

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.180/SM/2012**

**Coram:**

**Dr. Pramod Deo, Chairperson  
Shri S.Jayaraman, Member  
Shri V.S.Verma, Member  
Shri M.Deena Dayalan, Member**

**Date of Hearing: 25.9.2012**

**Date of Order: 30.4.2013**

**In the matter of**

Non-compliance of Commission's directions and the provisions of the Electricity Act, 2003 and Central Electricity Regulatory Commission (Indian Grid Code) Regulations, 2010.

**And**

**In the matter of**

Shri Anurag Agarwal, Chairman, Punjab State Transmission Corporation Ltd., Patiala

Shri R. K. Sharma, Chief Engineer (SO & CE), State Load Despatch Center, Ablawal (Patiala), Punjab

**.....Respondents**

**Following were present:**

1. Shri S. B. Upadhaya, Senior Advocate for the SLDC, Punjab
2. Shri M. G. Ramachandran, Advocate for Chairman, PSTCL,
3. Shri Ujjwal Jha, Advocate
4. Miss Anisha Upadhay, Advocate

**ORDER**

The Commission vide its order dated 17.8.2012 in Petition No. 125/MP/2012 had observed as under:

*" 20. ....We had indicated in our order dated 10.7.2012 that it would be the personal liability of the officers in charge of the STUs and SLDCs to ensure compliance with our directions to curtail overdrawal from the grid and comply with the messages of NRLDC. During the hearing, the officers of UPPTCL, PTCUL, HVPNL, RRVPNL and PSTCL have not denied overdrawal from the grid or non-compliance with the directions of the RLDCs. The officer in charge of PDD, Jammu and Kashmir did not appear despite notice. We deprecate the attitude of the concerned officer towards the order of the*

*Commission in the serious matter like grid discipline. We are of the view that these officers have not only failed to comply with our directions but have also failed to discharge their responsibility under the Act and the Grid Code. We direct the staff of the Commission to process the case for initiation of action under Section 142 of the Act against the officers in charge of STUs/SLDCs of the States of Uttar Pradesh, Uttarakhand, Haryana, Rajasthan, Punjab and Jammu and Kashmir for imposition of penalty for non-compliance with our directions and the provisions of the Act and the Grid Code."*

2. The Commission vide its order dated 7.9.2012 has further observed as under:

*"5. We are of the view that SLDC is under a statutory obligation to comply with the Grid Code specified by the Commission and ensure compliance with the directions of NRLDC. Since STU is operating the SLDC in the State, it also becomes the responsibility of the Officer in-charge of the STU to ensure that the SLDC discharges its functions and comply with the orders of NRLDC and the Commission. Therefore, the respondents, who were in charge of STU and SLDC at the time of issue of direction of the Commission have failed to discharge their responsibility under the Electricity Act, 2003 and Grid Code.*

*6. In view of the above, the respondents are directed to show cause by 17.9.2012, as to why penalty should not be imposed on them under Section 142 of the Electricity Act, 2003 and the penalty amount should not be recovered from their salary for contravention of the provisions of the Act, Grid Code, directions of NRLDC and orders of the Commission."*

3. In response to show cause notice dated 7.9.2012, the first respondent has filed its reply vide affidavit dated 20.9.2012 and the second respondent has filed its reply vide affidavit dated 19.9.2012.

4. Shri Anurag Agarwal, Chairman-cum-Managing Director, Punjab State Transmission Corporation Ltd (PSTCL), the first respondent, in his reply has submitted as under:

(a) The notice to an officer of the PSTCL in his individual capacity and proposing the imposition of penalty and recovery of the penalty from the salary etc. for the alleged contravention of the Act, Grid Code, directions of NRLDC and orders of the Commission is not in accordance with the provisions of Section 142 and other provisions of the Electricity Act, 2003 (the Act). The proceedings under Section 142 of

the Act can be initiated or maintained only against the entity which has to carry out the directions given and which has the obligation under the Grid Code, which in the present case can only be the Punjab State Transmission Corporation Limited (PSTCL) in its corporate capacity and separate legal entity and not the individual officer of the said corporation. Section 142 of the Act does not provide for a proceeding against any particular officer of the company.

(b) In terms of Section 149 of the Act, in case of offences under the Act for which penal proceedings are provided before the Courts exercising criminal jurisdiction, there is specific provision for proceeding against an officer of the Company who is in charge and is responsible to the company for the conduct of the business of the company. Therefore, the proceedings initiated under Section 142 of the Act against the first respondent is not in accordance with law.

