

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 171/SM/2013

- Subject : Default in payment of Unscheduled Interchanges (UI) charges for the energy drawn in excess of the drawl schedule by Uttar Pradesh Power Corporation Limited.
- Date of hearing : 31.10.2013
- Coram : Shri Gireesh B. Pradhan, Chairperson
Shri V.S. Verma, Member
Shri M. Deena Dayalan, Member
Shri A.K. Singhal, Member
- Respondents : 1. Uttar Pradesh Power Corporation Limited, Lucknow
2. Chairman cum Managing Director, Uttar Pradesh Power Corporation Limited, Lucknow.
- Parties present : Shri Rajiv Srivastava, Advocate, UPPCL
Shri S.K. Agarwal, Director (Finance), UPPCL
Shri Rajiv Porwal, NRLDC
Shri D.K. Jain, NRLDC
Ms. Supriya Singh, NRLDC
Shri Sunil Kakkar, BYPL
Shri Sunil Kumar, BYPL

Record of Proceedings

Learned counsel for the Uttar Pradesh Power Corporation Limited submitted that Uttar Pradesh Power Corporation Limited (UPPCL) has paid 50% of the outstanding Unscheduled Interchanges (UI) charges by 31.10.2013 and the remaining 50% would be paid by the month of March, 2014 in equal monthly installments.

2. The representative of NRLDC confirmed that UPPCL have liquidated 50% of the outstanding UI charges. In response to the Commission's query on the stay by the Hon'ble High Court of Allahabad of 40% UI charges, the representative of NRLDC clarified that stay is still continuing and an amount of ₹ 371 crore is covered under the stay order.

3. Shri S.K. Agarwal Director (Finance), UPPCL submitted that pursuant to the Financial Restructuring Plan, UPPCL has arranged loans from the banks and made payment for 50% of the outstanding UI charges. He submitted that the balance

outstanding UI charges would be liquidated in equal monthly installments by 31.3.2014. He further submitted that the outstanding UI charges contained the surcharge of an amount of ₹114 crore. As per Commission's direction, a meeting was held with NRPC and the constituents of Northern Region for waiver of late of payment surcharge. However, none of the recipient constituents has agreed to waive the interest on late payment of UI charges. He submitted that the surcharge of ₹114 crore may be waived by the Commission in exercise of power of relaxation under Regulation 12 of UI Regulations. He further submitted that in the past, the Commission has exercised its power of relaxation in other cases and has granted relief to the aggrieved parties. He submitted that the Commission may consider to take a sympathetic view about the financial position of UPPCL and waive the surcharge amount in exercise of its power of relaxation.

4. The Commission observed that the request of UPPCL is against the provisions of the UI regulations and would set a precedent for others to make similar requests. The Commission further observed that since the surcharge is payable to the other constituents of the Northern Region, UPPCL has the liberty to take up the matter with the constituents to reimburse the interest portion after the payment dues are cleared by UPPCL with interest.

5. The Commission directed the UPPCL to submit payment plan of outstanding UI charges including interest due on affidavit by 11.11.2013.

6. Subject to above, the Commission reserved the order in the petition.

By order of the Commission

**Sd/-
(T. Rout)
Chief (Law)**