



WITHOUT PREJUDICE

CC/Comml./ROP-DVC/2018

Dt.: 05.03.2018

To,
Director (Finance),
M/s Damodar Valley Corporation Ltd,
DVC Headquarters, DVC Towers,
VIP Road,
Kolkatta - 700054, West Bengal

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of Damodar Valley Corporation (DVC) in liquidating the dues

Ref: 1. CERC Order dtd 18.12.2017 in Petition no. 85/MP/2017
2. Our letter no. PG:Comml:DVC dtd 18.12.2017
3. Our letter no. PG:Comml:DVC dtd 12.02.2018

1. Damodar Valley Corporation (DVC) is a Designated Inter-State Transmission System Customer (DIC) which is availing Inter-state Transmission System (ISTS) network for transfer of power from its various power plants located in different parts of country 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 may be mentioned that in a matter of transmission charges pertaining to LTA for transfer of 119.19 MW power from DVC-Majia Unit-8 to BYPL, DVC have not been making payment against the bills raised by the CTU towards transmission charges for the said LTA. In a petition no. 85/MP/2014 filed by CTU in CERC on non-payment of transmission charges by DVC for the said LTA, CERC vide Order dtd 18.12.2017 directed DVC to pay the pending arrears within a period of two months from the date of Order and make regular payment for the LTA in the current bills. Vide letters dtd 18.12.2017 and 12.02.2018, CTU requested DVC to make payment of the dues by 17.02.2018, however, there was no response from DVC till date. As on date, the outstanding dues > 60 days are **Rs 147.85 Crore** that is inclusive of dues on account of the above LTA amounting to **Rs 132 Crore** (till the bill of Dec'17 raised in Jan'18).
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. 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 at Para 59 (c) 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. When Regulation 25A is invoked independent of regulation of power supply, default trigger date for invoking Regulation 25A of Open Access Regulations shall be 90 days from the due date of payment of various charges covered under the respective Regulations. NLDC/RLDCs shall deny short term open access to the defaulting entity on occurrence of the default trigger dates as mentioned above without having to approach the Commission on the basis of the request of concerned RLDC or Central Transmission Utility, as the case may be."

(Due date is 30 days from the date of billing as per BCD Procedure of CERC Sharing Regulations).

6. 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".
7. Accordingly, in case of failure of DVC to clear the outstanding dues of Rs. 147.85 Crore latest by **15.03.2018 (by 4.30 PM)**, the regulation of power supply of DVC through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	400 MW power evacuation from DVC power plants through ISTS network.
• Commencement of Regulation of supply	:	From 00.00 Hrs of 19.03.2018
• Period of Regulation of Power supply	:	Initially for 2 months or till clearing of the dues outstanding for more than 60 days
• Source of regulation of Power Supply	:	To be regulated from various Power plants of DVC.
• The regulation of power shall be carried out through Eastern and Northern Region Transmission Corridors.		
• All other liabilities of DVC shall be as per the provisions of CERC Regulations		

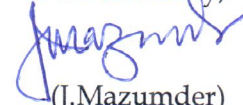
8. Further, it may be informed that the dues for an amount of **Rs 128 Crore is exceeding 120 days as on 05.03.2018** (included in the dues mentioned at Para 2 above) and as per Para 59 (c) of CERC Order dtd 02.09.2015 under Pet. no. 142/MP/2012 referred at Para 5 above, this calls for curtailment of Short Term Open Access (STOA). In case the dues >120 days is not liquidated by DVC latest by **11.03.2018 (by 4.30 PM)**, the STOA transactions shall be

curtailed w.e.f. **13.03.2018**, prior to resorting to Regulation of Power supply as stated at Para 7 above.

9. Through a copy of this Notice, ERLDC is being requested to:
- Take necessary action to curtail the STOA transactions of DVC with effect from **0000 Hrs of 13.03.2018**.
 - Prepare implementation plan for Regulation of Power Supply of DVC and implement the same w.e.f. **00:00 Hrs. of 19.03.2018**.
10. In view of above, it is requested to liquidate the outstanding dues of greater than 120 days latest by **11.03.2018 (by 4.30PM)** and clear the dues greater than 60 days as per above latest by **15.03.2018 (by 4.30PM)** failing which regulation of power supply shall also be enforced as stipulated above.

Thanking You,

Yours faithfully,



(J. Mazumder)

GM (Commercial)

CC.

