

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उद्यम)
POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)



केन्द्रीय कार्यालय: "सौदामिनी" प्लॉट सं. 2, सैक्टर-29, गुडगाँव-122 001, (हरियाणा) दूरभाष: 0124-2571700-719, फ़ैक्स : 0124-2571762,
"Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, (Haryana) Tel. : 0124-2571700-719, Fax : 0124-2571762, Web.: www.powergridindia.com

(WITHOUT PREJUDICE)

CIN : L40101DL1989GOI038121

Ref: CC/Comml./ROP-KSK/2018/3

Dt.: 30.07.2018

To,
KSK Mahanadi Power Co. Ltd
8-2-293/82/A/431/A, Road No. 22,
Jubilee Hills, Hyderabad, 500033
Telangana

Dear Sir,

Sub: Modification to the "Notice dtd 23.04.2018 for Regulation of power supply" for default of M/s KSK Mahanadi Power Co.Ltd (KSK Mahanadi) in making payment of dues and opening of requisite Letter of Credit

Ref: 1. Our Notice ref: CC/Comml./ROP-KSK/2018 dtd 01.03.2018 for Regulation of Power Supply of M/s KSK Mahanadi for default of payment of dues & opening of LC
2. Our Modified Notice ref. CC/Comml / ROP-KSK/2018 dated 23.04.2018
3. Your letter Ref : PGCIL, GUR/NRKN/2500101/904 dated 16th July, 2018
4. Our letter no. CC : Comml : KSK dated 23.07.2018
5. Your letter ref : PGCIL, GUR / NRKN/2500101/952 dated 23rd July, 2018
6. Transmission Service Agreement dtd 05.12.2012

1. This is in continuation to our Notice dtd 23.04.2018 (refer 2 above) for regulation of power supply of M/s KSK Mahanadi (for 600MW) for default in liquidating the outstanding dues and establishing requisite Letter of Credit.
2. As on date, the regulation of power supply of 600 MW to Southern Region is under implementation, however, it may be mentioned that KSK Mahanadi did not make substantial efforts to liquidate the outstanding dues. As on date, the total outstanding dues have grown up to a huge amount of Rs 312 Cr. out of which an amount of Rs 192 Crs. has exceeded 60 days. Further, the existing LCs have already lapsed and KSK Mahanadi is yet to reinstate the same as per the provisions of CERC Regulations despite regular follow up and reminders from CTU.
3. KSK Mahanadi vide letter dated 16th July'18 requested POWERGRID to adjust part of encashed BG amounting to Rs. 158 Crs. against their outstanding dues and the balance outstanding dues will be liquidated by mid August'18. Vide our letter dated 23.7.2018, KSK Mahanadi was advised to liquidate the dues >60 days (amounting to Rs. 86 Crs. including the monthly transmission charges that will become due on 04.08.2018) latest by 15th Aug'18 and establish LC by end Aug'18. Further, it may be mentioned that the revised commitment of KSK Mahanadi vide their letter dated 23rd Jul'18, contrary to their commitment vide letter dtd 16.07.2018 and also to our letter dtd 23.07.2018 referred above, is not acceptable.

4. CTU has been mandated with the responsibility of Billing, Collection and Disbursement of transmission charges collected from all the DICs to respective ISTS licensees in the country. Such huge outstanding dues as brought out above are seriously affecting the cash flows of all the ISTS Licensees and causing adverse impact on the ability to carry on as a business enterprise and to fulfil loan repayment liabilities towards creation of transmission assets.
5. Regulation 4 of CERC (Regulation of Power Supply), 2010 reads as under:-
"In case of outstanding dues or in case the letter of credit or any other agreed Payment Security Mechanism is not maintained as per the Agreement, the generating Company or the transmission licensee, as the case may be, may serve a notice for regulation of power supply, on the Defaulting Entity, for reducing the drawl schedule in the case of the generating company or withdrawal of open access / access to Inter-State Transmission System in the case of the transmission licensee."
6. Further, it may be informed that as per CERC order dtd 02.09.2015 under Pet. No. 142/MP/2012, during the period of Regulation of Power Supply, the STOA to the defaulter shall also be curtailed. The relevant portion of the CERC Order dtd 02.09.2015 is reproduced below:-
"During the period of regulation of power supply, for defaults in payment of transmission charges, STOA to the regulated entity shall be denied by NLDC/RLDCs under Regulation 25A of Open Access Regulations from the date of commencement of regulation of power supply..."
7. As per the provisions of **Regulation 4 of CERC (Regulation of Power Supply) Regulation 2010, provisions of BCD procedure** approved by CERC and terms of TSA, CTU is constrained to issue this "Notice for Regulation of Power Supply" in view of default of KSK Mahanadi in liquidating the dues & reinstatement of LCs.
8. Accordingly, in case of failure of M/s KSK Mahanadi to clear the outstanding dues (>60 days) by 15.08.2018, the regulation of power supply of M/s KSK Mahanadi through their Long Term Access shall be modified (from existing regulation of 600MW to Southern Region) as per the following:-

