

WITHOUT PREJUDICE

CC/Comml./ROP-AP/2020/1

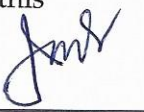
Dt.: 24.11.2020

To,
Chairman and Managing Director,
M/s Transmission Corporation of Andhra Pradesh Ltd,
Vidhyut Soudha,
Gundala, Eluru Road,
Vijayawada - 520004, Andhra Pradesh

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of APPCC, APTRANSCO in making payment of dues

1. APPCC, APTRANSCO 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 APPCC 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 APPCC is consistently failing to make payment against the monthly bills raised on it towards transmission tariff despite various commitments by APPCC and regular follow-up by CTU. As a consequence, total dues of APPCC have accumulated to **Rs 275.27 Cr** as on date, which includes an amount of **Rs.174.65 Cr.** outstanding for >45 days (an amount of Rs 88.79 Cr. has even crossed 60 days) based on the bills already raised by CTU. The outstanding dues >60 days will grow to Rs.174.65 Crs on 05.12.2020 and will further grow to Rs. 188.71 Crs on 08.12.2020.
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, which demonstrates the default of APPCC 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".



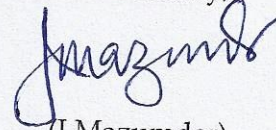
6. Accordingly, in case of failure of APPCC to clear all the outstanding dues >60 days latest by 07.12.2020, the regulation of power supply of APPCC through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	300 MW of power drawl of APPCC from ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 12.12.2020
• 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 APPCC 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 despatch
• The regulation of power shall be carried out through Southern Region Transmission Corridor.		
• All other liabilities of APPCC 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 APPCC & implement the same w.e.f. 00:00 Hrs. of 12.12.2020.
9. In view of above, it is requested to liquidate the outstanding dues greater than 60 days by 07.12.2020 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
Despatch Centre
29, Race Course Cross Road,
Bangalore -560009
With a request to prepare the implementation plan for Regulation of power supply of APPCC 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 APPCC 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 despatch. Indemnification bond furnished earlier holds good for subject Regulation of power of APPCC.
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 APPCC 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 APPCC from NLC Plants, as per CERC (Regulation of Power supply) Regulation, 2010.

Copy of Notice dtd 24.11.2020 for Regulation of Power supply issued to APPCC, Andhra Pradesh is enclosed for kind information of:

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi.
2. Chief Secretary, Govt of Andhra Pradesh, Secretariat, Amaravathi, Andhra Pradesh
3. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36, Janpath, New Delhi, 110 001.
4. Secretary, Andhra Pradesh Electricity Regulatory Commission, 4th 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, APSLDC, APTRANSCO, Vidhyut Soudha, Gundala, Eluru Road, Vijayawada - 520004, Andhra Pradesh
8. Executive Director, POWERGRID, SR-I, Secunderabad