

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION  
BHOPAL**

**Subject: Petition u/s 181 read with section 81(1) (c) & (h) of Electricity Act '2003 and clause 7(13) of MP Electricity Balancing & Settlement Code, 2009 and clause 15.6 of approved procedure for revision of Transmission and/or Distribution capacity to Short Term Open Access customers as per MPERC (Terms & conditions of Open Access in MP) Regulations 2005, for seeking orders/ directions for not claiming interest on delay in payment of Open Access charges by Open Access consumers and delay in payment by State Grid Entities towards State Pool Account / RE DSM Pool Account.**

**Petition No. 9 / 2021**

**ORDER**

**(Hearing through Video Conferencing)  
(Date of Motion Hearing: 23<sup>rd</sup> March, 2021)  
(Date of Order: 26<sup>th</sup> March, 2021)**

**State Load Despatch Centre, MPPTCL, Jabalpur**

**- Petitioner**

Shri K. K. Prabhakar (CE) and Shri Anurag Mishra, EE appeared on behalf of the petitioner.

State Load Despatch Centre (SLDC), Jabalpur has filed the subject petition under Section 181 read with section 81(1)(c & h) of the Electricity Act '2003 and clause 7(13) of MP Electricity Balancing & Settlement Code, 2009 and clause 15.6 of approved procedure for revision of Transmission and/or Distribution capacity to Short Term Open Access customers as per MPERC (Terms & conditions of Open Access in MP) Regulations 2005. The petitioner is seeking orders/ directions for not claiming interest on delay in payment of Open Access charges by Open Access consumers and delay in payment by State Grid Entities towards State Pool Account / RE DSM Pool Account.

2. In the subject petition, the petitioner has broadly submitted the following:

- i. It is preparing and issuing weekly Deviation Settlement account of state grid entities, weekly deviation & settlement account of Wind & Solar Generators and weekly reactive energy charges for Distribution Licensees in compliance to Balancing & Settlement Code, 2009 & 2015.*
- ii. Regulation 8.22 of the MPERC (Terms & conditions for intra – state open access in MP) Regulations, 2005 provides that after obtaining approval of the Commission, SLDC shall lay down a detailed procedure for reservation of transmission & distribution capacities to short term customers within 30 days of coming into effect of these Regulations.*
- iii. Vide letter no. 2410 dated 10/10/2005, MPERC conveyed the approval to the draft procedure.*

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- iv. *Clause 15.6 of the approved procedure states that "In case of payment default, the customer shall be liable to pay the outstanding amount in full along with surcharges @ 0.1 % per day from the due date of payment to the actual date of payment.*
- v. *MPERC notified Balancing & Settlement Code (BSC), 2009 and revised BSC 2015 in which SLDC has been entrusted the responsibility of its implementation in MP.*
- vi. *Clause 7.11 & 7.13 of the BSC provides as under:*
  - "7.11 Settlement of Deviation charges shall be done through State DSM Pool Account to be operated by State Load Despatch Centre. The State Load Despatch Centre shall open and maintain a separate Bank Account with a Nationalized/Scheduled Commercial Bank (having Branch Office in Jabalpur).*
  - 7.13 If payments against the Deviation Charges are delayed by more than two days, i.e. beyond twelve days from date of issue of State Deviation Account, the defaulting Entities shall have to pay Simple Interest @ 0.04% for each Day of delay. The Interest so collected shall be paid to the Entities who had to receive the amount and whose payment has got delayed".*
- vii. *Due to shortage of staff at SLDC, MPPMCL has been maintaining the State Pool Account till August, 2018. The operation and maintenance of State Pool Account has been taken over by SLDC w.e.f. 01/09/2018. The details of payment received and disbursed from State Pool Account, computation of interest on delay of payment / disbursement of interest to state grid entities, etc from 2009 to August, 2018 has not been provided to SLDC.*
- viii. *On taking over the maintenance and operation of State Pool Account, from 01/09/2018, SLDC has started afresh the transactions from pool account as per regulatory provisions. After streamlining the state pool account, SLDC has started developing software tool for interest computation.*
- ix. *SLDC has shortage of staff and non-availability of old data, SLDC is unable to compute*

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*the interest liability for delayed period since 2006.*

- x. *SLDC shall start computing interest on delayed payment to / from state deviation pool account and payment of open access charges by open access customers w.e.f. 01/04/2021.*
- xi. *SLDC has requested the Commission to condone non-computation of interest liability for delayed payment from 2006 to 31.03.2021.*

3. With the above submission, the petitioner has prayed the following:

- (i) To exempt SLDC from computing Interest liability on delayed payment by State Grid Entities & Open Access Customers from 2006 to 31.03.2021.
- (ii) To allow SLDC to compute interest liability for delayed payment afresh from 01.04.2021 with rates as decided by the Commission.

4. At the motion hearing held on 23.03.2021, the representative of the petitioner has explained the genesis of the subject petition. Having heard the petitioner, the Commission observed the following:

- a. In the subject petition, the petitioner has not made any Respondent(s) even the customer/entities who would be affected by the exemption from the interest liabilities. Annexure – II shows that Companies of Maharashtra, Chhattisgarh, etc also have payable / receivable amounts. Annexure at page 3/21 of the petition, it is indicated that MP Discoms had payable / receivable of Rs 11.40 Crore as on 06/10/2018. Further, Annexure 4 at page no. 12 to 15 of the petition shows that Cumulative Pool Balance Account has entries of Several Crores.
- b. In the subject petition, the petitioner has prayed to exempt SLDC from computing Interest liability on delayed payment by State Grid Entities & Open Access Customers from 2006 to 31.03.2021. However, the petitioner has not cited how the issues related to Principal receivable / payable by several entities will be sorted out.
- c. For non-compliance of the Regulations for 15 years from the year 2006 to 2021, the

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reasons of staff shortage are not found reasonable and justified.

- d. The subject Regulations have been amended and revised several times during last 15 years. But SLDC never raised such issue before the Commission.
  - e. The Regulations already allow levy of interest charges on delayed payment, so there is no need to seek separate approval to allow the SLDC to compute interest liabilities on delay payment afresh from 01.04.2021.
5. In view of the aforesaid observations, the subject petition is not found maintainable. Hence, stands disposed of.

Ordered accordingly.

**(Shashi Bhushan Pathak)**  
Member

**(Mukul Dhariwal)**  
Member

**(S. P. S. Parihar)**  
Chairman