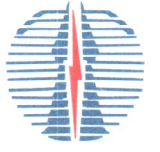


# पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड

(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

WITHOUT PREJUDICE

CC/Comml./ROP-J&K/2019

Dt.: 06.02.2019

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

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. CC:Comml:J&K dtd 20.11.2018  
2. Our Letter no. CC:Comml:J&K:2019-1 dtd 10.01.2019  
3. 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 218 Cr** as on 06.02.2019, which includes an amount of **Rs 189 Cr.** outstanding for more than 60 days as on date (*out of which an amount of Rs 110 Cr. has even exceeded 120 days*) 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 30 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 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 of more than 60 days latest by **22.02.2019**, 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	:	<b>200 MW</b> of power drawl of PDD,J&K from ISTS network
• Commencement of Regulation of supply	:	From <b>00.00 Hrs of 27.02.2019</b>
• Period of Regulation of Power supply	:	Initially for 3 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 NHPC & SJVNL 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 110 Crore are exceeding 120 days as on date (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."*

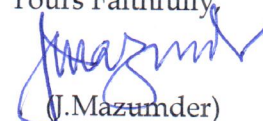


Thus as per the above, in case the dues >120 days is not liquidated by PDD, J&K latest by **15.02.2019**, the STOA transactions shall be liable to be curtailed w.e.f. **18.02.2019**, prior to resorting to Regulation of Power supply as stated at Para 7 above.

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 **18.02.2019**.
  - Prepare implementation plan for Regulation of Power Supply of PDD, J&K & implement the same w.e.f. 00:00 Hrs. of **27.02.2019**.
10. In view of above, it is advised to liquidate the outstanding dues greater than 120 days by **15.02.2019** and clear the dues greater than 60 days and open LC as per above by **22.02.2019** failing which regulation of power supply shall also be enforced as stipulated above.

Thanking You,

Yours Faithfully,



(J. Mazumder)

Chief General Manager (Commercial)

CC.

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

  - With a request to implement the STOA curtailment of PDD, J&K w.e.f. 18.02.2019 in line with Para 59(c) of CERC Order dtd 02.09.2015 under Pet.no. 142/ MP/2012, upon confirmation by us on 15.02.2019.
  - 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)  
NHPC Ltd,  
NHPC Office Complex,  
Sector 33, Faridabad -121003

With a request to take necessary action for implementation of Regulation of power supply of PDD, J&K from NHPC HEP Projects, as per CERC Regulation, 2010.
3. Executive Director (Comml)  
SJVN Ltd, 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 SJVN Projects, as per CERC Regulation, 2010



**Copy of Notice dtd 06.02.2019 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. CMD, POSOCO, B-9, 61, IFCI Tower, 9<sup>th</sup> Floor, Nehru Place, New Delhi -110019.
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 PDD, J&K -  
Tentative list of generators and quantum of Power to be regulated**

S.No	Generating Company	Generating Station	Station Capacity	Share Allocation of PDD, J&K	Quantum of power to be regulated to PDD, J&K under this notice
1	NHPC	Salal	690 MW	234 MW	80 MW
2	NHPC	Uri	480MW	161 MW	45 MW
3	NHPC	Chamera-I	540MW	20MW	10 MW
4	NHPC	Chamera-II	300MW	42 MW	10 MW
5	NHPC	Dhauliganga	280MW	35MW	10 MW
6	SJVNL	Nathpa-Jhakri HEP	1500MW	170 MW	45 MW
	Total				200 MW