioner has submitted that the respondent has also not opened the LC as per the provisions of Regulation 10 (4) of the Deviation Settlement Regulations which is clear cut violation of the said Regulations.

6. The matter was heard on 23.7.2015. During the hearing, the representative of the petitioner submitted that the respondent has paid the outstanding UI dues. However, ₹ 55.9 lakh is still outstanding towards Deviation Charges. The



representative of the petitioner submitted that the respondent has also not opened Letter of Credit. The Commission directed the respondent to pay the outstanding Deviation Charges and open LC by 14.8.2015.

7. The respondent in its affidavit dated 16.9.2015 has submitted that due to financial difficulties on account of non-receipt of huge arrears of tariff payment from its beneficiary, it could not pay the outstanding Deviation Charges and open Letter of Credit as per the direction of the Commission. The respondent has submitted that it has opened Letter of Credit for ₹ 3,90,000/- and has liquidated all the outstanding dues net payable up to 9.8.2015 given as under:

(Amount in ₹)

Particulars	Amount	Interest	Outstanding payable	Amount paid	Date of payment
UI charges	3,612,205	526,706	4,138,911	14,616,320	11.6.2015
Less: Interest receivable from POSOCO-UI-3Q and 4Q of Financial Year 2013-14 raised in Financial Year 2014-15		(1,224,058)	(1,224,058)	1,000,000	26.8.2015
Deviation Charges up to 31.3.2015	11,213,036	995,885	12,208,921	955,887	26.8.2015
Deviation Charges 1.4.2015 to 9.8.2015	1,955,887		1,955,887	507,454	3.9.2015
Net payable and paid for period up to 9.8.2015	16,781,128	298,533	17,079,661	17,079,661	

8. The petitioner vide its email dated 17.9.2015 has confirmed that the respondent has opened the Letter of Credit for ₹ 3,90,000/-. However, current outstanding Deviation charges against the respondent stands at ₹ 21,51,324/-.

9. The respondent has committed under affidavit that it shall make its best endeavour to avoid delays in release of payment in future to NLDC. Taking note of the commitment of the respondent, we direct the respondent to liquidate the outstanding dues of deviation charges within 15 days from the date of issue of this order and comply with the time-line for payment of Deviation Charges as per the Deviation Settlement Regulations. The respondent is further directed to ensure that Letter of Credit is maintained commensurate with the amount as required under Regulation 10(4) of Deviation Settlement Regulations.

10. The petition is disposed of in terms of the above directions.

Sd/-
(A.S.Bakshi)
Member

sd/-
(A.K.Singhal)
Member

sd/-
(Gireesh B.Pradhan)
Chairperson