

No.10/03/2022-UR&SI-II-Part(4)-(E-264599)
Government of India
Ministry of Power
Shram Shakti Bhawan, Rafi Marg, New Delhi,

Dated: 12th Aug, 2022

To,
Additional Chief Secretary/ Principal Secretary/ Secretary
(Energy/Power) of all States and UTs

CMD, PFC Ltd.

CMD, REC Ltd.

Sub: Electricity (Late Payment Surcharge & other matters) Rules, 2022

The undersigned is directed to refer to the Electricity (Late Payment Surcharge & other matters) Rules, 2022, and to state that the said Rules specify the underlying principles for transactions related to the dues of DISCOMs to Gencos for both legacy/arrears and current dues.

2. The *ibid* Rules imply that the outstanding dues of DISCOMs as on 3rd June, 2022 can be amortized by DISCOMs in a specified number of monthly instalments and to be paid to the Gencos without LPS implications on the 5th of every month. Further, the current dues also must be paid routinely as per the provisions of the *ibid* Rules. Instances have come to fore about varying interpretations being made by PFC, REC and the States/DISCOMs in respect to the outstanding dues as on 3rd June, 2022, for which this clarification is necessitated.

3. It is clarified that the outstanding dues as on 3rd June, 2022 in respect to these Rules shall be the ones that have become due beyond 45 days from the date of presentation of the bill for Section 62 contracts, as already defined under the CERC Tariff Regulations, 2022; or, beyond the designated time frame of payment due date for PPAs signed under Section 63 of the Electricity Act, 2003; or, 45 days from the date of presentation of the bill for any Section 63 PPA, where the agreement does not specify the same explicitly. As an illustration, a bill presented on the 19th April, 2022 under a Section 62 contract shall become overdue for payment on the 3rd June, 2022, and shall be covered under the provisions of Rule 5 of the *ibid* Rules, i.e. can be amortized under the EMI


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scheduling. In case of nonpayment of the designated EMIs, Regulatory actions shall be triggered from the next day, i.e 6th of every month.

4. The provisions of the above para 3 shall also apply in an analogous manner to the current dues, beyond 4th June, 2022. As an illustration, a bill presented on 20th April, 2022 under a Section 62 contract shall become overdue for payment on the 5th June, 2022, and shall be classified as a current overdue as on 4th June, 2022. However, in terms of the provisions of the rules, trigger dates for the Regulatory actions in case of the dues being unpaid shall not be from 4th June, 2022, and will be governed by the relevant provisions of the ibid Rules, i.e wef one month after the due date of payment, or two and half months after the presentation of bill, whichever is later. In this case, the trigger date for regulatory actions shall be 3rd August, 2022.

5. To allow Utilities to clear all their current dues as explained in para 4 above, and sending the information, time is being allowed till 18th August, 2022, beyond which unpaid dues, if any, shall attract regulatory actions from POSOCO. Such actions shall also be taken for trigger dates arising beyond 18th August, 2022.

6. PFC, REC and States are requested to ensure implementation of these Rules accordingly.


12/08/2022

(Jamiruddin Ansari)
Deputy Secretary to the Government of India

Copy to:

CMD POSOCO

Copy also to:

1. Sr. PPS, Secretary (Power)
2. PPS, Joint Secretary (Distribution)