(c) First respondent has adopted the detailed reply filed by the second respondent.

(d) Pursuant to the transfer scheme notified by the State Government, SLDC has been notified as a separate organization operating within the ambit of PSTCL and is headed by a Chief Engineer. As Chairman and Managing Director of PSTCL, the first respondent is looking after the policy matters of the STU and SLDC. SLDC, headed by a Chief Engineer, takes all necessary measures required under the Act the Grid Code and other Regulations for a secured operation of State Grid.

(e) The Under Frequency Relay (UFR) systems have been installed in the PSTCL transmission system and are operational in the State of Punjab and same is being monitored by SLDC regularly to verify the operational status. Punjab SLDC has identified the feeders to be covered under the automatic demand disconnection

mechanism and is proceeding for due implementation of the automation scheme for disconnection in coordination with NRLDC to maintain grid frequency.

5. Shri R K Sharma, Chief Engineer, SLDC, Punjab, the second respondent herein, has reiterated the submissions of first respondent with regard to the initiation of proceedings under section 142 of the Act against individual officers of the company. The second respondent has further submitted the following with regard to the steps taken by SLDC to control overdrawal and maintain grid discipline:

(a) SLDC has been taking requisite actions and steps to ensure that there is no overdrawal of electricity when the grid is operating at the frequency of 49.5 Hz or below and that grid discipline is maintained by the distribution company in the State of Punjab. During the month of August 2012 and onwards, there have been no violation notices (C messages), while there were only four warning messages (B messages) and 23 advisory messages (A messages) from NRLDC. SLDC has placed on record a month-wise comparative statement of A, B C messages issued from 1.1.2012 to 25.3.2012 and from 1.5.2012 to 17.7.2012 in respect of all constituents of the Northern Region and has submitted that the frequencies of A, B and C messages are on lower side in comparison to other States such as Uttar Pradesh, Haryana and Rajasthan.

(b) SLDC has been taking requisite action against the distribution licensee, Punjab State Power Corporation Limited (PSPCL) to ensure that requisite load shedding is done in the interest of the grid even when the frequency reaches low levels on account of persistently heavy overdrawal by other States in the Northern Region, and not by the distribution licensee of Punjab.

(c) SLDC in consultation with PSPCL has identified the feeders and has furnished their details to NRLDC to be covered under the automatic demand disconnection mechanism. SLDC Punjab is also proceeding for due implementation of the Automatic demand disconnections systems as per the directions of NRLDC.

(d) SLDC has flagged the various difficulties and impediments faced by it which hinders the manual actions to be taken by it in all cases to restrict the overdrawal. It has been submitted that in terms of the transfer scheme issued by the Government of Punjab, Punjab state Transmission Company Limited (PSTCL) has been vested with the control of 220 and 132 kV sub-station and transmission lines and the transmission and distribution system of 66 kV and below are within the purview of the distribution licensee. Since the generation and distribution licensee in the State of Punjab is an integrated entity and as per the dispensation being followed since April 2010, there is no scheduling and dispatch for the generating stations of the PSPCL as the entire electricity generated within the State is used by PSPCL for retail supply activities. Moreover, there is no Independent Power Projects operating in the State of Punjab for which scheduling and dispatch provision would apply. As regards the electricity procured by PSPCL from inter-State/external sources, the activities like scheduling and dispatch, payment of UI charges, payment of PoC transmission charges etc. are directly coordinated by PSPCL with NRLDC/NRPC without the involvement of SLDC.

(e) All activities of scheduling, dispatch, demand estimation etc. being done by PSPCL directly in coordination with the NRLDC, the SLDC is circumscribed in the control of real time load and demand management and estimation. After receiving of A,B, and C messages, SLDC takes up the matter with PSPCL to take action for reduction in overdrawal by disconnection of load or increase in its own generation or

requisitioning surrendered power from CGS etc. and if adequate response is not there, then even resort to manual disconnection of 66 kV feeders from PSTCL stations.

(f) In absence of automatic demand disconnection scheme, the manual disconnection is done by PSPCL by switching off the 11 kV feeders from its 66 kV sub-stations through telephone messaging system to the sub-stations, which takes some time to reach the tail end stations. Therefore, the relief becomes visible only with some time delay.