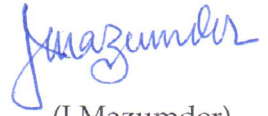
• Quantum of power to be regulated	:	1000 MW of power injected by KSK Mahanadi to ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 18.08.2018
• Period of Regulation of Power supply	:	Till clearing of the entire dues outstanding for more than 60 days and establishment of requisite LCs.
• Source of regulation of Power Supply	:	The generation plant of KSK Mahanadi located in Chhattisgarh.
• The regulation of power shall be carried out through Western Region Transmission Corridor to Southern Region Transmission Corridor for 400 MW (Tamilnadu) and to Northern Region Transmission corridor for 600 MW (UP)		
• All other liabilities of KSK Mahanadi shall be as per the provisions of CERC Regulations		

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9. Through a copy of this Notice, WRLDC is being requested to prepare an implementation plan for Regulation of Power Supply of KSK Mahanadi & implement the same w.e.f. 00:00 Hrs. of 15.08.2018, as mentioned in Para 8 above.
10. In view of above, it is advised to liquidate the outstanding dues greater than 60 days latest by 15.08.2018 failing which regulation of power supply shall also be enforced as stipulated above.

Thanking You,

Yours faithfully,



(J.Mazumder)

General Manager (Commercial),CTU

CC:

1.	Executive Director Western Regional Load Despatch Centre, POSOCO F-3, MIDC Area, Marol, Andheri(East), Mumbai - 400093	With a request to prepare the implementation plan for Regulation of power supply of KSK Mahanadi (Generator) from its generation plant in Chattisgarh and implement the same as per CERC (Regulation of Power Supply) Regulations, 2010. Indemnification bond furnished earlier holds good for subject Regulation of power of KSK Mahanadi Power Ltd.
2.	General Manager, Southern Regional Load Despatch Centre, POSOCO 29, Race Course Road, Bangalore - 560001	With a request to take necessary action for implementation of Regulation of power supply of M/s KSK Mahanadi (Generator), as per CERC (Regulation of Power Supply) Regulations, 2010.
3.	Executive Director, National Load Despatch Centre, POSOCO, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016	With a request to take necessary action to advise the Power Exchanges for implementation of Regulation of power supply of M/s KSK Mahanadi (Generator) as per CERC (Regulation of Power Supply) Regulations, 2010 and CERC Order dtd 02.09.2015 under Pet no. 142/MP/2012.
4.	General Manager, Northern Regional Load Despatch Centre POSOCO, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016	With a request to take necessary action to advise the Power Exchanges for implementation of Regulation of power supply of M/s KSK Mahanadi (Generator) as per CERC (Regulation of Power Supply) Regulations, 2010 and CERC Order dtd 02.09.2015 under Pet no. 142/MP/2012.

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Copy of Notice dtd 30.07.2018 for Regulation of Power supply issued to M/s **KSK Mahanadi Power Co.Ltd** is enclosed for kind information of:

1. Member Secretary, Western Regional Power Committee, F-3, MIDC Area, Marol, Andheri(East), Mumbai - 400093
2. Member Secretary, Northern Regional Power Committee, 18-A, Shaheed Jeet Singh Marg, Katwaria Sarai, New Delhi -110016
3. Member Secretary, Southern Regional Power Committee, 29, Race Course Road, Bangalore - 560001
4. CMD, POSOCO, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016.
5. ED, POWERGRID - WR-I / NR-III / SR-I / SR-II