



(WITHOUT PREJUDICE)

Ref: CC/Comml./ROP-MB Power/2019

Dt: 20.03.2019

To,  
Managing Director  
M/s MB Power (Madhya Pradesh) Limited,  
239, Okhla Industrial Estate, Phase-III,  
New Delhi - 110020.

Dear Sir,

**Sub: "Notice for Regulation of power supply" for default of M/s MB Power (Madhya Pradesh) Ltd in payment of dues**

1. M/s MB Power (Madhya Pradesh) Ltd (**MB Power**) is a Designated Inter-State Transmission System Customer (DIC) which is availing Inter-state Transmission System (ISTS) network for transfer of power from its generating plant at Madhya Pradesh to different parts of country 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) and CERC Regulations.
2. It is mentioned that Long Term Access (LTA) quantum of 536 MW of MB Power was operationalized as per the terms of its LTA Agreement and accordingly MB Power are liable to pay the transmission charges from the date of LTA operationalization. Total dues of MB Power as on date, have accumulated to a huge amount of Rs 85 Crore out of which Rs. 67 Crore have exceeded 60 days.
3. CTU has been mandated with the responsibility of Billing, Collection and Disbursement of transmission charges collected from all the DICs to respective ISTS licences in the country. 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.
4. 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*

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*generating company or withdrawal of open access / access to Inter-State Transmission System in the case of the transmission licensee. ...."*

5. Please refer to various correspondence issued by the CTU which demonstrates the default of MB Power in payment of legitimate dues in time. 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 MB Power to clear the outstanding dues latest by 25.03.2019 (by 4.30 PM) , the regulation of power supply of MB Power through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	<b>100 MW</b> of power injected by MB Power to ISTS network <b><u>for transfer to Uttar Pradesh under its LTA.</u></b>
• Commencement of Regulation of Power supply	:	From <b>00.00 Hrs of 28.03.2019</b>
• Period of Regulation of Power supply	:	Initially for two months or till clearing of the entire dues outstanding for more than 60 days.
• Source of regulation of Power Supply	:	The generation plant of MB Power located in Madhya Pradesh.
• The regulation of power shall be carried out through Western Region Transmission Corridor to Northern Region Transmission Corridor ( <b><u>for 100 MW to Uttar Pradesh under its LTA.</u></b> )		
• All other liabilities of MB Power shall be as per the provisions of CERC Regulations		

7. Further, as per Para 59 (c) of CERC Order dtd 02.09.2015 under Pet. no. 142/MP/2012, the STOA also shall be curtailed during the regulation of power supply, as 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. ...."*

8. Through a copy of this Notice, WRLDC is being requested to prepare an implementation plan for Regulation of Power Supply of MB Power and implement the same w.e.f. 00:00 Hrs. of 28.03.2019 upon confirmation by us.

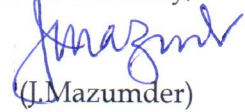
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9. In view of above, it is advised to liquidate the outstanding dues greater than 60 days as per above latest by 25.03.2019 failing which regulation of power supply shall also be enforced as stipulated above.

Thanking You,

Yours faithfully,



(J. Mazumder)

Chief General Manager (Commercial)

CC:

1.	Executive Director Western Regional Load Despatch Centre, POSOCO F-3, MIDC Area, Marol, Andheri(East), Mumbai - 400093	With a request to prepare the implementation plan for Regulation of power supply of MB Power from its generation plant in Madhya Pradesh and implement the same as per CERC (Regulation of Power Supply) Regulations, 2010 and CERC Order dtd 02.09.2015 in Pet 142/MP/2012. Indemnification bond furnished earlier holds good for subject Regulation of power of MB Power.
2.	Executive Director Northern Regional Load Despatch Centre, POSOCO, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016 (Fax - 011 26852747)	With a request to take necessary action for implementation of Regulation of power supply of M/s MB Power (Generator), as per CERC (Regulation of Power Supply) Regulations, 2010 and CERC Order dtd 02.09.2015 in Pet 142/MP/2012.

Copy of Notice dtd 20.03.2019 for Regulation of Power supply issued to M/s MB Power (Madhya Pradesh) Ltd is enclosed for kind information of:

1. Member Secretary, Western Regional Power Committee, F-3, MIDC Area, Marol, Andheri(East), Mumbai - 400093
2. Member Secretary, Northern Regional Power Committee, 18-A, Shaheed Jeet Singh Marg, Katwaria Sarai, New Delhi -110016
3. CMD, POSOCO, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110016.
4. ED, POWERGRID - WR-II / NR-I/ NR-III.