(g) Immediate opening of the 220/132 kV lines would cause disruption in electricity supply to substantially large area including essential services such as hospitals, railways, law and order services, fire brigade stations, sensitive establishments and other emergency services. Though SLDC has taken actions on certain occasions to open these lines when there was grave danger to the grid and appropriate action was not forthcoming from PSPCL, SLDC has refrained from taking such actions immediately and adopted persuasive approach to convince the distribution licensee to curtail overdrawal.

(h) SLDC has filed a substantive petition before the Punjab State Electricity Regulatory Commission under section 33 of the Act seeking directions to PSPCL for effective and proper load management and for curbing overdrawal of electricity and also attending to the directions of SLDC including supply of requisite data to comply with the directions of this Commission. The petition has been admitted and a notice of motion has been issued.

(i) Punjab SLDC has undertaken all that is within its power and control for the operation of the grid in accordance with the provisions of the Act, Grid Code, directions of NRLDC

and orders of this Commission and there has been no willful or deliberate default on the part of the respondent in discharging the functions of the SLDC. It has been prayed that the notice issued to the respondent be discharged and any other past deviation be condoned.

6. During the hearing of the petition, learned counsel for the first respondent submitted that during the months of May, June and July, 2012, transmission lines numbering 93, 168 and 152, respectively were opened to restrict the overdrawal. Learned counsel further submitted that notice to an officer of the Punjab State Transmission Corporation Limited in his individual capacity and proposing the imposition of penalty and recovery of the penalty from the salary etc. for the alleged contravention of the Act, Grid Code, directions of NRLDC and orders of the Commission is not in accordance with Section 142 of the Act. Learned counsel further submitted that power similar to that vested in the courts under Section 149 of the Act for proceeding against an officer of the company who was in charge and was responsible to the company for the conduct of its business is not available to the Commission under section 142 of the Act. Therefore, the proceeding initiated under Section 142 of the Act against the first respondent is not in accordance with law. In this connection, learned counsel relied on the judgement of the Hon`ble Supreme Court in the matter of Lucknow Development Authority Vs. M.K.Gupta {1994(1) SCC 243}. Learned Senior Counsel for the second respondent submitted that SLDC, Punjab has always acted diligently to comply with the directions of the NRLDC and this Commission.

7. In response to our directions to file details of various actions taken by SLDC in regard to the compliance with the directions of NRLDC, second respondent vide affidavit dated 26.9.2012 has submitted that on number occasions from the very

beginning and more particularly from the month of May 2012 onwards, there has been opening of lines at the instance of Punjab SLDC on several occasions whenever there were messages from NRLDC as well as on other occasions when Punjab SLDC considered it to be necessary for maintaining grid security. It has been further submitted that during the months of May, June and July 2012, the number of lines opened were 92, 169 and 152 respectively. SLDC has also placed on record a statement from the register maintained in its control room giving the details of the number of times the lines were opened, date and time of such opening and the details of sub-stations from where 66 kV out-going feeder lines were opened etc. during the period.

8. We have considered the submissions of the respondents. The following issues arise from the submission of the respondents:

(a) Whether action cannot be taken against the respondents under section 142 of the Act for the failure of SLDC to comply with the provisions of the act, Grid Code, directions of NRLDC and this Commission?

(b) Whether SLDC Punjab is absolved of its statutory responsibility since as per the present dispensation, PSPCL carries out a lot of system operation functions directly in coordination with NRLDC and NRPC?

(c) Whether the respondents have complied with the directions of the Commission contained in its order dated 10.7.2012 under which specific directions were issued to the Officers-in-charge of the STU/SLDC to curtail overdrawal and maintain grid discipline?



(d) Whether the respondents are liable for any penalties in the light of the findings to the above mentioned issues.

9. The first issue is the maintainability of the action proposed to be taken against the respondents in their official capacity under section 142 of the Act. The respondents have argued that the Act only permits action against the officials of the company for the offence committed by the company under section 149 of the Act which is applicable to penal proceedings before the courts exercising criminal jurisdiction. Since there is no such provision under section 142 of the Act, the proceedings initiated against the respondents is not in accordance with the Act. It is clarified that in the present case, specific directions were issued in our order dated 10.7.2012 in Petition No.125MP/2012 to the Officers in charge of STU/SLDC to comply with the directions given in para 22 and 23 of the said order. In our order dated 17.8.2012, after considering the submission of the Northern region constituents including the respondents, we had come to the conclusion that officers in charge of the STUs/SLDCs have failed to discharged their responsibility under the Act and Grid Code and the directions of the Commission and directed for initiation of action under Section 142 of the Act. Section 142 of the Act provides as under:

