

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-Telangana /2019

Dt.: 18.01.2019

To,
Chairman and Managing Director,
M/s Transmission Corporation of Telangana Ltd(TSTRANSCO),
Vidhyut Soudha,
Khairatabad
Hyderabad - 500049, Telanagna

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of Transmission Corporation of Telangana Ltd (TSTRANSCO) in making payment of dues and opening of requisite Letter of Credit

- Ref: 1. Our Letter no. CC:Comml:Telangana dtd 15.11.2018
2. Our letter no. CC:Comml:Telangana:2019/1 dtd 09.01.2019
3. Our letter no. PGCIL:SR-I:COMML:2018-19 dtd 24.12.2018

1. Transmission Corporation of Telangana Ltd (TSTRANSCO) 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 TSTRANSCO 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, however, a matter of serious concern that TSTRANSCO is consistently failing to make payment against the monthly bills raised on it towards transmission tariff despite various commitments by TSTRANSCO and regular follow-up by CTU. As a consequence, total dues of TSTRANSCO have accumulated to **Rs 483 Cr** as on date, which includes an amount of **Rs 290 Cr.** outstanding for more than 60 days (an amount of Rs 72 Cr. has even crossed 120 days) based on the bills already raised by CTU.
3. Further, the existing LC, as payment security mechanism, has expired on 11.01.2019 and TSTRANSCO are yet to renew the same as on date, 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 TSTRANSCO 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 TSTRANSCO to clear the outstanding dues latest by 29.01.2019 (by 4.30PM), the regulation of power supply of TSTRANSCO through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	250 MW of power drawl of TSTRANSCO from ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 01.02.2019
• 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 NTPC & NLC as per Annexure-1 .
• The regulation of power shall be carried out through Southern Region Transmission Corridor.		
• All other liabilities of TSTRANSCO shall be as per provisions of CERC Regulations		

8. Further, it may be informed that the dues for an amount of Rs 72 Crore are exceeding 120 days as on 18.01.2019 (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 TSTRANSCO latest by 24.01.2019, the STOA transactions shall be liable to be curtailed w.e.f. 26.01.2019, prior to resorting to Regulation of Power supply as stated at Para 7 above.

9. Through a copy of this Notice, SRLDC is being requested to:
- Take necessary action to curtail the STOA transactions of TSTRANSCO with effect from 00:00 hrs of 26.01.2019.
 - Prepare implementation plan for Regulation of Power Supply of TSTRANSCO & implement the same w.e.f. 00:00 Hrs. of 01.02.2019.
10. In view of above, it is advised to liquidate the outstanding dues greater than 120 days by **24.01.2019 (by 4.30 PM)** and clear the dues greater than 60 days & reinstate the LC by **29.01.2019 (by 4.30 PM)** failing which regulation of power supply shall also be enforced as stipulated above.

Thanking You,

Yours faithfully,



(J. Mazumder)

Chief General Manager(Commercial), CTU

CC.

1. Executive Director ,
Southern Regional Load Despatch
Centre
29, Race Course Cross Road,
Bangalore -560009

 - With a request to implement the STOA curtailment of TSTRANSCO w.e.f 26.01.2019 in line with Para 59(c) of CERC Order dtd 02.09.2015 under Pet.no. 142/MP/2012, upon confirmation by us on 24.01.2019.
 - With a request to prepare the implementation plan for Regulation of power supply of TSTRANSCO and implement the same as per CERC Regulation, 2010. The proposed regulation of power from various generating plants of NTPC & NLC as per Annexure-1 may be reviewed and finalized. Indemnification bond furnished earlier holds good for subject Regulation of power of TSTRANSCO.
2. Executive Director (Comml.),
NTPC Ltd,
Core 7, Scope Complex, Lodhi Road
New Delhi - 110016

With a request to take necessary action for implementation of Regulation of power supply of TSTRANSCO from NTPC Plants, as per CERC Regulation, 2010.
3. Executive Director (Comml)
NLC Ltd, Block-I,
Neyveli - 607 801
Cuddalore District, Tamilnadu.

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

:: 4 ::

Copy of Notice dtd 18.01.2019 for Regulation of Power supply issued to TSTRANSCO, Telangana is enclosed for kind information of:

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi.
2. Chief Secretary, Govt of Telangana, Secretariat, Hyderabad
3. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36, Janpath, New Delhi, 110 001.
4. Secretary, Telangana Electricity Regulatory Commission, 5th Floor, 11-4-660, Singareni Bhavan, Red Hills, Hyderabad - 500 004
5. Member Secretary, Southern Regional Power Committee, 29, Race Course Road, Bangalore - 560009.
6. CMD, POSOCO, 61, IFCI Tower, 9th Floor, Nehru Place, New Delhi - 110019.
7. Superintending Engineer, Telangana SLDC, TSTRANSCO, Khairatabad, Hyderabad - 500049.
8. Executive Director, POWERGRID, SR-I, Secunderabad



Annexure-1

Regulation of Power Supply of TSTRANSCO, Telangana -
Tentative list of generators and quantum of Power to be regulated

S.No	Generating Company	Generating Station	Station Capacity	Share Allocation of TSTRANSCO	Quantum of power to be regulated to TSTRANSCO under this notice
1	NTPC	Ramagundam Stage-I, II & III	2431 MW	416 MW	175 MW
2	NLC	TPS Stage-II	1233 MW	153 MW	75 MW
	Total			669 MW	250 MW

Jw2

NOO: