



DAMODAR VALLEY CORPORATION
COMMERCIAL DEPARTMENT
DVC TOWERS : V I P ROAD ,KOLKATA- 700 054.

Tel. No: 033-2355-7931/6041
FAX: 033-2355-2129

No. Coml/Export/HESCOM/2019-20/ **2775**

Date. 10.07.2019

To

The Managing Director, Hubli Electricity Supply Company Limited (HESCOM),
Corporate Office, Navanagar, P.B.Road,Hubli-580025

Sub: Notice for Regulation of power to M/s Hubli Electricity Supply Company Limited (HESCOM), due to default in payment to the tune of Rs. **56.30 Crs (more than 45 days)** as on 08.07.2019

Ref :01. Our letter no. Coml/Export/HESCOM/2018-19/2673 dated 03.07.2019
02. Our letter no. Coml/Export/HESCOM/2018-19/808 dated 22.02.2019
03. Our letter no. Coml/Export/HESCOM/2018-19/443 dated 07.02.2019

Dear Sir,

We regret to inform you that DVC is yet to receive payment against our Power Supply Bills for an amount of Rs. **56.30 Crs** which is due over 45 days from the date of billing.

In spite of our repeated requests for payment of monthly invoices within due date, HESCOM have miserably failed to pay the invoices, causing an amount of Rs. **56.30 Crs** is overdue for more than 45 days till date. As per the terms of PPA & CERC Regulation, the entire amount under the invoices is required to be paid in full within 45 days from the date of issuance of bills. M/S HESCOM have dishonored the terms of PPA & failed to pay the monthly invoices within due date.

The details default amount (more than 45 days) as on 08.07.2018 is as follows:

Outstanding dues (more than 45days): Rs. **56.30 Crs**

It is to be noted that HESCOM have failed to liquidate the outstanding dues till date which has resulted in increase of substantial amount due to incidence of LPSC, in terms of the CERC regulation.

This is badly affecting DVC's working capital. As a result, DVC is not in a position to liquidate its liability mainly towards coal payment which in turn affecting the generation of thermal power stations of DVC.

In view of above DVC propose to regulate full quantum of allocated power of HESCOM in terms of PPA & CERC Regulation from following Stations:

From MTPS U# 7& 8	: 34.38 MW (17.79 % of 200 MW)
KTPS U#1&2	: 44.475 MW (17.79 % of 250 MW)

TOTAL	: 78.855 MW

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The suspension of power shall be effective after 15 days from the date of issuance of this letter. Regarding diversion/absorption of regulated share, if any response from the constituents is received, the same will be communicated to RLDC. As per requirement of CERC (Regulation of power Supply) Regulation, 2010 DVC is also posting Regulation Notice on DVC website <http://www.dvc.gov.in>.

The proposed regulation of power would be implemented w.e.f 00:00 hrs of 25.07.2019 as per CERC Regulation/PPA. HESCOM will be liable to pay the Fixed charges during the regulated period. A copy is being sent to SLDC, DVC Howrah to prepare implementation plan for regulation of power supply to HESCOM & implement the same as per procedure laid down by CERC (Regulation of power Supply) Regulations, 2010 and list of constituents who would avail the regulated power would be given to ERLDC within a week time.

Yours faithfully,



Chief Engineer-I (Commercial)

Copy to :

1. Additional Chief Secretary (Energy), Govt. of Karnataka, Energy Department, Room No. 236, 2nd Floor, Vikasa Soudha, Dr. B. R. Ambedkar Street, Bangalore-560001.
 2. Managing Director, Power Company Of Karnataka Limited (PCKL), KPTCL Building, Kaveri Bhavan, Bengaluru-560009.
 3. Financial Advisor, HESCOM, Corporate Office, Navanagar, P.B. Road, Hubli-580025.
 4. Member (PS) CEA, Sewa Bhawan, R.K. Puram, New Delhi-110066
 5. Director (Thermal), MOP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001
 6. Director (OM), MOP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001
 7. Member Secretary (SRPC), CEA, 29 Race Course Cross Road, Bangalore- 560009.
 8. Member Secretary (ERPC), 14, Golf Club Road, Tollygunj, Kolkata-700033
 09. The General Manager (ERLDC), 14, Golf Club Road, Tollygunj, Kolkata-700033
 10. The General Manager (SRLDC), CEA, 29 Race Course Cross Road, Bangalore- 560009.-
- For necessary compliance as per CERC Regulation.