*"In case any complaint is filed before the Appropriate Commission by any person or if that Commission is satisfied that any person has contravened any of the provisions of this Act or the rules or regulations made thereunder, or any direction issued by the Commission, the Appropriate Commission may after giving such person an opportunity of being heard in the matter, by order in writing, direct that, without prejudice to any other penalty to which he may be liable under this Act, such person shall pay, by way of penalty, which shall not exceed one lakh rupees for each contravention and in case of continuing failure with an additional penalty which may extend to six thousand rupees for every day during which the failure continues after contravention of the first such direction."*

Under Section 142 of the Act, any person can be penalized for contravention of the directions of the Commission or provisions of the Act or rules or regulations issued

thereunder. In our order dated 10.7.2012, we had specifically directed the respondents to ensure that overdrawal is curtailed and drawal by the distribution licensees is confined to their respective schedules. Therefore, the respondents are liable to be penalized under section 142 of the Act if on the basis of the submissions made, it is proved that the respondents have not complied with the directions of the Commission. For this purpose, absence of provision similar to section 149 of the Act will not hinder this Commission to impose penalty on individual officers when they have failed to comply with the specific directions issued to them by this Commission.

10. The second issue is the liability of SLDC Punjab to carry out the functions vested in it under the Act. SLDC Punjab has submitted that under the present dispensation, a number of functions relating to grid operation such as scheduling, despatch, UI accounting etc. are carried out by PSPCL and therefore, the respondents cannot ensure compliance of the provisions of the Grid Code and the directions of the NRLDC effectively. In our view, the reason advanced by the respondents does not absolve them of their basic statutory duty under the Act. Once the STU has been designated as the SLDC, the functions and responsibilities of SLDC as enshrined under the Act automatically devolve upon it. Section 32 of the Act provides that “the State Load Despatch Centre shall be the apex body to ensure integrated operation of the power system within the State”. Section 32(2) of the Act further provides as under:

“(2) The State Load Despatch Centre shall -

(a) be responsible for optimum scheduling and despatch of electricity within a State, in accordance with the contracts entered into with the licensees or the generating companies operating in that State;

(b) monitor grid operations;

(c) keep accounts of the quantity of electricity transmitted through the State grid;

(d) exercise supervision and control over the intra-State transmission system; and

(e) be responsible for carrying out real time operations for grid control and despatch of electricity within the State through secure and economic operation of the State grid in accordance with the Grid Standards and the State Grid Code.

Thus, it is the responsibility of the State Load despatch Centre to undertake all system operation functions within the State. The SLDC cannot absolve its responsibility on the plea that as per the arrangement in vogue, the distribution company is carrying out certain system operation functions. Even though it is accepted that the arrangement has been made for the smoothness of operation, the ultimate supervision and control rests with SLDC. Section 33 of the Act provides as under:

**“Section 33. (Compliance of directions): ---** (1) The State Load Despatch Centre in a State may give such directions and exercise such supervision and control as may be required for ensuring the integrated grid operations and for achieving the maximum economy and efficiency in the operation of power system in that State.

(2) Every licensee, generating company, generating station, sub-station and any other person connected with the operation of the power system shall comply with the directions issued by the State Load Despatch Centre under sub-section (1).

(3) The State Load Despatch Centre shall comply with the directions of the Regional Load Despatch Centre.”

Thus, it is the responsibility of State Load despatch Centre to give appropriate directions and exercise supervision and control as may be required to ensure integrated grid operation and the generating company and licensee within the State are bound to comply with the directions of SLDC. Further Section 29(3) of the Act provides as under:

*(3) All directions issued by the Regional Load Despatch Centres to any transmission licensee of State transmission lines or any other licensee of the State or generating company (other than those connected to inter State transmission system) or sub-station in the State shall be issued through the State Load Despatch Centre and the State Load Despatch Centres shall ensure that such directions are duly complied with the licensee or generating company or sub-station.”*

Therefore, the scheme of the Act is that SLDC as the independent system operator in the State shall not only ensure integrated operation of the grid but shall ensure compliance by all concerned within the State with the directions of RLDC. In our view,

the Punjab SLDC is sufficiently empowered to discharge its statutory responsibility to ensure compliance with the directions NRLDC and provisions of the Grid Code by PSPCL.

