

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड

(भारत सरकार का उद्यम)

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)



पावरग्रिड

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

CIN : L40101DL1989GOI038121

CC/ Comml/RoP-NBPDCL/2016

Dt.: 04.11.2016

To
The Managing Director ,
North Bihar Power Distribution Company Ltd (NBPDCL),
Vidhyut Bhawan, Bailey Road,
PATNA-800001, Bihar

(WITHOUT PREJUDICE)

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of North Bihar Power Distribution Company Ltd(NBPDCL), Bihar in making payment of outstanding dues and opening Letter of Credit

Ref: 1. Our Letter no. E/PT/CL/ 08/16-17/2785 dtd 09.08.2016
2. Our letter no. CC:Comml:NBPDCL: dtd 09.09.2016
3. Our Letter no. E/PT/CL/ 08/16-17/2830 dtd 28.09.2016
4. Our letter no. CC:Comml:NBPDCL: dtd 06.10.2016
5. Model Transmission Service Agreement

1. NBPDCL is a Designated Inter-State Transmission System Customer (DIC) which is availing Inter-state Transmission System (ISTS) network for transfer of power from various power plants located in different parts of country to NBPDCL 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 Electricity Act 2003 read with relevant contractual provisions and CERC Regulations.
2. It is, however, a matter of serious concern that NBPDCL is regularly failing to make payment of monthly bills raised on it towards transmission tariff despite various commitments and regular follow-up by CTU. As a consequence, total dues of NBPDCL have accumulated to **Rs 124 Cr** as on 04.11.2016, which includes an amount of **Rs 40 Cr.** outstanding for more than 60 days as on date (*which would grow to Rs 62 Cr. on 05.11.2016*) based on the bills already raised by CTU.
3. Further, NBPDCL has established an LC for an amount of **Rs 6 Cr.** only as against the requirement of **Rs 28 Cr.** as per the provisions of CERC Regulations. Enhancement of LC has not been done by NBPDCL despite regular follow up and reminders from CTU.
4. CTU has been mandated with the responsibility of Billing, Collection and Disbursement of transmission charges towards ISTS licences from all the DICs. Such huge outstanding dues as brought out above are seriously affecting the cash flows of all the ISTS Licensees and

पंजीकृत कार्यालय: बी-9, कुतब इंस्टीट्यूशनल एरिया, कटवारिया सराय, नई दिल्ली-110016 दूरभाष: 011-26560112, 26560121, 26564812, 26564892, फ़ैक्स: 011-26601081
Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016 Tel.: 011-26560112, 26560121, 26564812, 26564892, Fax: 011-26601081, Web.: www.powergridindia.com

स्वहित एवं राष्ट्रहित में ऊर्जा बचाएं
Save Energy for Benefit of Self and Nation

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. In this regard, attention is invited to various correspondence issued by CTU, as referred above, which demonstrates the default of NBPDCCL in payment of legitimate dues of CTU. 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, thus the CTU is constrained to issue this "Notice for Regulation of Power Supply".
7. Accordingly, in case of failure of NBPDCCL to clear the outstanding dues by 14.11.2016, the regulation of power supply of NBPDCCL through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	130 MW of power drawl of NBPDCCL from ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 18.11.2016
• Period of Regulation of Power supply	:	Initially for 4 months or till clearing of the dues outstanding for more than 60 days
• Source of regulation of Power Supply	:	To be regulated from various Power plants of NTPC & NHPC as per enclosed Annexure-1
• The regulation of power shall be carried out through Eastern Region Transmission Corridor.		
• All other liabilities of NBPDCCL shall be as per the provisions of CERC Regulations		

8. Further, it may be informed that the dues for an amount of Rs 17 Crore are exceeding 120 days on 04.11.2016 (included in the dues mentioned at Para 2 above) and 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. When Regulation 25A is invoked independent of regulation of power supply, default trigger date for invoking Regulation 25A of Open Access Regulations shall be 90 days from the due date of payment of various charges covered under the respective Regulations. **NLDC/RLDCs shall deny short term open access to the defaulting entity on occurrence of the default trigger dates as mentioned***

above without having to approach the Commission on the basis of the request of concerned RLDC or Central Transmission Utility, as the case may be."

