

(WITHOUT PREJUDICE)

Ref: CC/Comml./ROP-GMR Warora /2020/1

Dt.: 05.08.2020

To,
The Managing Director
M/s GMR Warora Energy Ltd
Plot No - B1, Mohabala MIDC,
Growth Centre, Post Tehsil
Warora 442907, Maharastra,

Dear Sir,

Sub: "Notice for Regulation of Power Supply" for default of M/s GMR Warora Energy Ltd in making payment of outstanding dues.

Ref : Our letter CC:Comml:GMR Warora dtd 09.06.2020 and 29.07.2020 on liquidation of dues

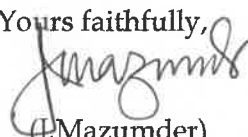
1. M/s GMR Warora Energy Ltd (GMR Warora) is a Designated Inter-State Transmission System Customer (DIC) which is availing Inter-state Transmission System (ISTS) network for transfer of power from its generating plant in Maharastra to different parts of country and is under obligation to make timely payment of transmission tariff and to open requisite Letter of Credit (LC) towards Payment Security Mechanism (PSM) in line with Bulk Power Transmission Agreement (BPTA) dtd 17.1.2009 and CERC Regulations.
2. It is a matter of serious concern that GMR Warora is failing to make timely payment against the monthly bills raised on it towards transmission tariff despite regular follow-up by CTU. As a consequence, the total dues of GMR Warora have accumulated to **Rs 89.30 Crs** as on date, which includes an amount of **Rs. 66.89 Crs. > 45 days** (the said amount of **Rs. 66.64 Crs.** has even crossed 60 days) based on the bills already raised by CTU.
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 generating company or withdrawal of open access / access to Inter-State Transmission System in the case of the transmission licensee."
5. Further, it may be informed that as per CERC order dtd 02.09.2015 under Pet. No. 142/MP/2012, during the period of Regulation of Power Supply, the STOA to the defaulter shall also be curtailed. The relevant portion of the 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..."

6. 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, CTU is constrained to issue this "Notice for Regulation of Power Supply" in view of default of GMR Warora in liquidating the dues.
7. Accordingly, in case of failure of GMR Warora to clear the outstanding dues (>60 days) latest by **14.08.2020**, the regulation of power supply of GMR Warora through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	75 MW of power injected by GMR Warora to ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 21.08.2020.
• Period of Regulation of Power supply	:	Initially for 2 months or till clearing of the entire dues outstanding for more than 60 days.
• Source of regulation of Power Supply	:	The generation plant of GMR Warora located in Maharashtra.
• The regulation of power supply shall be carried out through Western Region Transmission Corridor (75 MW to Maharashtra).		
• All other liabilities of GMR Warora shall be as per the provisions of CERC Regulations		

8. Through a copy of this Notice, WRLDC is being requested to prepare an implementation plan for Regulation of Power Supply of GMR Warora & implement the same w.e.f. 00:00 Hrs. of 21.08.2020 upon confirmation by us on 17.08.2020.
9. In view of above, it is advised to liquidate the outstanding dues greater than 60 days latest by 14.08.2020 failing which regulation of power supply shall be enforced as stipulated above. Further, as given at Sl. No. 5 above the STOA is also curtailed during the implementation of regulation of power supply.

Thanking You,

Yours faithfully,


(J. Mazumder)
Chief General Manager (Commercial)-CTU

CC:

1.	Executive Director Western Regional Load Despatch Centre, POSOCO, F-3, M.I.D.C. Area, Marol, Andheri (East), Mumbai-400093	With a request to prepare the implementation plan for Regulation of power supply of GMR Warora from its generation plant in Maharastra and implement the same as per CERC (Regulation of Power Supply) Regulations, 2010 upon confirmation by us on 17.08.2020. Indemnification bond furnished earlier holds good for subject Regulation of power supply of GMR Warora Energy Ltd.
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Copy of Notice dtd 05.08.2020 for Regulation of Power supply issued to M/s GMR Warora Engery Ltd is enclosed for kind information of:

1. Executive Director, National Load Despatch Centre, POSOCO, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016
2. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36 Janpath, New Delhi 110001
3. Member Secretary, Western Regional Power Committee, F-3, M.I.D.C. Area, Marol, Andheri (East), Mumbai-400093
4. CMD, POSOCO, 61, IFCI Tower, 9th floor, Nehru Place, New Delhi - 110019.
5. ED, POWERGRID - WR-I, Nagpur