



WITHOUT PREJUDICE

CC/Comml./ROP-UPPCL /2019/3

Dt.: 11.03.2019

To,
Director (Finance),
M/s Uttar Pradesh Power Corporation Ltd.
Shakti Bhawan,
14, Ashok Marg,
Lucknow - 226001, UP

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of UPPCL in making payment of outstanding dues"

Ref: 1. Our Letter no. CC:Comml:UPPCL dtd 15.11.2018
2. Our letter no. CC:Comml:UPPCL :2019/1 dtd 10.01.2019
3. Our letter no. CC:Comml:UPPCL:2019/1 dtd 31.01.2019

- 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 CERC Regulations.
- It is, however, a matter of serious concern that UPPCL is consistently failing to make payment against the monthly bills raised on it towards transmission tariff despite various commitments by UPPCL and regular follow-up by CTU. As a consequence, total dues of UPPCL have accumulated to **Rs 1376 Cr** as on date, which includes an amount of **Rs.1008Cr.** outstanding for more than 60 days (an amount of Rs 412 Cr. has even crossed 120 days) based on the bills already raised by 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.
- 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."

5. In this regard, attention is invited to various correspondence issued by the 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".
6. Accordingly, in case of failure of UPPCL to clear the outstanding dues latest by 22.03.2019 (by 4.30PM), the regulation of power supply of UPPCL through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	600 MW of power drawl of UPPCL from ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 26.03.2019
• 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 from which UPPCL has allocation of power under Long Term Access (NTPC -430 MW, NHPC -102 MW & SJVNL -68 MW).
• The regulation of power shall be carried out through Northern Region Transmission Corridor.		
• All other liabilities of UPPCL shall be as per provisions of CERC Regulations		

7. Further, it may be informed that the dues for an amount of Rs 412 Crs are exceeding 120 days as on 11.03.2019 (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 UPPCL latest by 15.03.2019, the STOA transactions shall be liable to be curtailed w.e.f. 19.03.2019, prior to resorting to Regulation of Power supply as stated at Para 6 above.

8. Through a copy of this Notice, NRLDC is being requested to:
- Take necessary action to curtail the STOA transactions of UPPCL with effect from 00:00 hrs of 19.03.2019.
 - Prepare implementation plan for Regulation of Power Supply of UPPCL & implement the same w.e.f. 00:00 Hrs. of 26.03.2019.

9. In view of above, it is requested to liquidate the outstanding dues greater than 120 days by 15.03.2019 (by 4.30 PM) and clear the dues greater than 60 days by 22.03.2019 (by 4.30 PM) failing which regulation of power supply shall also be enforced as stipulated above.

Thanking You,

Yours faithfully,



Chief General Manager(Commercial), CTU

CC.

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

- (i) With a request to implement the STOA curtailment of UPPCL w.e.f 19.03.2019 in line with Para 59(c) of CERC Order dtd 02.09.2015 under Pet.no. 142/ MP/2012, upon confirmation by us on 15.03.2019.

- (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 generating stations of NTPC (430 MW), NHPC (102 MW) & SJVNL (68 MW) may be decided by NRLDC based on the merit order of despatch.* Indemnification bond furnished earlier holds good for subject Regulation of power of UPPCL.

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 UPPCL from NTPC Plants, as per CERC Regulation, 2010.

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 UPPCL from NHPC HEP Projects, as per CERC Regulation, 2010.

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

Copy of Notice dtd 11.03.2019 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.
2. Chief Secretary, Govt of Uttar Pradesh, Secretariat, Lucknow -206 001, UP.
3. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36, Janpath, New Delhi, 110 001.
4. Secretary, UP Electricity Regulatory Commission, II Floor, Kisan Mandi Bhawan, Gomati Nagar, Vibhuti Khand, Lucknow- 226 010,UP.
5. Member Secretary, Northern Regional Power Committee, 18-A, Shaheed Jeet singh Marg, Katwaria Sarai, New Delhi -110016.
6. CMD, POSOCO, B-9, 61, IFCI Tower, 9th Floor, Nehru Place, New Delhi - 110019.
7. General Manager (SLDC), UPPCL, 5th Floor, Shakti Bhawan, 14, Ashok Marg, Lucknow-226001, UP.