



CC/Comml./ROP-PSPCL/2017

Dt.: 11.08.2017

To,
Principal Secretary (Power)
Cum Chairman & Managing Director, PSPCL
Punjab State Power Corporation Limited
Shakti Sadan, The Mall,
Patiala, Punjab

(WITHOUT PREJUDICE)

Dear Sir,

Subject: "Notice for Regulation of power supply" for default of Punjab State Power Corporation Limited (PSPCL) in making payment of dues.

Ref:

1. Our letter no. CC:Comml:Punjab dtd 20.03.2017
2. Our letter no. CC:Comml:Punjab dtd 07.04.2017
3. Our letter no. CC:Comml:Punjab dtd 13.06.2017
4. Transmission Service Agreement dtd 01.07.2011.

1. PSPCL 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 PSPCL and is under obligations to make timely payment of transmission tariff in line with the Electricity Act 2003 read with relevant contractual provisions and CERC Regulations.
2. It is, however, a matter of serious concern that PSPCL 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 PSPCL have accumulated to Rs 330 Cr as on 11.08.2017, which includes an amount of Rs 120 Cr. outstanding for more than 60 days (dues more than 120 days is also Rs 120 Cr.) as on date.
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 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. In this regard, attention is invited to correspondence issued by CTU, as referred above, which demonstrates the default of PSPCL 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, the CTU is constrained to issue this "Notice for Regulation of Power Supply".
6. Accordingly, in case failure of PSPCL to clear the outstanding dues by **28.08.2017(Up to 1630 Hrs)**, the regulation of power supply of PSPCL through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	475 MW of power drawl of PSPCL from ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 01.09.2017
• Period of Regulation of Power supply	:	Initially for 3 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 & SJVNL as per enclosed Annexure 1.
• The regulation of power shall be carried out through Northern Region Transmission Corridor.		
• All other liabilities of PSPCL shall be as per the provisions of CERC Regulations		

7. Further, it may be informed that the dues for an amount of Rs 120 Crore are exceeding 120 days on 11.08.2017 (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 PSPCL latest by **23.08.2017(Up to 1630 Hrs)**, the STOA transactions shall be liable to be curtailed w.e.f. **25.08.2017**, prior to resorting to Regulation of Power supply as stated at Para 7 above.

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8. Through a copy of this Notice, NRLDC is being requested to:
- Take necessary action to curtail the STOA transactions of PSPCL with effect from **0000 Hrs. of 25.08.2017.**
 - Prepare implementation plan for Regulation of Power Supply of PSPCL & implement the same w.e.f. **0000 Hrs. of 01.09.2017.**
9. In view of above, it is advised to liquidate the outstanding dues greater than 120 days by **23.08.2017(Up to 1630 Hrs)** failing which STOA curtailment shall be implemented as per 8(a) above. Further, if the dues are still not paid by **28.08.2017 (Up to 1630 Hrs)** regulation of power supply shall be enforced as per para 8(b) above.

Thanking You,

Yours Faithfully,


(Abhay Choudhary)
ED (Commercial & RC)

CC.

- General Manager,
Northern Regional Load
Dispatch Centre,
18A, SJSS Marg, Katwaria Sarai,
New Delhi - 110016
(FAX- 011 26852747)

 - With a request to implement the STOA curtailment of PSPCL w.e.f 25.08.2017 in line with Para 59(c) of CERC Order dtd 02.09.2015 under Pet.no. 142/ MP/2012, upon confirmation by us on 23.08.2017.
 - With a request to prepare the implementation plan for Regulation of power supply of PSPCL 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 PSPCL.
- 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 PSPCL from NTPC Plants, as per CERC Regulation, 2010.
- 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 PSPCL from NHPC HEP Projects, as per CERC Regulation, 2010.



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4. Executive Director (Comml) With a request to take necessary action for
SJVNL, 205-206, 2nd Floor, implementation of Regulation of power supply
Gulmohar Enclave, Bhanot House, of PSPCL from SJVNL Projects, as per CERC
Yusuf sarai, New Delhi - 110049 Regulation, 2010

Copy of Notice dtd 11.08.2017 for Regulation of Power supply issued to PSPCL is enclosed for kind information of :

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi.
Fax : 011-23721487
2. Chief Secretary, Govt of Punjab, Secretariat, Chandigarh .
3. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36, Janpath, New Delhi,
110 001. Fax: 011-23753923
4. Secretary, Punjab Electricity Regulatory Commission, SCO 220-221, Sector: 34-A,
Chandigarh-160022.
5. Member Secretary, Northern Regional Power Committee, 18-A, Shaheed Jeet singh
Marg, Katwaria Sarai, New Delhi -110016.
Fax : 011-26865206/26526361
6. CEO, POSOCO, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi -110016.
Fax : 011-26524525
7. General Manager (SLDC), PSPCL, Ablowal, Patiala - 147004, Punjab

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Annexure-1

Regulation of Power Supply of Punjab State Power Corporation Limited
(PSPCL) - Quantum of Power to be regulated

S. No	Generating Company	Generating Station	Station Capacity (MW)	Share Allocation of PSPCL (MW)	Quantum of Power to be regulated to PSPCL under this Notice (MW)
1.	SJVNL	NATHPA JHAKRI HEP	1500 MW	183 MW	125 MW
2.	NTPC	RIHAND STPS	1000 MW	117 MW	75 MW
3.	NTPC	SINGRAULI STPS	2000 MW	217 MW	150 MW
4.	NHPC	SALAL HEP	690 MW	181 MW	100 MW
5.	NHPC	BAIRASIUL HEP	180 MW	83 MW	25 MW
Total Quantum of Power to be regulated					475 MW