

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Dr. Pramod Deo, Chairperson**
- 2. Shri Bhanu Bhushan, Member**
- 3. Shri R. Krishnamoorthy, Member**
- 4. Shri S. Jayraman, Member**

**Petition No. 132/2007
(Suo-motu)**

In the matter of

Default in payment of Unscheduled Interchanges (UI) charges for the energy drawn in excess of the drawal schedule.

And in the matter of

1. Power Development Department, Govt. of J & K, Srinagar
 2. Commissioner and Secretary, Power Development Department, Govt. of J & K, Srinagar
- ... Respondents**

Following was present:

Shri Abdul Rashid, Chief Engineer, PDD, Govt. of J&K

**ORDER
(Date of Hearing: 27.11.2008)**

Member–Secretary, Northern Regional Power Committee vide his letter dated 4.10.2007, reported that an amount of Rs.410.25 crore (principal) was outstanding against the first respondent on account of UI as on 2.9.2007. Subsequently, it emerged that during the period up to April 2008, another sum of Rs. 301 crore became payable by the respondent as UI for over-drawals. The respondent, however, paid a sum of Rs. 44.94 crore. Thus, as on 30.4.2008, outstanding amount payable by the first respondent on account of UI had reached a colossal sum of Rs.666.68 crore. .

2. Taking cognizance of the gravity of the situation, the Commission, vide its order dated 13.5.2008 directed the first respondent to settle the entire amount of arrears in six monthly installments of Rs. 111 crore each, starting from June 2008, in addition to making timely payments for the current UI dues, if any. The relevant portion of the said order dated 13.5.2008 is extracted hereunder:

“11. We direct the respondent to take necessary action to liquidate the entire principal UI arrears in six (6) equal monthly installments by paying Rs.111 crore every month, starting from June 2008. Such payments shall be made before the last day of the month. The Commission also allows a flexibility to make the payment on different dates within the same month in installments with the condition that the amount of at least Rs.111 crore per month is paid before the last day of the particular month. This shall be in addition to the timely payment of current UI dues, if any, as per the weekly UI charge statements issued by NRPC Secretariat. If the respondent fails to comply with the above directions, the Commission may be constrained to direct the NRLDC to physically curtail the supply to the respondent by opening of lines feeding power to the respondent, without any further proceedings.”

3. Consequent to the said order dated 13.5.2008, the first respondent paid a sum of Rs. 109.98 crore in the month of June 2008, besides earning credit of UI charges amounting to Rs. 22.87 crore. However, no payment towards the outstanding UI charges was made by the first respondent during the months of July and August 2008. The first respondent was, therefore, *prime facie* guilty of non-compliance of specific directions of the Commission. Accordingly, by order dated 10.9.2008, proceedings under Section 142 of the Electricity Act, 2003 (the Act) were initiated against the first respondent who was directed to show cause, as to why penalty be not imposed on it. These proceedings resulted in imposition of penalty of Rs. one lakh against the first respondent. The amount of penalty has since been deposited. While ordering imposition of penalty, the Commission further directed that the amount

payable up to the month of October in terms of the said order dated 13.5.2008 be paid by 31.10.2008.

4. On taking notice of the persistent default of the first respondent in complying with the directions contained in the said order dated 13.5.2008, the Commission by its order dated 10.10.2008, in exercise of powers conferred under Section 149 of the Act, issued notice to the second respondent, as a person in charge of and responsible for the affairs of the first respondent. He was directed to explain as to why penalty for non-compliance of the Commission's directions by the first respondent, should not be imposed on him also and recovered accordingly. Through subsequent proceedings, he was also directed to appear in person before the Commission.

5. The second respondent, in its reply dated 26.11.2008 submitted that the directions contained in the said order dated 13.5.2008 have been complied with by the transmission and distribution utility under him by making full payment in terms of that order. The second respondent has sought discharge of notice issued to him. The second respondent also sought exemption from personal appearance explaining that in view of the on-going elections for the State Assembly, his presence in the State was necessary.

6. Shri Abdul Rashid, Chief Engineer who appeared for the respondents explained that a total amount of Rs. 555.14 crore has been paid as per the following details:

Month	Amount paid (Rs. in crore)
June 2008	110.00
September 2008	61.14
October 2008	200.00

