

WITHOUT PREJUDICE

CC/Comml./ROP-PED/2020/

Dt.: 20.10.2020

To,
Chairman and Managing Director,
Puducherry Electricity Department
No.137, Subhash Chandra Bose Salai,
Puducherry, 605001

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of Puducherry Electricity Department in making payment of dues

Ref : Our letter PGC:SR-II: COMML:2020-21 DTD 09.10.2020

1. Puducherry Electricity Department (Puducherry) 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 PUDUCHERRY 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 Puducherry is consistently failing to make payment against the monthly bills raised on it towards transmission tariff despite various commitments by Puducherry and regular follow-up by CTU. As a consequence, total dues of Puducherry have accumulated to **Rs 42.79 Cr** as on date, which includes an amount of **Rs.36.88 Cr.** outstanding for >45 days, amount of **Rs. 31.81 Cr. is outstanding for > 60 days** (an amount of Rs. 22.62 Crs has even crossed 120 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 towards ISTS licensees 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.
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."



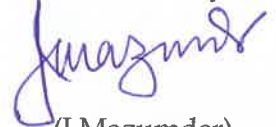
5. In this regard, attention is invited to various correspondence issued by the CTU, as referred above, which demonstrates the default of Puducherry in payment of legitimate dues. As per the provisions of **Regulation 4 of CERC (Regulation of Power Supply) Regulation 2010**, provisions of *BCD procedure* 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 Puducherry to clear all the outstanding dues >60 days latest by **29.10.2020**, the regulation of power supply of Puducherry through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	75 MW of power drawl of Puducherry from ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 03.11.2020
• 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	:	To be regulated from various power plants of NTPC & NLC from which Puducherry has allocation of power under Long Term Access, the quantum shall be in proportion of the allocation from NTPC and NLC which may be decided by SRLDC based on merit order of dispatch.
• The regulation of power shall be carried out through Southern Region Transmission Corridor.		
• All other liabilities of Puducherry shall be as per provisions of CERC Regulations		

7. Further, 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....."
8. Through a copy of this Notice, SRLDC is being requested to prepare implementation plan for Regulation of Power Supply of Puducherry & implement the same w.e.f. 00:00 Hrs. of 03.11.2020, upon confirmation by us on 30.10.2020.
9. In view of above, it is requested to liquidate the outstanding dues greater than 60 days by **29.10.2020** failing which regulation of power supply shall be enforced as stipulated above.

Thanking You,

Yours faithfully,



(J Mazumder)

Chief General Manager (Commercial), CTU

CC :

1. Executive Director ,
Southern Regional Load Dispatch
Centre
29, Race Course Cross Road,
Bangalore -560009
With a request to prepare the implementation plan for Regulation of power supply of Puducherry and implement the same as per CERC (Regulation of Power Supply) Regulation, 2010. For the proposed regulation of power from various power plants of NTPC & NLC from which Puducherry has allocation of power under Long Term Access, the quantum shall be in proportion of the allocation from NTPC & NLC which may be decided by SRLDC based on the merit order of dispatch. Indemnification bond furnished earlier holds good for subject Regulation of power of Puducherry.
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 Puducherry from NTPC Plants, as per CERC (Regulation of Power supply) 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 Puducherry from NLC Plants, as per CERC (Regulation of Power supply) Regulation, 2010.

Copy of Notice dtd 20.10.2020 for Regulation of Power supply issued to Puducherry is enclosed for kind information of:

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi.
2. Chief Secretary, Govt of Puducherry, Goubert Avenue, Beach Rd, White Town, Puducherry, 605001, Andhra Pradesh
3. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36, Janpath, New Delhi, 110 001.
4. Member Secretary, Southern Regional Power Committee, 29, Race Course Road, Bangalore - 560009.
5. CMD, POSOCO, 61, IFCI Tower, 9th Floor, Nehru Place, New Delhi - 110019.
6. Executive Director, POWERGRID, SR-II, Bengaluru