

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

Petition No.137/2009 (Suo motu)

Subject: Maintenance of Grid-Discipline-Non-compliance of provisions of IEGC by UPPCL during June 2009

Coram : Dr. Pramod Deo, Chairperson
: Shri R.Krishnamoorthy, Member
: Shri S. Jayaraman, Member
: Shri V.S.Verma, Member

Date of Hearing : 13.8.2009

Petitioner : Suo motu

Respondent : Uttar Pradesh Power Corporation Ltd., Lucknow

Parties present : Shri D.D. Chopra, Advocate, UPPCL
Shri Y.P Singh, UPPCL
Shri R.K Johar, UPPCL
Shri V.P. Trivedi, UPPCL
Shri V. K. Agrawal, NRLDC
Ms. Jyoti Prasad, NRLDC

By the Commission's order dated 14.7.2009 the respondent was directed to show cause as to why it should not be held guilty of contravention of and non-compliance with the provisions of the Indian Electricity Grid Code and the Central Electricity Regulatory Commission (Unscheduled Interchange charges and related matters) Regulations, 2009 separately for each occasion of over-drawal (on total of 472 occasions) below 49.2 Hz during the period 11.6.2009 to 16.6.2009..

2. Learned counsel for the petitioner confessed to over-drawals as per the details shown in the order dated 14.7.2009. He, however, sought to explain the reasons therefor. According to learned counsel, the principal reason was shortage of power. He informed that although efforts were made to enter into agreement with the surplus States for purchase of power, the demand for electricity in the State far exceeded its availability. He also referred to the pressure reportedly exerted by the authorities in the State to ensure uninterrupted supply to the consumers in the State and this was another reason for the over-drawals. He emphasised that despite the fact that the respondent was a corporate entity, it was the State Government company and as such was

amenable to the State Government's pressure and could not afford to defy the State Government's orders. He also submitted that a District Judge proposed to initiate contempt proceedings against the respondent if supply of power was disrupted to the Civil Court complex.

3. Learned counsel submitted that the Chief Engineer in-charge of the system operations, present in the court on the behalf of the respondent, had very limited powers in the matter. Although the Chief Engineer was assigned the responsibility of preparing schedule and ensuring that there was no over-drawal, in fact he could not discharge his functions independently as he had to act in accordance with the instructions conveyed orally by the higher authorities in the State Government and his own superiors. Learned counsel, therefore, suggested that the State Government should also be made a party, so that the views of the State Government on several issues were made available on record. He repeatedly made this suggestion during the course of hearing.

4. Chief Engineer in the office of respondent and responsible for load despatch functions pointed out that the respondent had opened bids for purchase of 1500 MW of power, but wanted to be assured whether the CTU could permit use of the corridor for transfer of power. The Chief engineer stated that the CTU had the problem of bottleneck and could not provide corridor in the past.

5. General Manager, NRLDC submitted that the respondent was habitually over-drawing from the regional grid and on a number of occasions the extent of over-drawal was in the range of 1500-2000 MW. He pointed out that the respondent had overdrawn 1762 MW at one point of time. He brought out that average over-drawal for each time block by the respondent at frequency below 49.2 Hz in June 2009 was around 673 MW. According to him, for July 2009, the average over-drawal for each time block was 871 MW. He stated that the respondent's inclination to over-draw tempted the other States in the region towards over-drawal by quoting and pointing to the over-drawals by the respondent.

6. As regards the plea of non-availability of corridor raised by the representative of the respondent, General Manager, NRLDC intimated that there was not much problem as regards intra-regional corridor. It was pointed out that if corridor was needed the same should be booked in advance. He submitted that the respondent had not entered into any bi-lateral contract as was done by Punjab State Electricity Board to overcome the shortage situation though J&K and Himachal Pradesh within the region were having surplus power. He also observed that the respondent was not procuring power through the Power Exchange either. He submitted that June and July being high demand months, the respondent should have initiated action in April itself for booking corridors. To a pointed question as to whether the respondent was ever refused the corridor in the past, the representative of NRLDC replied that some time the respondent might have been given open access and sometimes it might have been refused. At this stage the Commission observed that the CTU was only an implementing

agency and the decision to build corridors was taken in the Regional Power Committee meetings wherein the respondent was duly represented.

7. The Commission further observed that over-drawing power not allocated to the respondent, and allocated to other States was tantamount to theft of electricity besides causing problems of grid indiscipline. Learned counsel pleaded the respondent's helplessness in maintaining drawal as per schedule and reiterated the suggestion for making the State Government party to the proceedings. The Commission also observed that there had not been adequate capacity addition during the last 10 years and as per the Act, the responsibility of setting up generating stations lies with the licensee and not with the State Government. The respondent was also informed that as per the directions of the Commission the STUs had to forecast in advance their demand for the succeeding quarter. The respondent had not complied with this mandate, it was pointed out

8. When asked to place on record the directions of State Government in support of over-drawal by the respondent, learned counsel stated that all the directions were verbal only and there was nothing in writing. Against the repeated pleas of learned counsel for the respondent, who was assisted by the Chief Engineer as already noted, the Commission observed that in the absence of any evidence, or at least an affidavit of an authority at the appropriate level, that the respondent while resorting to over-drawals was acting under the directions of the State Government it was not possible to issue notice to that Government. Learned counsel for the respondent submitted that he would take up the matter with the officials of the respondent company for filling an affidavit for making the State Government as a party.

9. The Commission has permitted the respondent to file affidavit as aforesaid latest by 10.9.2009. In case the affidavit is so filed, the Commission may consider issuing notice to the State Government. The Commission has decided that in case the affidavit as aforesaid is not filed or the Commission does not consider it necessary to issue notice to the State Government, the decision on the notice dated 14.7.2009 shall be taken by the Commission based on available records.

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