1.	Executive Director, Eastern Regional Load Dispatch Centre, 14, Golf Club Road, Tollygunj, Kolkatta - 700 033.	(i) With a request to implement the STOA curtailment of DVC w.e.f 11.03.2018 in line with Para 59(c) of CERC Order dtd 02.09.2015 under Pet.no. 142/ MP/2012, upon confirmation by us on 09.03.2018. (ii) With a request to prepare the implementation plan for Regulation of power supply of DVC and implement the same as per CERC Regulation, 2010. The proposed regulation of power from various generators of DVC may be reviewed and finalised. Indemnification bond furnished earlier holds good for subject Regulation of power of DVC.
2.	Executive Director Northern Regional Load Despatch Centre, POSOCO 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016	With a request to take necessary action for implementation of Regulation of power supply of M/s DVC, 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 KSK Mahanadi (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 05.03.2018 for Regulation of Power Supply issued to Damodar Valley Corporation (DVC) is enclosed for kind information of:

1. Chairman, M/s Damodar Valley Corporation Ltd, DVC Headquarters, DVC Towers, VIP Road, Kolkatta - 700054, West Bengal
2. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi-110 001.
Fax: 011-23721487
3. Secretary, CERC , 3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi, 110 001, Fax: 011-23753923
4. Member Secretary, Eastern Regional Power Committee, 14, Golf Club Road, Tollygunj, Kolkatta - 700 033.
5. Member Secretary, Northern Regional Power Committee, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016
6. CEO, POSOCO, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016.
Fax No: 011 - 26524525
7. Executive Director, POWERGRID - ER-I / ER-II.



CORRIGENDUM

CC/Comml./ROP-DVC/2018/Corrigendum

Dt.: 06.03.2018

To,
Director (Finance),
M/s Damodar Valley Corporation Ltd,
DVC Headquarters, DVC Towers,
VIP Road,
Kolkatta - 700054, West Bengal

Dear Sir,

Sub: Corrigendum to "Notice for Regulation of power supply" for default of Damodar Valley Corporation (DVC) in liquidating the dues

Ref: Our Notice ref: CC;Comml/ROP-DVC dtd 05.03.2018 for Regulation of Power Supply of Damodar Valley Corporation Ltd

This has reference to our notice dtd 05.03.2018 referred above for Regulation of Power Supply of Damodar Valley Corporation Ltd.

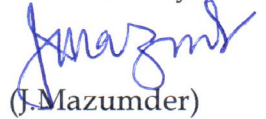
The Table Under CC at **Page 3 of the Notice** is corrected to be read as per the following :-

1.	Executive Director, Eastern Regional Load Dispatch Centre, 14, Golf Club Road, Tollygunj, Kolkatta - 700 033.	(i) With a request to implement the STOA curtailment of DVC <i>w.e.f</i> 13.03.2018 in line with Para 59(c) of CERC Order dtd 02.09.2015 under Pet.no. 142/ MP/2012, upon confirmation by us on 09.03.2018. (ii) With a request to prepare the implementation plan for Regulation of power supply of DVC and implement the same as per CERC Regulation, 2010. The proposed regulation of power from various generators of DVC may be reviewed and finalised. Indemnification bond furnished earlier holds good for subject Regulation of power of DVC.
2.	Executive Director Northern Regional Load Despatch Centre, POSOCO 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016	With a request to take necessary action for implementation of Regulation of power supply of M/s DVC, 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 <u>M/s DVC</u> as per CERC (Regulation of Power Supply) Regulations, 2010 and CERC Order dtd 02.09.2015 under Pet no. 142/MP/2012.
----	--	--

Thanking you,

Yours faithfully,



(J. Mazumder)

General Manager(Commercial)

CC :

1. Executive Director, Eastern Regional Load Dispatch Centre, 14, Golf Club Road, Tollygunj, Kolkatta - 700 033.
2. Executive Director, Northern Regional Load Despatch Centre, POSOCO, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016
3. Executive Director, National Load Despatch Centre, POSOCO, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016
4. Chairman, M/s Damodar Valley Corporation Ltd, DVC Headquarters, DVC Towers, VIP Road, Kolkatta - 700054, West Bengal
5. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi-110 001. Fax: 011-23721487
6. Secretary, CERC , 3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi, 110 001, Fax: 011-23753923
7. Member Secretary, Eastern Regional Power Committee, 14, Golf Club Road, Tollygunj, Kolkatta - 700 033.
8. Member Secretary, Northern Regional Power Committee, 18A, SJSS Marg, Katwaria Sarai, New Delhi -110016
9. CEO, POSOCO, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016. Fax No: 011 - 26524525
10. Executive Director, POWERGRID - ER-I / ER-II.