



(WITHOUT PREJUDICE)

Ref: CC/Comml./ROP-MEL/2018

Dt.: 23.02.2018

To,
Meenakshi Energy Limited
405, Saptgiri Towers, 1-10-75/1/1 to 6,
Begumpet, Secundrabad - 500 016,
Telangana

Sub: "Notice for Regulation of power supply" for default of M/s Meenakshi Energy Pvt Ltd in payment of dues and opening of requisite Letter of Credit

- Ref:
1. Our Ltr C/Comml/SRLDC-NRLDC-WRLDC/LTA-MEPL-910MW dt. 29.09.17
 2. Our Ltr C/Comml/SRLDC-NRLDC-WRLDC/LTA-MEPL-727MW dt. 12.01.18
 3. Our Letter C/Comml/LTA-MEPL-727MW dt. 19.01.18
 4. Your Letter No. HO/MEL/17-18/08 dated 02.01.2018
 5. Our Letter no. C/Comml/LTA-MEL-727MW dated 09.02.2018

Sir,

1. M/s Meenakshi Energy Pvt. Ltd (Meenakshi Energy) 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 in Andhra Pradesh to different parts of the 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 CERC Regulations.
2. It is mentioned that vide our letter dtd 29.09.2017, the Long Term Access (LTA) quantum of 727 MW of Meenakshi Energy was operationalized with effect from 01.10.2017 and accordingly Meenakshi Energy is liable to pay the transmission charges from the date of LTA operationalization. Total dues of Meenakshi Energy, as on date, have accumulated to a huge amount of Rs 28 Crore out of which Rs. 13 Crore have exceeded 60 days. Further Meenakshi Energy is yet to establish the LC for an amount of Rs.16.72 Crore towards payment security mechanism.
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.

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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. Please refer to various correspondence issued by the CTU, as referred above, which demonstrates the default of Meenakshi Energy in payment of legitimate dues and establishment of LC in time. As per the provisions of Regulation 4 of CERC (Regulation of Power Supply) Regulation 2010, the CTU is constrained to issue this "Notice for Regulation of Power Supply".
6. Further, as per Para 59 (c) of CERC Order dtd 02.09.2015 under Pet. no. 142/MP/2012, this calls for curtailment of Short Term Open Access (STOA). The relevant portion of the said 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. Accordingly, in case of failure of Meenakshi Energy to clear the outstanding dues and establish the requisite LC latest by **01.03.2018**, the regulation of power supply of Meenakshi Power shall be implemented as per the details mentioned below:-

• Quantum of power to be regulated	:	Since no generation of Meenakshi Power is scheduled under LTA at present, the regulation of power supply shall be implemented through curtailment of STOA of Meenakshi Power in line with direction of Hon'ble Commission vide Order dtd 02.09.2015 in Pet no.142/MP/2012 as mentioned above.
• Commencement of Regulation of Power supply	:	From 00.00 Hrs of 06.03.2018
• Period of Regulation of Power supply	:	Initially for 2 months or till clearing of the entire dues outstanding for more than 60 days and establishment of requisite LC.
• Source of regulation of Power Supply	:	The generation plant of Meenakshi Power located in Andhra Pradesh.
• The regulation of power shall be carried out through Southern Region Transmission Corridor		
• All other liabilities of Meenakshi Power shall be as per the provisions of CERC Regulations		



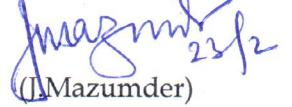
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Through a copy of this Notice, SRLDC is being requested to take necessary action to curtail the STOA transactions of Meenakshi Energy with effect from 06.03.2018.

8. In view of above, it is advised to liquidate the outstanding dues greater than 60 days and establish the LC as per above latest by **4 PM on 01.03.2018** failing which STOA transactions shall be curtailed as stipulated above.

Thanking You,

Yours faithfully,



(J. Mazumder)

General Manager (Commercial)

CC:

1.	Executive Director Sothern Regional Load Despatch Centre, POSOCO F-3, MIDC Area, Marol, Andheri(East), Mumbai - 400093	With a request to implement the regulation of power supply through curtailment of STOA to Meenakshi Power w.e.f 06.03.2018 as per CERC (Regulation of Power Supply) Regulations, 2010 and CERC Order dtd 02.09.2015 in Pet no.142/MP/2012. Indemnification bond furnished earlier holds good for subject Regulation of power of Meenakshi Energy Pvt Ltd.
2.	Executive Director National Load Despatch Centre, POSOCO, 18A, SJSS Marg, Katwaraia Sarai, New Delhi -110016 (Fax - 011 26852747)	With a request to implement the regulation of power supply through curtailment of STOA to Meenakshi Power through power exchanges w.e.f 06.03.2018 as per CERC (Regulation of Power Supply) Regulations, 2010 and CERC Order dtd 02.09.2015 in Pet no.142/MP/2012.

Copy of the Notice dtd 23.02.2018 for Regulation of Power supply issued to M/s Meenakshi Energy is enclosed for kind information of:

1. Member Secretary, Southern Region Power Committee, 29, Race Course Cross Road, Banglore - 560 009
2. CMD, POSOCO, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016. Fax No: 011 - 26524525
3. Secretary, CERC, Chandralok Bhavan, 3rd & 4th Floors, Janpath, New Delhi -110001.
4. ED, POWERGRID, SR-I, Secunderabad