Thus as per the above, in case the dues > 120 days is not liquidated by NBPDCCL latest by 09.11.2016, the STOA transactions shall be liable to be curtailed w.e.f. 11.11.2016, prior to resorting to Regulation of Power supply as stated at Para 7 above.

9. Through a copy of this Notice, ERLDC is being requested to:
 - a) Take necessary action to curtail the STOA transactions of NBPDCCL with effect from 11.11.2016.
 - b) Prepare implementation plan for Regulation of Power Supply of NBPDCCL & implement the same w.e.f. 00:00 Hrs. of 18.11.2016.
10. In view of above, it is advised to liquidate the outstanding dues greater than 120 days by 09.11.2016 and clear dues greater than 60 days and enhance the LC as per above by 14.11.2016 failing which regulation of power supply shall be enforced as stipulated above.

Thanking You,

Yours Faithfully,


(H.K. Mallick)
GM (Commercial & RC)

CC.

1. General Manager,
Eastern Load Regional Load
Dispatch Centre,
14, Golf Club Road,
Tollygunge,
Kolkatta-700033.
(FAX- 033 24235809)
 - (i) With a request to implement the STOA curtailment of NBPDCCL, Bihar w.e.f. 11.11.2016 in line with Para 59(c) of CERC Order dtd 02.09.2015 under Pet.no. 142/MP/2012, upon confirmation by us on 09.11.2016.
 - (ii) With a request to prepare the implementation plan for Regulation of power supply of NBPDCCL, Bihar and implement the same as per CERC Regulation, 2010. The proposed regulation of power from various generators may be reviewed and finalised. Indemnification bond furnished earlier holds good for subject Regulation of power of NBPDCCL.
2. Executive Director (Comml.),
NTPC Ltd,
Core 7, Scope Complex,
Lodhi Road
New Delhi - 110016
(FAX-011-24360328)

With a request to take necessary action for implementation of Regulation of power supply of NBPDCCL from NTPC Plants, as per CERC Regulation, 2010.

3. Executive Director (Comml)
NHPC Ltd,
NHPC Office Complex,
Sector 33,
Faridabad -121003
(FAX-0129-2277941)

With a request to take necessary action for implementation of Regulation of power supply of NBPDCCL from NHPC HEP Projects, as per CERC Regulation, 2010.

Copy of Notice dtd 04.11.2016 for Regulation of Power supply issued to NBPDCCL, Bihar is enclosed for kind information of :

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001 Fax : 011-23721487
2. Chief Secretary, Govt of Bihar, Sachivalaya, Patna, Bihar.
3. Secretary, CERC , 3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi, 110 001. Fax: 011-23753923
4. The Chairman-cum-Managing Director, Bihar State Power Holding Co.Ltd (BSPHCL), Vidhyut Bhawan, JLN Marg, Patna-800001 (FAX: 0612-2504968)
5. Chairperson, BEREC, Ground Floor, Vidyut Bhawan-II, B.S.E.B. Campus, Jawahar Lal Nehru Marg (Bailey Road), Patna - 800021, Bihar (India) Fax : 0612-2504488
6. Member Secretary, ERPC, 14, Golf Club Road, Tollygunge, Kolkatta-700033. Fax : 033- 24221802
7. Chairman & Managing Director, NTPC Ltd, CORE-7, Scope Complex, 7, Lodhi Road, New Delhi. Fax: 011-24363050
8. Chairman & Managing Director, NHPC Ltd, NHPC Office Complex, Sector -33, Faridabad Fax: 0129-2277971
9. CEO, POSOCO, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016 Fax: 011-26524525
10. The Chief Engineer (Power System), BSPHCL SLDC, Patna



Regulation of Power Supply of NBPDCI, Bihar -
Quantum of Power to be regulated

S. No	Generating Company	Generating Station	Station Capacity	Share Allocation of North Bihar	Quantum of Power to be regulated to North Bihar under this Notice
1	NHPC	Teesta	510MW	45MW	44MW
2	NTPC	Talcher	1000MW	163MW	78MW
3	NHPC	Rangeeet	60MW	8MW	8MW
	Total		1570 MW	216MW	130MW