11. Further the Grid Code enjoins the following responsibilities on the State Load Despatch Centres:

***"5.4.2 Manual Demand Disconnection***

*(a) As mentioned elsewhere, the constituents shall endeavour to restrict their net drawal from the grid to within their respective drawal schedules whenever the system frequency is below 49.5 Hz. When the frequency falls below 49.2 Hz, requisite load shedding (manual) shall be carried out in the concerned State to curtail the over-drawal.*

*(b) Further, in case of certain contingencies and/or threat to system security, the RLDC may direct an SLDC to decrease its drawal by a certain quantum. Such directions shall immediately be acted upon.*

*(c) Each Regional constituent shall make arrangements that will enable manual demand disconnection to take place, as instructed by the RLDC/SLDC, under normal and/or contingent conditions.*

*(d) The measures taken to reduce the constituents' drawal from the grid shall not be withdrawn as long as the frequency/voltage remains at a low level, unless specifically permitted by the RLDC."*

*"6.4.7 . Provided that the States, through their SLDCs, shall always endeavour to restrict their net drawal from the grid to within their respective drawal schedules, whenever the system frequency is below 49.5 Hz. When the frequency falls below 49.2 Hz, requisite load shedding shall be carried out in the concerned State(s) to curtail the over-drawal."*

From the above provisions, it is clearly evident that it is the responsibility of the respondents as SLDC to comply with the directions of RLDC and take all measures necessary to maintain grid security. The respondents have mentioned in their reply that the messages are forwarded to PSPCL for compliance. The respondents should appreciate that the responsibility of SLDC does not end by forwarding the messages as it is mandated under sub-section (3) of Section 29 of the Act to ensure that directions issued by RLDCs are duly complied with by the licensee.

12. The third issue is whether the respondents have complied with the directions of this Commission in its order dated 10.7.2012. The directions of the Commission in para 23 of the said order and the response of respondents as submitted in the affidavit dated 19.9.2012 is discussed as under:

Para No.	CERC Directive	Action by STU/SLDC
23(a)	The respondents shall not resort to any overdrawal from the NEW grid when the frequency is below 49.5 Hz and shall comply with the Grid Code.	Overdrawal was made by PSPCL who was directed by SLDC from time to time to restrict the same. Immediate action was taken by SLDC to control the overdrawal in emergency conditions when PSPCL had failed to respond. However, intermittent overdrawals have occurred due to huge increase in demand than the previous years and failures of monsoon during paddy seasons, which could not be predicted by PSPCL. Immediate corrective measures have been taken by SLDC in controlling the overdrawal in compliance of NRLDC messages.
23(b)	The respondent shall ensure that directions of NRLDC issued under section 29 of the Act are faithfully complied with and compliance of these directions reported to NRLDC.	All directions and messages as received from NRLDC were duly complied with by SLDC by issuing instructions to PSPCL, monitoring and ensuring its compliance by way of curbing the overdrawal.
23(c)	The respondents shall ensure that the UFR and the feeders used for load shedding through UFRs are different from the feeders used for manual load shedding so that security of the grid is not compromised.	Under Frequency relays and df/dt installed on the identified feeders at various grid sub-stations under PSTCL are fully operational as already confirmed by NRLDC from time to time as well as proved during the grid failure. The functioning of UFRs and df/dt have also been checked through the protection audit being got conducted by NRPC through a third party agency.
23(d)	The respondent shall submit compliance of	Regulation 5.4.2 relates to

	Regulations 5.4.2(d) and Regulation 6.4.8 of the Grid Code as per the Commission's directions contained in the order dated 15.12.2009.	formulation and implementation of state of the art demand management scheme for load shedding and demand response and Regulation 6.4.8 relates to Short term demand estimation. These schemes are required to be implemented by PSPCL. SLDC has not received any response from PSPCL with regard to the present status of the schemes.
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13. We find from the above explanation that the respondents have tried to pass on all responsibility to PSPCL as all activities are coordinated by PSPCL with NRLDC and NRPC without the involvement of SLDC. We have already indicated in this order that the arrangement is not in accordance with the Act and the respondents should take necessary steps to ensure that PSPCL interacts with NRLDC and NRPC with active involvement of SLDC. As regards the overdrawal, the respondents have given data regarding messages from 10.7.2012 till 17.7.2012 according to which only 10 A messages, 5 B message and nil C messages were issued. However, analysis of the data available on the website of NRPC, it is revealed that during the period 11.7.2012 to 31.7.2012, Punjab was issued 5 Nos of C messages and on 24.7.2012, the quantum of overdrawal was 825 MW at 48.88 Hz. During that period, the frequency went below 49.5 Hz in 465 time blocks in the Northern Region and Punjab was overdrawing in 277 time blocks with maximum overdrawl of 1780 MW on 30.7.2012 in the 58<sup>th</sup> time block (drawal of 4054 MW as against the schedule of 2274 MW). Behavioral analysis post message on 24.7.2012 shows that it has gradually reduced the overdrawal from 825 MW to 608 MW and then to 200 MW in place of zero overdrawal as required under the Grid Code. In other words, Punjab SLDC had taken some action to reduce overdrawal.

14. The above analysis shows that the respondents have not been fully able to comply with the directions of the Commission and the provisions of the Grid Code. However, there are certain mitigating factors in case of the respondents. We find that the respondents have opened the lines on several occasions during the months of May to July 2012. The respondents have issued the messages to PSPCL to curtail overdrawal. The respondents have also filed Petition No.49/2012 before the Punjab State Electricity Regulatory Commission (PSERC) seeking directions to PSPCL for effective and proper load management and curbing overdrawal of electricity and attending to the directions of SLDC including supply of requisite data to comply with this Commission's directions in the past. Learned PSERC in its order dated 16.1.2013 has issued the following directions:

**"5. Decision of the Commission:**

The Commission has gone carefully through the submissions of petitioner and respondent. After considering the same, the Commission decides to issue following directions to both the Utilities:

- i. PSPCL is directed to take necessary measures for more accurate demand estimates and plan in advance for power procurement to meet with the energy requirements of the State and they should make best efforts to avoid unscheduled interchange/ overdrawl from the grid.
- ii. PSPCL is directed to cooperate with PSTCL in letter and spirit while defending important matters in Hon'ble CERC and other courts. PSPCL's failure to provide requisite inputs regarding overdrawls and its justification in NRLDC petition No. 125/ MP / 2012 alongwith IA No(s) 25/2012, 35/2012, 38/2012 and 45/2012 (under consideration of Hon'ble CERC) in the matter of Effecting Proper Load Management by Northern Region Constituents being defended by PSTCL is not acceptable. Such non-responsive attitude on the part of PSPCL undermines the authority of SLDC vested under the Electricity Act, 2003.
- iii. PSPCL should ensure timely action for complying with the instructions issued by NRLDC/ SLDC for giving required load relief when the State is over drawing and grid is over-stressed so as to avoid situations under which NRLDC issues Messages for Grid Protection, namely messages of the "A", "B" and "C" type.
- iv. Both PSPCL and PSTCL in consultation with the "Operation and Coordination Committee" constituted under the provisions of the Punjab State Grid Code (PSGC), should identify such Sub-stations which can be disconnected under critical grid conditions from their respective ends and formulate suitable Automatic Demand Management Schemes as per the provisions laid down under Regulations 5.4.2 (d) of the IEGC-2010.

v. PSTCL should take necessary steps to ensure proper functioning of RTUs/ Telemetry system so as to minimize the difference between the recording of parameters through SCADA & SEM.

vi. Govt. of Punjab is advised under Section 31 of the Electricity Act, 2003 to separate SLDC from PSTCL to make it a separate company on the lines of Power Operation System Co. Ltd. (POSOCO) formed by Government of India."

15. The respondents have made genuine efforts to comply with the provisions of the Grid Code and our directions. The respondents have pursued the matter before PSERC and have got appropriate directions issued to PSPCL. We also note that learned PSERC has flagged the issue of independence of SLDC and advised the State Government to make it a separate company on the line of POSOCO. Considering the fact that actions have been diligently taken by the respondents to comply with our directions, though with limited success, we are not inclined to impose any personal penalty on the respondents. We administer a strong warning to the respondents to take all possible measures permissible under the Act and Grid Code to ensure that no overdrawal by the distribution licensee of the State takes place in future. Accordingly, we discharge the notices under section 142 against the respondents.

16. The petition is disposed of in terms of the above.

sd/-  
**(M. Deena Dayalan)**  
**Member**

sd/-  
**(V. S. Verma)**  
**Member**

sd/-  
**(S. Jayaraman)**  
**Member**

sd/-  
**(Dr. Pramod Deo)**  
**Chairperson**