

(WITHOUT PREJUDICE)

Ref: CC/Comml./ROP-GMR Kamalanga /2020/3

Dt.: 26.11.2020

To,
The Managing Director
M/s GMR Kamalanga Energy Ltd
Corporate Office, Airport Building, 302, 1st Floor
New Shakti Bhawan Complex
Near Terminal - 3, IGI Airport,
New Delhi - 110037

Dear Sir,

Sub: "Notice for Regulation of Power Supply" for default of M/s GMR Kamalanga Energy Ltd in making payment of outstanding dues towards transmission charges (Non-POC) as per CERC Order dtd 07.10.2015 & 15.03.2018.

Ref: 1. APTEL order dated 01.09.2020 in Appeal no. 160 of 2018.
2. Our letter Ref: CC:Comml:GKEL: dated 21.09.2020

1. M/s GMR Kamalanga Energy Ltd (GMR Kamalanga) 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 Odisha 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 CERC Regulations.
2. As per CERC order dated 07.10.2015 in petition no. 112/TT/2013 and CERC order dated 15.03.2018 in petition no. 73/MP/2017, bilateral bills towards transmission charges including surcharge were raised on GMR-Kamalanga as detailed in our letter dtd 21.09.2020 referred above. It may be mentioned that APTEL vide Order dtd 01.09.2020 dismissed the appeals filed by GMR-Kamalanga alongwith other Generators and GMR Kamalanga is now liable to pay the dues alongwith applicable surcharge. It is a matter of serious concern that GMR Kamalanga is failing to make payment against the bilateral bills raised despite regular follow-up by POWERGRID. As a consequence, the total Non-POC dues of GMR Kamalanga amounting to **Rs 39.83 Crs** remained unpaid as on date (the same amount has even crossed 60 days) based on the bills already raised by POWERGRID.
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 POWERGRID 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."

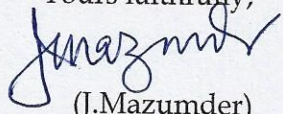


5. Further, it may be informed that as per CERC order dtd 02.09.2015 under Pet. No. 142/MP/2012, during the period of Regulation of Power Supply, the STOA to the defaulter shall also be curtailed. The relevant portion of the CERC Order dtd 02.09.2015 is reproduced below:-
"During the period of regulation 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. Please refer to various correspondence issued by POWERGRID which demonstrates the default of GMR Kamalanga in payment of legitimate dues (Non-POC) 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, POWERGRID is constrained to issue this "Notice for Regulation of Power Supply" in view of default of GMR Kamalanga in liquidating the said dues.
7. Accordingly, in case of failure of GMR Kamalanga to clear the Non-POC outstanding dues (>60 days) latest by **05.12.2020**, the regulation of power supply of GMR Kamalanga through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	150 MW of power injected by GMR Kamalanga to 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	:	The generation plant of GMR Kamalanga located in Odisha.
• The regulation of power supply shall be carried out through Eastern Region Transmission Corridor (150 MW) to Eastern Region (for 75 MW to Bihar) and to Northern Region Transmission Corridor (for 75 MW to Haryana).		
• All other liabilities of GMR Kamalanga shall be as per the provisions of CERC Regulations		

8. Through a copy of this Notice, ERLDC is being requested to prepare an implementation plan for Regulation of Power Supply of GMR Kamalanga & implement the same w.e.f. 00:00 Hrs. of **12.12.2020** upon confirmation by us on 07.12.2020.
9. In view of above, it is advised to liquidate the outstanding dues >60 days latest by **05.12.2020** 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)

CC:

1.	Executive Director Eastern Regional Load Despatch Centre, POSOCO 14, golf Club Road, Tollygunge, Kolkata, West Bengal 700033.	With a request to prepare the implementation plan for Regulation of power supply of GMR Kamalanga from its generation plant in Odisha and implement the same as per CERC (Regulation of Power Supply) Regulations, 2010. Indemnification bond furnished earlier holds good for subject Regulation of power of GMR Kamalanga Energy Ltd.
2.	Executive Director Northern Regional Load Despatch Centre, POSOCO 18A, SJSS Marg, Katwaraia Sarai, New Delhi -110016	With a request to take necessary action for implementation of Regulation of power supply of M/s GMR Kamalanga (Generator), as per CERC (Regulation of Power Supply) Regulations, 2010.
3.	Executive Director, National Load Despatch Centre, POSOCO, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016	With a request to take necessary action to advise the Power Exchanges for implementation of Regulation of power supply of M/s GMR Kamalanga (Generator) as per CERC (Regulation of Power Supply) Regulations, 2010 and CERC Order dtd 02.09.2015 under Pet no. 142/MP/2012.

Copy of Notice dtd 26.11.2020 for Regulation of Power supply issued to **M/s GMR Kamalanga Energy Ltd** is enclosed for kind information of:

1. Member Secretary, Eastern Regional Power Committee, 14, Golf Club Road, Tollygunge, Kolkata, West Bengal 700033.
2. Member Secretary, Northern Regional Power Committee, 18-A, Shaheed Jeet Singh Marg, Katwaria Sarai, New Delhi -110016
3. CMD, POSOCO, 61, IFCI Tower, 9th floor, Nehru Place, New Delhi - 110019
4. ED, POWERGRID - (Comml & RC) / Odisha/ ER-I / NR-II.