

**सेंट्रल ट्रांसमिशन यूटिलिटी ऑफ इंडिया लिमिटेड**  
**CENTRAL TRANSMISSION UTILITY OF INDIA LIMITED**  
(Wholly Owned Subsidiary of Power Grid Corporation of India Limited)  
(A Government of India Enterprise)

(WITHOUT PREJUDICE)

Ref : CTUIL/ROP-CESCOM /2021/3

Dt.: 12.10.2021

Managing Director,  
Chamundeswari Electric Supply Company Ltd (CESCOM),  
#CA 29, Vijayanagar 2nd stage,  
Hinkal, Mysore - 17,

Dear Sir,

**Sub: "Notice for Regulation of power supply" for default of CESCOM, Karnataka in making payment of outstanding dues.**

1. CESCOM 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 CESCOM 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 CESCOM is failing to clear the full dues against the monthly bills raised on it towards transmission tariff despite regular follow-up by CTU. As a consequence, total dues of CESCOM have grown to a huge amount of Rs 69.57 Cr as on date, out of which an amount of Rs. 35.70 Crs is outstanding for >45 days, based on the bills already raised by CTU. The outstanding dues > 45 days will further grow to Rs. 51.39 Cr on 16.10.2021.
3. CTU has been mandated with the responsibility of Billing, Collection and Disbursement of transmission charges towards ISTS licences from all the DICs. Such huge outstanding dues as brought out above is quite alarming and is causing serious impact to fulfil our obligations towards all the ISTS Licensees.
4. Further, the LC has also to be enhanced by CESCOM for an amount of Rs. 24.55 Crs that is long overdue, despite repeated reminders and follow-up
5. Regulation 4 of CERC (Regulation of Power Supply), 2010 & amendment thereof 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 or applicable Regulations, 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. ...."*



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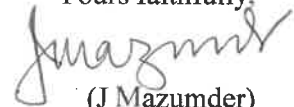
6. In this regard, attention is invited to the correspondence issued by the CTUIL, which demonstrates the default of CESCO in payment of legitimate dues. As per the provisions of **Regulation 4 of CERC (Regulation of Power Supply) Regulation 2010 and amendment thereof, provisions of BCD procedure** and terms of TSA, the CTUIL is constrained to issue this "Notice for Regulation of Power Supply".
7. Accordingly, in case of failure of CESCO to clear the total outstanding dues >45 days latest by **21.10.2021**, the regulation of power supply of CESCO through their Long Term Access shall be effected as follows :-

• Quantum of power to be regulated	:	<b>75MW</b> of power drawl of CESCO from ISTS network
• Commencement of Regulation of supply	:	From <b>00.00 Hrs of 27.10.2021</b> .
• Period of Regulation of Power supply	:	Initially for one month or till clearing of the entire dues outstanding for >45 days
• Source of regulation of Power Supply	:	To be regulated from various Power plants of NTPC & NLC from which CESCO has allocation of power under Long Term Access, the quantum shall be in proportion of the allocation from NTPC & NLC may be decided by SRLDC based on merit order of despatch.
• The regulation of power shall be carried out through Southern Region Tr. Corridor.		
• All other liabilities of CESCO shall be as per provisions of CERC Regulations		

8. Further, CERC vide Order dtd 02.09.2015 under Pet. no. 142/MP/2012 at Para 59 (c) mentioned on curtailment of Short Term Open Access (STOA) during the regulation of power supply. 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. ...."*
9. Through a copy of this Notice, SRLDC is being requested to prepare implementation plan for Regulation of Power Supply of CESCO & implement the same **w.e.f. 00:00 Hrs. of 27.10.2021** upon confirmation by us on 22.10.2021.
10. In view of above, it is requested to liquidate all the outstanding dues >45 days and enhance the LC as indicated in Para (4) by **21.10.2021** failing which regulation of power supply shall be enforced as stipulated above.

Thanking You,

Yours faithfully,



(J Mazumder)

Chief General Manager (Commercial)

For and on behalf of

Central Transmission Utility of India

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  
CESCOM and implement the same as per CERC  
Regulation, 2010 and amendment thereof. *For  
the proposed regulation of power from  
various Power plants of NTPC & NLC from  
which CESCOM 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 CESCOM.
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 CESCOM from NTPC Plants, as per CERC  
Regulation, 2010 and amendment thereof.
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 CESCOM from NLC Plants, as per CERC  
Regulation, 2010 and amendment thereof.

**Copy of Notice dtd 12.10.2021 for Regulation of Power supply issued to CESCOM, Karnataka is enclosed for kind information of:**

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi.
2. Chief Secretary, Govt of Karnataka , Secretariat, Vidhana Soudha, Bangalore
3. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36, Janpath, New Delhi,
4. Secretary, Karnataka Electricity Regulatory Commission, No. 9/2, 6th & 7th Floor,  
Mahalaxmi Chambers, MG Road, Bangalore -560001.
5. Chief Financial Advisor, CESCOM, corporate Office, # CA 29, Vijayanagar, 2nd Stage,  
Hinkal, Mysore - 17
6. Member Secretary, Southern Regional Power Committee, 29, Race Course Road,  
Bangalore - 560009.
7. CMD, POSOCO, 61, IFCI Tower, 9th Floor, Nehru Place, New Delhi - 110019.
8. Superintending Engineer, Karnataka SLDC, 29, Race Course Road, Bangalore - 560009.
9. Executive Director, POWERGRID, SR-II, Bangalore.
10. COO, CTUIL, Gurgaon