



CC/Comml./ROP-UPPCL/2016

Dt.: 04.11.2016

To,
The Chairman,
M/s Uttar Pradesh Power Corporation Ltd,
Shakti Bhawan,
14, Ashok Marg,
Lucknow- 226 001, UP

(WITHOUT PREJUDICE)

Fax: 0522-2287875

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of Uttar Pradesh Power Corporation Ltd (UPPCL) in making payment of dues and opening of requisite Letter of Credit

Ref: 1. Our Letter no. CC:Comm:UPPCL dtd 24.08.2016
2. Our Letter no. NR-1/Comml dtd 07.09.2016
3. Our letter no. CC:Comm:UPPCL dtd 20.10.2016
4. Transmission Service Agreement dtd 18.07.2011.

- UPPCL 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 UPPCL 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.
- It is, however, a matter of serious concern that UPPCL is consistently 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 UPPCL have accumulated to Rs 915 Cr as on 04.11.2016, which includes an amount of Rs 266 Cr. outstanding for more than 60 days as on date (*which would grow to Rs 446 Cr. on 06.11.2016*) based on the bills already raised by CTU.
- Further, UPPCL has established an LC for an amount of Rs 103 Cr. only as against the requirement of Rs 150 Cr. as per the provisions of CERC Regulations. Enhancement of LC amount has not been done by UPPCL despite regular follow up and reminders from CTU.
- 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

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 correspondence issued by CTU, as referred above, which demonstrates the default of UPPCL 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 failure of UPPCL to clear the outstanding dues by **14.11.2016**, the regulation of power supply of UPPCL through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	1200 MW of power drawl of UPPCL 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 UPPCL shall be as per the provisions of CERC Regulations		

8. Further, it may be informed that the dues for an amount of Rs 80 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

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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 UPPCL 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 UPPCL with effect from 11.11.2016.
 - Prepare implementation plan for Regulation of Power Supply of UPPCL & 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,
Northern Regional Load
Dispatch Centre,
18A, SJSS Marg, Katwaria Sarai,
New Delhi - 110016
(FAX- 011 26852747)
- (i) With a request to implement the STOA curtailment of UPPCL 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 UPPCL 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 UPPCL.
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 UPPCL 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 UPPCL 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 UPPCL 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 UPPCL from THDC HEP Projects, as per CERC Regulation, 2010

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

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi.
Fax : 011-23721487
2. Chief Secretary, Govt of Uttar Pradesh, Secretariat, Lucknow -206 001, UP.
Fax : 0522-2239283
3. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36, Janpath, New Delhi, 110 001. Fax: 011-23753923
4. Secretary, UP Electricity Regulatory Commission, II Floor, Kisan Mandi Bhawan, Gomati Nagar, Vibhuti Khand, Lucknow- 226 010,UP.
Fax : 0522-2720423
5. Member Secretary, Northern Regional Power Committee, 18-A, Shaheed Jeet singh Marg, Katwaria Sarai, New Delhi -110016.
Fax : 011-26865206/26526361
6. CEO, POSOCO, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016.
Fax : 011-26524525
7. General Manager (SLDC), UPPCL, 5th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow-226001, UP.



Annexure-1

**Regulation of Power Supply of M/s Uttar Pradesh Power Corporation Ltd
(UPPCL) -Quantum of Power to be regulated**

S. No	Generating Company	Generating Station	Station Capacity	Share Allocation of UPPCL	Quantum of Power to be regulated to UPPCL under this Notice
1	NHPC	Salal	690 MW	47 MW	22 MW
2	NHPC	Uri	480 MW	95 MW	31 MW
3	NHPC	Chamera-II	300 MW	84 MW	35 MW
4	NHPC	Chamera-I	540 MW	108 MW	50 MW
5	THDC	Koteswar HEP	400 MW	170 MW	59 MW
6	SJVNL	Nathpa-Jhakri HEP	1500 MW	283 MW	161 MW
7	NHPC	Tanakpur	94 MW	21 MW	10 MW
8	NHPC	Dhauliganga	280 MW	73 MW	33 MW
9	NTPC	Singrauli	2000 MW	787 MW	270 MW
10	THDC	Tehri	1000 MW	412 MW	160 MW
11	NTPC	Rihand	3000 MW	1020 MW	369 MW
	Total		10284 MW	3100 MW	1200 MW

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