

## CENTRAL ELECTRICITY REGULATORY COMMISSION

### Record of Proceedings

#### **PETITION NO. 12/2008 (Suo Motu)**

Sub: Default in payment of Unscheduled Interchanges (UI) charges for the energy drawn in excess of the drawal schedule in case of Meghalaya State Electricity Board (MeSEB)

Date of hearing : 31.7.2008

Respondent : Meghalaya State Electricity Board

Coram : Dr. Pramod Deo, Chairperson  
Shri Bhanu Bhushan, Member, and  
Shri R.Krishnamoorthy, Member

Party present : Shri Anup Mahanta, MeSEB

The Commission by its order dated 4.7.2008 had directed respondent to show cause as to why penalty under Section 142 of the Electricity Act, 2003 (the Act) for non-compliance of its directions contained in its order dated 24.4.2008, be not imposed on it.

2. The representative of the respondent stated that present position was mainly due to erratic monsoon behaviour during last few years resulting in low generation at its hydro projects. Further, it was submitted, during the period April 2008 to June 2008, the revenue generated was less than the outstanding energy bills. The representative of the respondent informed that an amount of Rs 4 crore was paid in the months of June and July 2008 each and in addition amount of Rs 16.60 crore has been adjusted through negative UI. With this, the outstanding UI

amount as on 20.7.2008 was Rs 9.67 crore, as reported by the representative of the respondent.

3. The Commission noted that due to ongoing rainy season, the respondent was earning UI and adjusting its liability by underdrawing from the grid. The representative of the respondent did not respond to the Commission's query whether it would resort to overdrawal again after monsoon season.

4. The Commission pointed out that poor rainfall did not confer any right on any State utility, or for that matter on the respondent to overdraw from the grid. The Commission pointed out that the utilities should either procure power in advance or restrict their drawal as per day-ahead schedule, particularly when frequency is low. The Commission observed that the respondent in its affidavit dated 27.3.2008 undertook to liquidate the balance outstanding UI dues by August 2008 through payments starting from May 2008, and accordingly, the Commission, accepting the undertaking, by its order dated 24.4.2008, allowed the respondent to liquidate the entire UI dues by August 2008. Subsequently, respondent by its affidavit dated 17.6.2008 requested that it be allowed to make payments towards entire UI amount by December, 2008. From the above account, the Commission observed, it followed that the respondent had defaulted on its own undertaking and also contravened the Commission's direction, which in themselves are serious issues. Further, in the face of the Commission's directions to pay Rs 5 crore per month, the respondent paid Rs 4 crore, each in June and July 2008.

5. The respondent was directed to file an affidavit, within one week, regarding its commitments in regard to payment of UI charges in future and not to indulge in overdrawal when frequency is low.

6. Subject to filing of the affidavit as aforesaid by the respondent, the Commission's order in the petition was reserved.

Sd/-  
( K.S.Dhingra)  
Chief (Legal)