

(WITHOUT PREJUDICE)

Ref: CC/Comml./ROP-RKM/2020/2

Dt.: 18.02.2020

To,
RKM Powergen Pvt. Ltd.
No. 14, Dr. Giriappa Road, T.Nagar
Chennai- 6000178
Tamilnadu

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of M/s RKM Powergen Pvt Ltd in payment of dues

Ref: Transmission Service Agreement dtd 06.08.2012

1. M/s RKM Powergen Pvt Ltd (RKM Powergen) is a Designated Inter-State Transmission System Customer (DIC) which is availing Inter-state Transmission System (ISTS) network for transfer of power from its generating plant at Chattisgarh 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 Transmission Service Agreement (TSA) dtd 06.08.2012 referred above and CERC Regulations.
2. It is, however, a matter of serious concern that RKM Powergen is failing to make timely payment against the monthly bills raised on it towards transmission tariff despite regular follow-up by CTU. As a consequence, the total dues of RKM Powergen have accumulated to **Rs 52.65 Crs** as on date, which includes an amount of Rs. 30.36 Crs. > 45 days (the said amount of **Rs. 16.92 Crs.** has even crossed 60 days out of which an amount of **Rs 4.49 Cr.** is pending for >90 days) based on the bills already raised by CTU. The outstanding dues >45 days will further grow to Rs. 42.69 Crs by 23rd Feb'20.
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."

केन्द्रीय कार्यालय : 'सौदामिनी', प्लॉट नं. 2, सेक्टर 29, गुडगाँव-122001 (हरियाणा) दूरभाष : 0124-2571700 - 719

Corporate Office : 'SAUDAMINI', Plot No. 2, Sector 29, Gurgaon-122001 (Haryana) Tel. : 0124-2571700 - 719

पंजीकृत कार्यालय: बी-9, कुतब इंस्टीट्यूशनल एरिया, कटवारिया सराय, नई दिल्ली-110016 दूरभाष: 011-26560112, 26560121, 26564892 सी.आई.एन. : L40101DL1989GOI038121

Regd.Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016 Tel. : 011-26560112, 26560121, 26564892 CIN : L40101DL1989GOI038121

Website : www.powergridindia.com

5. Please refer to various correspondence issued by the CTU, which demonstrates the default of RKM Powergen in payment of legitimate dues in time. 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".
6. Accordingly, in case of failure of RKM Powergen to clear the outstanding dues >60 days latest by 27.02.2020, the regulation of power supply of RKM Powergen through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	100 MW of power injected by RKM Powergen to ISTS network for transfer to Uttar Pradesh under its LTA.
• Commencement of Regulation of Power supply	:	From 00.00 Hrs of 03.03.2020
• Period of Regulation of Power supply	:	Initially for two months or till clearing of the entire dues outstanding for more than 60 days.
• Source of regulation of Power Supply	:	The generation plant of RKM Powergen located in Chattisgarh.
• The regulation of power shall be carried out through Western Region Transmission Corridor to Northern Region (for 100 MW to Uttar Pradesh under its LTA).		
• All other liabilities of RKM Powergen shall be as per the provisions of CERC Regulations		

7. Further, as per Para 59 (c) of CERC Order dtd 02.09.2015 under Pet. no. 142/MP/2012, the STOA also shall be curtailed during the regulation of power supply, as 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."
8. Through a copy of this Notice, WRLDC is being requested to prepare an implementation plan for Regulation of Power Supply of RKM Powergen and implement the same w.e.f. 00:00 Hrs. of 03.03.2020 upon confirmation by us on 28.02.20.
9. In view of above, it is advised to liquidate all the outstanding dues greater than 60 days latest by 27.02.2020 failing which regulation of power supply shall also be enforced as stipulated above.

Thanking You,

Yours faithfully,



(J. Mazumder)

Chief 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 RKM Powergen 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 supply of RKM Powergen Pvt Ltd.
2.	Executive Director Northern Regional Load Despatch Centre, POSOCO, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016	With a request to take necessary action for implementation of Regulation of power supply of M/s RKM Powergen (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 RKM Powergen (Generator), as per CERC (Regulation of Power Supply) Regulations, 2010 and CERC Order dtd 02.09.2015 under Pet. No. 142/MP/2012.

Copy of Notice dtd 18.02.2020 for Regulation of Power supply issued to M/s RKM Powergen Pvt Ltd is enclosed for kind information of:

1. Secretary CERC, 3rd & 4th Floor, Chandra Lok Building, 36 Janpath, New Delhi 110001.
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. CMD, POSOCO, 61, IFCI Tower, 9th floor, Nehru Place, New Delhi - 110019
5. ED, POWERGRID - WR-I / NR-III.