CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 27/2012 (Suo-motu)

Coram

Dr. Pramod Deo, Chairperson
Shri S. Jayraman, Member
Shri V.S.Verma, Member
Shri A.S.Bakshi, Member (EO)

DATE OF HEARING: 14.6.2012

DATE OF ORDER: 27.6.2012

In the matter of

Non-compliance of para 10 of   order   dated 26.12.2011 in Petition No. 213/MP/2011by Uttar Pradesh Power Corporation   Limited, Lucknow.

And
In the matter of

Uttar Pradesh Power Corporation   Limited, Lucknow
Chairman and Managing Director,   Uttar Pradesh Power Corporation Limited, Lucknow   **Respondents**

ollowing were present:

Shri Mehender Singh, PGCIL
Shri Rakesh Prasad, PGCIL
Shri R.P.Gupta, UPPCL

ORDER

It was noticed from the report submitted by Power Grid Corporation of

India (PGCIL) that a sum of ₹ 144.31 crore including surcharge was

outstanding against Uttar Pradesh Power Corporation Limited, as on 8.2.2012 in regard to transmission charges beyond 60 days.

2.   The Commission in its order dated 8.5.2012 had observed as under:

"4.   The Commission in its order dated 22.2.2012 had directed the respondent to show cause as to why action Section 142 of the Electricity Act, 2003 shall not be initiated against him for non-compliance of order dated 26.12.2011 in regard to timely payment of transmission charges and other charges in accordance with the bills raised by the Central Transmission Utility.

5.   The first respondent has neither filed any reply to the show cause notice nor has entered appearance in person or through advocate. It, therefore, follows that the first respondent has not complied with directions contained in order dated 26.12.2011 and 22.2.2012.

6.   We direct the second respondent to explain as to why he would not be held personally liable for non-compliance with the orders of the Commission."

3.   Respondents in their letter dated 13.6.2012 have submitted as under:

(a)   On 15.5.2012, the outstanding transmission charges was ₹ 429.45 crore;

(b)   In the meeting with the official of Power Grid to work out a scheme for liquidation of outstanding, it was agreed that UPPCL would pay ₹ 100 crore immediately and remaining amount of ₹ 329.45 crore in 8 equal monthly installments starting from June, 2013. Besides, the current dues will also be paid within a period of 60 days; and

(c)   Payment of ₹ 157.21 crore including installment of ₹ 41.18 crore will be made by 30.6.2012.

4.   The representative of the respondents submitted during the course of hearing that due to stoppage of financial assistance from banks, number of State Power Utilities are having liquidity problem. Planning Commission and Ministry of Power have asked the bankers to release loans to power utilities on the basis of financial restructuring plan prepared by them.   He further submitted that UPPCL has prepared a financial restructuring plan, which has been approved by the consortium of bankers. After the funds are released by the banks from July, 2012, the payment to the PGCIL will be made on regular basis. The representative of the respondents requested to drop the proceedings against the respondents under Section 142 of the Electricity Act.

5.   In reply to our query, the representative of the petitioner submitted that Transmission Service Agreement has been signed with the PGCIL, which was confirmed by the representative of the PGCIL.

6.   As per the report received from PGCIL an amount of ₹ 317.60 crore is outstanding against first respondent as on 13.6.2012 towards transmission charges.

7.   Since the respondents have chalked out a payment plan to liquidate the outstanding transmission charges including the current dues in installments, which is acceptable to PGCIL, we find no reason to continue with the present proceedings. Noting the submission of the respondents for liquidation of

outstanding claim in a time bound manner, we discharge the notices under Section 142 of the Electricity Act, 2003 against the respondents.

8.   The Petition is disposed of accordingly.

Sd/-   sd/-   sd/-   sd/-
**(A.S.Bakshi)   (V.S. Verma)   (S. Jayaraman)   (Dr Pramod Deo)
Member (EO)   Member   Member   Chairperson**