

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, फैक्स : 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-J&K/2016

Dt.: 04.11.2016

To,
Chief Engineer (Commercial),
M/s Power Development Department, J&K,
SLDC Building, 1st Floor,
Glandni Power House, Narwal,
Jammu, J&K

WITHOUT PREJUDICE

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of PDD, J&K in making payment of dues and opening of requisite Letter of Credit

Ref: 1. Our Letter no. N2JM/EDS/2016/27 dtd 28.04.2016
2. Our Letter no. CC:Comml:J&K dtd 30.06.2016
3. Our Letter no. N2JM/ED.Sectt/2016/61 dtd 19.08.2016
4. Our Letter no. CC:Comml:J&K dtd 12.10.2016
5. Transmission Service Agreement dtd 04.07.2011

1. PDD, J&K 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 PDD, J&K 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 04.07.2011 referred above and CERC Regulations.
2. It is, however, a matter of serious concern that PDD, J&K is consistently failing to make payment against the monthly bills raised on it towards transmission tariff despite various commitments and regular follow-up by CTU. As a consequence, total dues of PDD, J&K have accumulated to **Rs 151 Cr** as on 04.11.2016, which includes an amount of **Rs 67 Cr.** outstanding for more than 60 days as on date (*which would grow to Rs 88 Cr. on 06.11.2016*) based on the bills already raised by CTU.
3. Further, PDD, J&K have not established an LC till date as against the requirement of **Rs 28 Cr.** as per the provisions of CERC Regulations 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

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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 the CTU, as referred above, which demonstrates the default of PDD,J&K in payment of legitimate dues. 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".
7. Accordingly, in case of failure of PDD, J&K to clear the outstanding dues latest by 14.11.2016, the regulation of power supply of PDD, J&K through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	300 MW of power drawl of PDD,J&K 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, SJVNL & THDC as per enclosed Annexure-1.
• The regulation of power shall be carried out through Northern Region Transmission Corridor.		
• All other liabilities of PDD,J&K shall be as per the provisions of CERC Regulations		

8. Further, it may be informed that the dues for an amount of Rs 42 Crore are exceeding 120 days as 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 PDD, J&K 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, NRLDC is being requested to:
- Take necessary action to curtail the STOA transactions of PDD, J&K with effect from 11.11.2016.
 - Prepare implementation plan for Regulation of Power Supply of PDD, J&K & 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 the dues greater than 60 days and open LC as per above by 14.11.2016 failing which regulation of power supply shall also be enforced as stipulated above.

Thanking You,

Yours Faithfully,


(H.K. Mallick)

GM (Commercial & RC)

CC.

1. General Manager,
Northern Regional Load
Dispatch Centre,
18A, SJSS Marg, Katwaria Sarai,
New Delhi - 110016
(FAX- 011 26852747)

 - With a request to implement the STOA curtailment of PDD, J&K 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.
 - With a request to prepare the implementation plan for Regulation of power supply of PDD, J&K and implement the same as per CERC Regulation, 2010. The proposed regulation of power from various generators as per Annexure-1 may be reviewed and finalised. Indemnification bond furnished earlier holds good for subject Regulation of power of PDD, J&K.
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 PDD, J&K from NTPC Plants, as per CERC Regulation, 2010.
3. Executive Director (Comml)

With a request to take necessary action for

- NHPC Ltd,
NHPC Office Complex,
Sector 33,
Faridabad -121003
(FAX-0129-2277941)
- implementation of Regulation of power supply of PDD,J&K from NHPC HEP Projects, as per CERC Regulation, 2010.
4. Executive Director (Comml)
SJVNL, 205-206, 2nd Floor,
Gulmohar Enclave, Bhanot House,
Yusuf sarai, New Delhi - 110049
- With a request to take necessary action for implementation of Regulation of power supply of PDD,J&K from SJVNL Projects, as per CERC Regulation, 2010
5. General Manager(Commercial)
THDC India Ltd
Corporate Office, Rishikesh-
Pragatipuram Bypass Road,
Rishikesh -249201, Uttarakhand
- With a request to take necessary action for implementation of Regulation of power supply of PDD,J&K from THDC Projects, as per CERC Regulation, 2010

Copy of Notice dtd 04.11.2016 for Regulation of Power supply issued to PDD, J&K is enclosed for kind information of:

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi-110 001. Fax: 011-23721487
2. Chief Secretary, Govt. Of Jammu & Kashmir, Civil Secretariat, Jammu- 180 001, J&K. Fax: 0194-2473664
3. Commissioner Secretary (Power), Govt. Of Jammu & Kashmir, Civil Secretariat, Jammu-180 001, J&K.
4. Development Commissioner (Power), Govt of Jammu & Kashmir, Civil Secretariat, Jammu-180001, J&K
5. Secretary, CERC , 3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi, 110 001, Fax: 011-23753923
6. Secretary, J&K SERC, Ambedkar (Panama) Chowk, Railway Road, Jammu - 180006, J&K Fax No: 0191-2470163
7. Member Secretary, Northern Regional Power Committee, 18-A, Shaheed Jeet singh Marg, Katwaria Sarai, New Delhi -110016.
Fax No: 011-26865206 / 26524525
8. CEO, POSOCO, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016.
Fax No: 011 - 26524525
9. Chief Accounts Officer & Financial Advisor, J&K PDD, SLDC Building, 1st Floor, Gladni Power House, Narwal, Jammu.



Annexure-1

Regulation of Power Supply of M/s Power Development Department (PDD),
J&K -Quantum of Power to be regulated

S. No	Generating Company	Generating Station	Station Capacity	Share Allocation of PDD	Quantum of Power to be regulated to PDD under this Notice
1	NHPC	Salal	690 MW	234 MW	107 MW
2	NHPC	Uri	480 MW	161 MW	52 MW
3	NHPC	Chamera-II	300 MW	29 MW	12 MW
4	NHPC	Chamera-I	540 MW	20 MW	9 MW
5	THDC	Koteswar HEP	400 MW	26 MW	9 MW
6	SJVNL	Nathpa-Jhakri HEP	1500 MW	133 MW	76 MW
7	NHPC	Tanakpur	94 MW	7 MW	3 MW
8	NHPC	Dhauliganga	280 MW	25 MW	11 MW
9	NTPC	Singrauli	2000 MW	20 MW	7 MW
10	THDC	Tehri	1000 MW	67 MW	14 MW
	Total		10284 MW	722 MW	300 MW

