

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड

(भारत सरकार का उद्यम)

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)



पावरग्रिड

केन्द्रीय कार्यालय: "सौदामिनी" प्लॉट सं. 2, सैक्टर-29, गुडगाँव-122 001, (हरियाणा) दूरभाष: 0124-2571700-719, फैक्स : 0124-2571762,
"Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, (Haryana) Tel. : 0124-2571700-719, Fax : 0124-2571762, Web.: www.powergridindia.com

CC/ Comml./RoP-SBPDCL/2016

CIN : L40101DL1989GOI038121

Dt.: 04.11.2016

To
The Managing Director ,
South Bihar Power Distribution Company Ltd (SBPDCL),
Vidhyut Bhawan, Bailey Road,
PATNA-800001, Bihar

(WITHOUT PREJUDICE)

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of South Bihar Power Distribution Company Ltd(SBPDCL), Bihar in making payment of outstanding dues and opening Letter of Credit

- Ref:
1. Our Letter no. CC:Comml:Bihar dtd 27.05.2016
 2. Our Letter no. E/PT/CL/ 08/16-17/2786 dtd 09.08.2016
 3. Our Letter no. CC:Comml:SBPDCL dtd 09.09.2016
 4. Our Letter no. CC:Comml:Bihar dtd 21.09.2016
 5. Our Letter no. E/PT/CL/ 08/16-17/2829 dtd 28.09.2016
 6. Our Letter no. CC:Comml:SBPDCL dtd 06.10.2016
 7. Model Transmission Service Agreement

1. SBPDCL 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 SBPDCL 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 the Electricity Act 2003, CERC Regulations and relevant contractual provisions..
2. It is, however, a matter of serious concern that SBPDCL is consistently failing to make payment of monthly bills raised on it towards transmission tariff despite various commitments and regular follow-up by CTU. As a consequence, total dues of SBPDCL have accumulated to **Rs 210 Cr** as on 04.11.2016, which includes an amount of **Rs 92Cr.** outstanding for more than 60 days as on date (*which would grow to Rs 122 Cr. on 05.11.2016*) based on the bills already raised by CTU.
3. Further, SBPDCL has established an LC for an amount of **Rs 9 Cr.** only as against the requirement of **Rs 40 Cr.** as per the provisions of CERC Regulations. Enhancement of LC amount has not been done despite regular follow up and reminders from CTU.
4. 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 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.

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, 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 various correspondence issued by CTU, as referred above, which demonstrates the default of SBPDCL 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, thus the CTU is constrained to issue this "Notice for Regulation of Power Supply".
7. Accordingly, in case failure of SBPDCL to clear the outstanding dues by **14.11.2016**, the regulation of power supply of SBPDCL through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	250 MW of power drawl of SBPDCL from ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 18.11.2016
• Period of Regulation of Power supply	:	Initially for 4 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 NTPC & NHPC as per enclosed Annexure-1.
• The regulation of power shall be carried out through Eastern Region Transmission Corridor.		
• All other liabilities of SBPDCL shall be as per the provisions of CERC Regulations		

8. Further, it may be informed that the dues for an amount of Rs 60 Crore are exceeding 120 days on 04.11.2016 (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, 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. 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."

Thus as per the above, in case the dues > 120 days is not liquidated by SBPDCL latest by 09.11.2016, the STOA transactions shall be liable to be curtailed w.e.f. 11.11.2016, 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:
 - a) Take necessary action to curtail the STOA transactions of SBPDCL with effect from 11.11.2016.
 - b) Prepare implementation plan for Regulation of Power Supply of SBPDCL & implement the same w.e.f. 00:00 Hrs. of 18.11.2016.
10. In view of above, it is advised to liquidate the outstanding dues greater than 120 days by 09.11.2016 and clear dues greater than 60 days and enhance the LC as per above by 14.11.2016 failing which regulation of power supply shall be enforced as stipulated above.

Thanking You,

Yours Faithfully,


(H.K. Mallick)

GM (Commercial & RC)

CC.

1. General Manager,
Eastern Load Regional Load
Dispatch Centre,
14, Golf Club Road,
Tollygunge,
Kolkatta-700033.
(FAX- 033 24235809)
 - (i) With a request to implement the STOA curtailment of SBPDCL, Bihar w.e.f 11.11.2016 in line with Para 59(c) of CERC Order dtd 02.09.2015 under Pet.no. 142/MP/2012, upon confirmation by us on 09.11.2016.
 - (ii) With a request to prepare the implementation plan for Regulation of power supply of SBPDCL, Bihar and implement the same as per CERC Regulation, 2010. The proposed regulation of power from various generators may be reviewed and finalised. Indemnification bond furnished earlier holds good for subject Regulation of power of SBPDCL.
2. Executive Director (Comml.),
NTPC Ltd,
Core 7, Scope Complex,
Lodhi Road
New Delhi - 110016
(FAX-011-24360328)

With a request to take necessary action for implementation of Regulation of power supply of SBPDCL from NTPC Plants, as per CERC Regulation, 2010.

3. Executive Director (Comml)
NHPC Ltd,
NHPC Office Complex,
Sector 33,
Faridabad -121003
(FAX-0129-2277941)

With a request to take necessary action for implementation of Regulation of power supply of SBPDCL from NHPC HEP Projects, as per CERC Regulation, 2010.

Copy of Notice dtd 04.11.2016 for Regulation of Power supply issued to SBPDCL, Bihar is enclosed for kind information of :

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001 Fax : 011-23721487
2. Chief Secretary, Govt of Bihar, Sachivalaya, Patna, Bihar.
3. Secretary, CERC , 3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi, 110 001. Fax: 011-23753923
4. The Chairman-cum-Managing Director, Bihar State Power Holding Co.Ltd (BSPHCL), Vidhyut Bhawan, JLN Marg, Patna-800001 (FAX: 0612-2504968)
5. Chairperson, BEREC, Ground Floor, Vidyut Bhawan-II, B.S.E.B. Campus, Jawahar Lal Nehru Marg (Bailey Road), Patna - 800021, Bihar (India) Fax : 0612-2504488
6. Member Secretary, ERPC, 14, Golf Club Road, Tollygunge, Kolkatta-700033. Fax : 033- 24221802
7. Chairman & Managing Director, NTPC Ltd, CORE-7, Scope Complex, 7, Lodhi Road, New Delhi. Fax: 011-24363050
8. Chairman & Managing Director, NHPC Ltd, NHPC Office Complex, Sector -33, Faridabad Fax: 0129-2277971
9. CEO, POSOCO, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016 Fax: 011-26524525
10. The Chief Engineer (Power System), BSPHCL SLDC, Patna



Annexure-1

Regulation of Power Supply of SBPDCL, Bihar -
Quantum of Power to be regulated

S. No	Generating Company	Generating Station	Station Capacity	Share Allocation of South Bihar	Quantum of Power to be regulated to South Bihar under this Notice
1	NHPC	Teesta	510MW	62MW	62MW
2	NTPC	Talcher	1000MW	225MW	177MW
3	NHPC	Rangeet	60MW	11MW	11MW
	Total		1570 MW	298MW	250 MW

