

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: CC/Comml/MPPMCL-ROP/2021/2

Dtd : 12.10.2021

Managing Director,
MP Power Management Company Limited
Shakti Bhawan, Rampur
Jabalpur - 482008
Madhya Pradesh

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of MP Power Management Co. Ltd (MPPMCL), Madhya Pradesh in making payment of outstanding dues.

Ref: Our letter ref: CTUIL:MPPMCL: dtd 24.09.2021 on clearing of outstanding dues.

1. MPPMCL, Madhya Pradesh 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 Madhya Pradesh 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 Electricity Act 2003 read with relevant contractual provisions and CERC Regulations.
2. It is, however, a matter of serious concern that MPPMCL is failing to make payment against the monthly bills raised on it towards transmission tariff despite regular follow-up by CTU. As a consequence, total dues of MPPMCL have accumulated to Rs. 673.02 Cr as on date, out of which an amount of Rs. 175.13 Cr. is outstanding for > 45 days based on the bills already raised by CTU. The outstanding dues >45 days will further grow to Rs. 400 crs 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 MPPMCL for an amount of Rs. 268.38 Crs that is long overdue, despite repeated reminders and follow-up
5. 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 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."




6. In this regard, attention is invited to the correspondence issued by the CTU, as referred above, which demonstrates the default of MPPMCL 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 CTU is constrained to issue this "Notice for Regulation of Power Supply".
7. Accordingly, in case of failure of MPPMCL to clear the total outstanding dues >45 days latest by 21.10.2021, the regulation of power supply of MPPMCL through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	600 MW of power drawl of MPPMCL from ISTS network
• Commencement of Regulation of power supply	:	From 00.00 Hrs of 27.10.2021
• Period of Regulation of Power supply	:	Initially for 2 months 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 from which MPPMCL has allocation of power under Long Term Access, the quantum shall be in proportion of the allocation from NTPC, which may be decided by WRLDC based on merit order of despatch.
<ul style="list-style-type: none"> • The regulation of power shall be carried out through Western Region Transmission Corridors. • All other liabilities of MPPMCL shall be as per the 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, WRLDC is being requested to prepare an implementation plan for Regulation of Power Supply of MPPMCL & 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 clear all the outstanding dues greater than 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 Limited

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 MPPMCL, Madhya Pradesh and implement the same as per CERC Regulation, 2010 and amendment thereof. *For the proposed regulation of power from various Power plants of NTPC from which MPPMCL has allocation of power under Long Term Access, the quantum shall be in proportion of the allocation from NTPC which may be decided by WRLDC based on the merit order of despatch.* Indemnification bond furnished earlier holds good for subject Regulation of power supply of MPPMCL.
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 MPPMCL, Madhya Pradesh from NTPC Plants, as per CERC (Regulation of Power Supply) Regulation, 2010 and amendment thereof.

Copy of Notice dtd 12.10.2021 for Regulation of Power supply issued to MPPMCL, Madhya Pradesh is enclosed for kind information of:

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi.
2. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36, Janpath, New Delhi, 110 001.
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. Executive Director, POWERGRID, WR-II.
6. COO, CTUIL, Gurgaon.