

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 158/MP/2015

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K. Singhal, Member

Shri A.S. Bakshi, Member

Dr. M.K. Iyer, Member

Date of Order: 27th of December, 2016

In the matter of

Default in payment of Deviation Charges in excess of the drawal schedule by PDD J & K and default in opening Letter of Credit towards the non-payment of Deviation (DSM) charges.

And

In the matter of

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

...**Petitioner**

Vs

1. Development Commissioner (Power)
Lottery Building, Civil Secretariat,
Srinagar, Jammu and Kashmir

.....**Respondents**

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

.....**Proforma Respondents**

Following was present:

Shri H.K. Chawla, NRLDC

ORDER

This petition has been filed by Northern Regional Load Despatch Centre under Regulation 10 of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and related matters) Regulations, 2014 (hereinafter referred to as Deviation

Settlement Regulations) for default in payment of Unscheduled Interchange (UI) and Deviation Charges in excess of the drawl schedule by the respondent. Power Development Department, Jammu and Kashmir is default in opening Letter of Credit towards the non-payment of Deviation Charges. The petitioner has made the following prayers:

“(a) Direct Respondent No. 1 to clear the outstanding dues of the total Deviation charges of Rs. 183,09,82,630/- 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;

(c) Direct Respondent No.1 to pay the weekly bills of DSM charges being computed by the Respondent No. 2 (NRPC) on respondent in future, regularly computed 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.

(d) Issue appropriate directions under Regulation 25A of the CERC (Open Access in inter-State Transmission) Regulations, 2008 and any amendment thereof;

(e) Take appropriate action against the respondent under Section 142 of the Electricity Act, 2003 for violation of Regulation 10 of the DSM Regulations, 2014.”

2. Notice on the above petition was issued to power Development Department, Government of J&K (hereinafter “PDD”). During the hearing on 18.8.2015, learned counsel for PDD sought time to file reply to the petition which was allowed. However, no reply has been filed. During the hearing on 18.2.2016, learned counsel for PDD submitted that as per the directions of the Hon’ble High Court of Delhi, PDD was liable to liquidate the outstanding dues. Learned Counsel further submitted that it had made part payments on outstanding deviation charges which was disputed by the representative of the petitioner. The Commission directed NRLDC and PDD to reconcile the amount paid and amount outstanding as on 18.2.2016 separately in respect of UI charges, deviation charges and reactive energy charges and submit a

report to the Commission. During the hearing on 12.4.2016, it was confirmed by the learned counsel for PDD that reconciliation has been carried out towards deviation charges and reactive energy charges but UI charges have not been reconciled. The Commission directed PDD to reconcile the UI charges and submit the reconciliation with regard to the amount paid and amount outstanding in respect of UI charges, deviation charges and reactive energy charges. During the hearing on 30.6.2016, the Commission was informed by the petitioner that PDD has liquidated the outstanding UI charges of Rs. 5.38 crore excluding interest and amount of Rs. 295.84 crore and Rs. 67.08 crore excluding interest towards reactive energy charges and deviation charges was outstanding. The representative of the PDD submitted that the outstanding amount would be liquidated after the amount is released by the Finance Department of the Government of J&K.

3. The petition was last listed for hearing on 8.12.2016. None was present on behalf of PDD. The representative of the petitioner submitted that during the month of November and December, 2016, PDD has made part payments of Rs. 100.45 crore and Rs. 211.71 crore towards deviation charges and reactive energy charges respectively. The representative of the petitioner was directed to confirm the outstanding deviation charges and reactive energy charges against PDD. The petitioner vide its mail dated 15.12.2016 has submitted that as on 15.12.2016, the outstanding deviation charges and reactive energy charges against PDD are Rs. 28.12 crore and Rs. 110.06 crore respectively.

4. We have noted that PDD has fully liquidated outstanding UI dues and has partially liquidated the outstanding reactive energy charges and the deviation charges. As on 15.12.2016, an amount of Rs. 138.18 crore is outstanding against PDD towards reactive energy charges and deviation charges. We direct the PDD to liquidate the outstanding dues by 31.1.2017 alongwith the current dues, if any.

5. We intend to emphasise that PDD being a constituent and beneficiary of the Northern Regional Grid carries a duty and responsibility to liquidate the outstanding dues towards reactive energy charges and deviation charges. Timely payment of the deviation charges and reactive energy charges will not only help in settlement of the accounts by NRLDC among the constituents of the Northern Region, but will also save PDD from payment of the late payment surcharges. Therefore, the Commission expects PDD to ensure that the reactive energy charges and deviation charges are liquidated as and when they are due.

6. In case of default in payment of deviation charges and reactive energy charges, NRLDC is at liberty to take appropriate action in accordance with the law to ensure payment of the dues by PDD.

7. The petition is disposed of in terms of the above.

sd/-
(Dr. M. K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson