

DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi- 110017.

Petition No. 49/2007

In the matter of: Non Payment of UI amount by BSES Rajdhani Power Limited.

And

In the matter of:

Dy. General Manager (SO)
State Load Dispatch Center (SLDC), Delhi,
SLDC Building, 33KV Grid Sub -Station,
Minto Road,
New Delhi-110002

...Petitioner

VERSUS

1. BSES Rajdhani Power Limited
Through its: **CEO**
BSES Bhawan,
Nehru Place,
Delhi-110019.
2. The Chief Executive Officer,
BSES Yamuna Power Limited
Shakti Kiran Building,
Karkardooma,
Delhi-110092.
3. The Managing Director,
North Delhi Power Limited,
Sub-Station Building, Hudson Lines,
Kingsway Camp, Delhi-110009
4. Chief Engineer (Utilities),
CWE, MES, Kotwali Road,
Near Gopi Nath Bazar,
Delhi Cantt – 110010.
5. Managing Director
Indraprastha Power Generation Company Ltd. (Genco.)/
Himadari, Rajghat Power House,
New Delhi-110002.
6. Managing Director
Pragati Power Corporation Ltd. (PPCL),
Himadari, Rajghat Power House,
New Delhi-110002.
7. New Delhi Municipal Council
Through its: Secretary,
Palika Kendra, Sansad Marg,
New Delhi-110001.

8. General Manager (Commercial),
National Thermal Power Corporation,
NTPC, NCR Headquarter,
Sector -24, Noida, UP -201301.
9. Delhi Transco Ltd.
Through its: **CMD**,
Shakti Sadan, Kotla Road,
New Delhi-110002.

...Respondents

Coram:

Sh. Berjinder Singh, Chairman & Sh. K. Venugopal, Member.

Appearance:

1. Sh. A. K. Kaul, GM(SLDC), DTL;
2. Sh. H. Vyas, DGM (SO), SLDC, DTL;
3. Sh. A. K. Gupta, Manager, DTL;
4. Sh. Harish Birdi, SO, DTL;
5. Sh. Gautam Jha, Advocate for NDMC;
6. Sh. U. V. Sharma, AO (Coml.), NDMC;
7. Sh. R. C. Natrajan, BRPL;
8. Sh. Ajay Dhagat, CEO, BRPL;
9. Sh. Yash Mehra, COO, BYPL;
10. Sh. Raj Arora, HOD-Legal & C.S., BYPL;
11. Sh. Ashis Kumar Dutta, Manager, NDPL;
12. Sh. Bharat Sharma, Officer, NDPL;
13. Col. G. K. Pandita, CWE(U), MES;

ORDER

(Date of Hearing: 13.09.2007)

(Date of Order: 10.10.2007)

1. The State Load Despatch Centre has brought an application before this Commission seeking directions against the Distribution Licensee namely, BSES Rajdhani Power Ltd., to clear all outstanding dues with interest immediately and honour the UI Scheme and also to issue directions to all stakeholders of Intra-State ABT in Delhi to honour the weekly UI bills which have been issued by the State Load Despatch Centre.
2. The BSES Rajdhani Power Ltd. is a participant of the Intra-State ABT, which has been introduced in Delhi on the basis of the Commission's Order dated 31.03.2007. The Commission in the said Order had reassigned the PPAs to the Distribution Licensees and the Intra-State ABT was introduced for the first time in the country in Delhi w.e.f. 01.04.2007. The Commission had adopted the energy consumption pattern of the distribution licensees (excluding the deemed licensees i.e. NDMC and MES) during the period from 01.07.2002 to 28.02.2007 as the basis for reassignment of PPAs.

3. In accordance with the aforesaid Order and on the basis of the existing consumption pattern, the NDPL was getting share of 29.18%, BRPL 43.58% and BYPL was getting 27.24% of the capacity available to the three DISCOMs. The allocation of power to the deemed licensees namely NDMC & MES was done as per the decision taken in the meeting conveyed by the Secretary, Ministry of Power, Govt. of India on 25.01.2007. In the order dated 31.03.2007 the Commission had indicated that State Load Despatch Centre i.e. SLDC would act as the Nodal Agency for collection and distribution of UI Charges (Unscheduled interchange Charges) under Intra-State ABT regime. As per the Order, the SLDC has been issuing weekly UI Account from 25.05.2007 onwards. The UI Account for the 19th Week of 2007 – 2008 for the period covering date 30th July, 2007 to 5th August, 2007 has been issued.
4. It is submitted by the SLDC that all the Utilities are making payments to the Intra-State UI Pool Account, except the BRPL which has refrained from making payment to the UI Pool. It is stated that due to non-payment of UI Charges by BRPL, the entire UI Settlement Mechanism is getting disturbed. It is stated that the BYPL has made a proposal to off set the outstanding dues of BRPL to the pool against outstanding receipts of BYPL from the pool. It is also proposed that after this setting off, the balance amount would be paid to the utilities through the UI Pool.
5. Shri A. Dhagat, CEO, appearing on behalf of the BRPL, submitted that the licensee is under acute financial crisis and, therefore, he prays that the licensee may be exempted from making payment to the UI Pool and the amount which the BYPL has to receive on account of UI adjustment should be set off against the amount which is outstanding against the BRPL.
6. Shri Yash Mehra, COO, appearing on behalf of BYPL, submits that their utility has to receive a substantial amount of money on account of UI Charges and that they should actually receive money from the UI Pool. The SLDC has not transferred the money on account of UI Charges to the utility and the financial crunch is adversely affecting the BYPL. Shri Mehra also added that since the BRPL and BYPL have a common management, the Commission could issue orders to set off the account of the licensee for Intra-State ABT transactions.

7. Shri Ashis Dutta, appearing on behalf of NDPL, has submitted that they are already paying to the UI Pool and in case payments are not made by other utilities, the entire ABT scheme is likely to be adversely affected. He has submitted that non-performance of one of the utilities to the pool will hamper the interests of all the participants, since the UI Pool is a zero sum game and all the payments are adjusted as per the Commission's Order. There should be a complete and honest participation of all the utilities in the Intra-State ABT. It is also suggested by Shri Dutta that there should be a reward and penalty policy for the timely payment, as well as, for the late payment to the pool.
8. Shri A. K. Kaul, General Manager, SLDC, appearing on behalf of the SLDC, has also highlighted that there are substantial outstanding dues from the Inter-State UI Pool being operated by NRLDC, due to the default in payment by Uttar Pradesh and J&K. All utilities including Delhi have been pursuing the matter continuously. The matter has been taken up before the Northern Regional Power Committee in a meeting held on 14.07.2007 at Shimla. It is stated that perhaps J&K have made the plans to liquidate about Rs.200 crore for the year 2007-08 in monthly instalments of Rs. 20 crore each. However, there is no confirmation from Uttar Pradesh in this regard.
9. The parties have been heard in detail. The Commission's Order dated 31.03.2007 had introduced Intra-State Availability Based Tariff for Delhi and it was expected that the Respondent Licensee and other participants would be able to bring grid discipline through this Availability Based Tariff regime in the right earnest. It would not be out of place to state that there are demarcated responsibilities of each participant operating in the Availability Based Tariff regime. The system of UI charges can be seen and comprehended from the Indian Electricity Grid Code, issued by Central Electricity Regulatory Commission. Under this system each participant/DISCOM shall be treated and operated as a Notional Control Area. While the Licensees would generally be expected to regulate their generation and/or consumers' load so as to maintain their actual drawl from the Grid close to the Schedule, a tight control is however not mandated. The Licensees may deviate from the drawl schedule as long as such deviation do not cause system parameters to deteriorate beyond the permissible limit and/or do not lead to unacceptable line loading.

10. The said flexibility is in view of the fact that all utilities do not have all requisite facilities for minute-to-minute on line regulation of the actual net drawal from the State Grid. Deviations from net drawal schedule are however, to be appropriately priced through the unscheduled inter change (UI) Mechanism for the entire system. The SLDC has been directed vide Commission's Order dated 31.03.2007 to prepare the statement of UI Charges on weekly basis. These accounts are to be issued to all the constituents by Saturday for every seven days period ending on the previous Sunday midnight. The payment of UI Charges have high priority and the utilities have to pay the indicated amounts to the UI pool account operated by SLDC, within 10 days from the date of issue of the UI account. The utilities who have to receive money on account of UI Charges would then be paid out from the State UI Pool Account, within three working days. If payments against the above UI charges are delayed for more than 2 days i.e. beyond 12 days from the issue of weekly statement, the defaulting utility shall have to pay simple interest @ 0.04% for each day of delay. The interest so collected shall be paid to the utilities who had to receive the amount, payment of which got delayed. Persistent payment defaults have to be reported by the SLDC for initiating remedial action.
11. The Commission feels that the statement made by the BRPL & BYPL with regard to set off is not appropriate to settle the UI account especially when a specific procedure is already laid down in the Grid Code. The Commission for all purposes treat the BRPL and BYPL as separate legal entities and two different licensees, even though they may have a common management. For legal purposes they are treated as separate utilities. Allocation of capacity has also been made on this basis. The utilities should appreciate that if they are taking recourse to this argument for setting off the accounts within the utilities having same Management without paying the actual money, what would happen in case the amount is to be paid to a utility with different Management? In such a situation the entire scheme of Intra-state ABT would collapse. It is, therefore, essential that money should be actually deposited with the UI pool against every UI bill and within the stipulated time, so that the same could be disbursed to the recipient utilities. If the UI payments were not defaulted for 19 weeks as in this case, the arguments of BRPL & BYPL would not have arisen.

12. The utilities in Delhi should also appreciate that Delhi is the first State to have introduced the Intra-State ABT. While introducing the Intra-State ABT the utilities had exhibited their keen interest to make the system work and thereby, prove to be a role model for other States to follow.
13. The Commission is not convinced with the arguments of the BRPL that they have financial distress which is keeping them back from paying to UI pool, because electricity overdrawn under UI is being billed and collected from the consumers. However, in order to make the present ABT mechanism work, the utilities should pay the amount as per SLDC statement for the UI charges. The Commission, therefore, directs the BRPL to pay the amount to the UI pool as follows:
- (a) The current dues shall be paid on weekly basis as and when raised by SLDC to avoid accumulation of outstanding dues and;
 - (b) The outstanding/accumulated dues shall be liquidated immediately with interest payable thereon.
14. During the proceedings before the Commission it has been observed that there are certain outstanding dues from other States to the NRLDC UI pool account which is causing problem in the cash flow for the small utilities like the ones in Delhi. The Commission would advise the utilities in Delhi to take up the matter with the CERC for an early release of payment of the UI charges by NRLDC. A copy of this order may also be sent to the Secretary, Ministry of Power, Govt. of India and Secretary, CERC for appropriate action.
15. Ordered accordingly.

Sd/-
(K. Venugopal)
MEMBER

Sd/-
(Berjinder Singh)
CHAIRMAN