



(WITHOUT PREJUDICE)

Ref: CC/Comml./ROP-KSK/2020

Dt.: 03.01.2020

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

Dear Sir,

Sub: "Notice 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: Transmission Service Agreement dtd 05.12.2012

1. M/s KSK Mahanadi is a Designated Inter-State Transmission System Customer (DIC) which is availing Inter-state Transmission System (ISTS) network for transfer of power from KSK Mahanadi to different parts of country and is under obligations to make timely payment of transmission tariff and to open requisite Letter of Credit (LC) towards Payment Security Mechanism (PSM) in line with the CERC Regulations.
2. It is, however, a matter of serious concern that KSK Mahanadi is regularly failing to make payment against the monthly bills raised on it towards transmission tariff despite regular follow-up by CTU. As a consequence, the total dues of KSK Mahanadi have accumulated to Rs 354 Cr as on date, out of which an amount of Rs 267 Cr. is outstanding for more than 45 days. (An amount of Rs 182 Cr. even exceeded 120 days).

The outstanding dues (>45 days) of different corridors, as on 03.01.2020, are as follows:-

- WR to NR for UP - Rs. 222 Cr. (> 45 days)
- WR to SR for AP - Rs. 6 Cr. (> 45 days) (for MTOA)
- WR to SR- for TNEB - Rs 2 Cr. (> 45 days)
- WR Untied LTA - Rs 37 Cr. (>45 days)

It may be mentioned that the above outstanding dues (>45 days) of Rs 267 Cr. would exceed 60 days by 05.01.2020.

3. CTU has been mandated with the responsibility of Billing, Collection and Disbursement of transmission charges collected from all the DICs to respective ISTS licences 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.
4. 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."
5. 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..."
6. 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, the 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.
7. Accordingly, in case of failure of M/s KSK Mahanadi to clear the outstanding dues (>60 days) latest by **16.01.2020**, the regulation of power supply of M/s KSK Mahanadi through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	Total 500 MW through WR to NR corridor.
• Commencement of Regulation of supply	:	From 00.00 Hrs of 23.01.2020
• Period of Regulation of Power supply	:	Initially for 2 months or till clearing of the entire dues outstanding for more than 60 days.
• Source of regulation of Power Supply	:	The generation plant of KSK Mahanadi located in Chattisgarh.
• The regulation of power shall be carried out through Western Region Transmission Corridor to Northern Region Transmission Corridor (UP for 500 MW).		
• All other liabilities of KSK Mahanadi shall be as per the provisions of CERC Regulations		

8. 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 23.01.2020 upon confirmation by us.
9. In view of above, it is advised to liquidate the outstanding dues greater than 60 days as per above latest by 16.01.2020 failing which regulation of power supply shall be enforced as stipulated above.

Thanking You,

Yours faithfully,



(J. Mazumder)

Chief General Manager (Commercial)

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 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.	Executive Director Northern Regional Load Despatch Centre, POSOCO 18A, SJSS Marg, Katwaraia Sarai, New Delhi -110016 (Fax - 011 26852747)	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 ::

Copy of Notice dtd 03.01.2020 for Regulation of Power supply issued to M/s **KSK Mahanadi Power Co.Ltd** is enclosed for kind information of:

1. Sh. Mahendra Kumar Khandelwal,
Corporate Interim Resolution Professional for KSK Mahanadi Power Company Limited
Pricewaterhouse Coopers Pvt Limited, Plot#Y-14, Block EP, Sector-V
Salt Lake, Kolkata - 700091
2. Member Secretary, Western Regional Power Committee, F-3, MIDC Area, Marol,
Andheri(East), Mumbai - 400093
3. Member Secretary, Northern Regional Power Committee, 18-A, Shaheed Jeet Singh
Marg, Katwaria Sarai, New Delhi -110016
4. Member Secretary, Southern Regional Power Committee, 29, Race Course Road,
Bangalore - 560001
5. Executive Director, Southern Regional Load Despatch Centre, POSOCO, 29, Race Course
Road, Bangalore - 560001
6. CMD, POSOCO, 61, IFCI Tower, 9th Floor, Nehru Place, New Delhi - 110019.
7. ED, POWERGRID - WR-I / NR-III / SR-I / SR-II