

SPL / 2016 / 1963

24.05.2016

To,

Shri P. Mukhopadhyaya
General Manager
Western Regional Load Dispatch Centre (WRLDC)
F-3, M.I.D.C. Area, Marol,
Andheri (E),
Mumbai-400093

Subject: Request for implementation plan under Regulation of Power Supply – Notice to MPPMCL and nine other procurers

Ref: 1. Power Purchase Agreement (PPA) dated 07.08.2007 signed between Sasan Power Limited (SPL) and Procurers
2. Sasan Power Limited (SPL)'s letter to WRLDC dated 20.05.2016 to prepare implementation plan for Regulation of Power supply to defaulting Procurers
3. WRLDC's letter no. WRLDC/MO-II/1825/2016 dated 23.05.2016

Dear Sir,

1. This has reference to your letter dated 23.05.2016 under reference no. 3 above.
2. The object of the Hon'ble Central Electricity Regulatory Commission (CERC) while notifying the CERC (Regulations of Power Supply) Regulations 2010 ("Regulation") can be gathered from its Statement of Reasons. Clauses 3.5 and 13.5 of the Statement of Reasons are relevant and read as follows:

"3.5 We are of the view that the intention of these regulations is not to modify the existing PPAs to provide new measures for regulating the power supply to the Defaulting Entities. These regulations only provide for the procedure for facilitating the regulation the power supply under the conditions mutually agreed by the utilities in their contracts. Inclusion of the generating companies who do not have provisions of regulation of power supply in their contracts would amount to interference in the contracts. Therefore, this suggestion has not been accepted."

"13.5 We would like to again clarify that these regulations do not stipulate any extra measures that have not already been agreed to by the generator/transmission licensee and the beneficiary/user in the agreements. As provided in the scope of these

regulations, these regulations seek to facilitate the implementation of the provisions of the agreement for regulation of power supply."

3. Thus, Regulation does not override / modify the existing PPAs but only provide the procedure to facilitate regulation of power supply under the conditions mutually agreed by the parties in their contracts (in this case PPA). In other words the Regulation does not stipulate any additional measures that have not already been agreed to by the generator and the beneficiary in their agreements (in our case PPA).
4. In the light of the above, the substantive right to regulate power will be governed by the provisions of contract and, in case of any inconsistency, the provisions of. contract will prevail.
5. Relevant provisions of the PPA relating to regulation of power supply are as follows:
 - "11.5.1 Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence of an event where the Procurer has not made payment by the Due Date of an Invoice through the payment mechanism provided in this Agreement, the Seller shall follow the steps as enumerated in Articles 11.5.2 and 11.5.3.
 - 11.5.2 On the occurrence of the event mentioned in Article 11.5.1 and after giving a notice of at least seven (7) days to the defaulting Procurer(s), the Seller shall have the obligation to offer twenty five (25) per cent of the Contracted Capacity pertaining to such defaulting Procurer ("Default Electricity") to the other non - defaulting Procurers. The non defaulting Procurers have the right to receive the whole or any part of such Default Electricity by giving a notice within a further two (2) Business Days, in the following manner.....":
 - "11.5.3 If all the non - defaulting Procurers do not make the election to receive the Default Electricity or a part thereof, within Two (2) Business Days of it being so offered under and as per Article 11.5.2, or all such Procurers expressly waive their first right to receive the same, the Seller shall have the right (but not the obligation) to make available and sell the Default Electricity or a part thereof to a third party, namely:
 - (a) any consumer, subject to applicable Law; or
 - (b) any licensee under the Electricity Act, 2003."
6. We humbly submit that the outstanding amounts included in the present notice pertain to the period from March 2013 onwards for which the corresponding bills were served on the procurers from 2013 onwards. The said amounts were payable by the procurers on their respective due dates. The basis of defaulting procurers' refusal to pay the defaulted amount

Not

was rejected by the Hon'ble APTEL vide its Judgment and Order dated 31.03.2016 in Appeal No. 233 of 2014. Therefore, the defaulting procurers were again requested by SPL vide its letter dated 01.04.2016, to pay their respective dues. Some of the Procurers have sought revised REA to be issued by WRPC for the period from 31.03.2013 to 15.08.2013. Without admitting the need for the same, while we've taken up the matter with WRPC to do the needful, we have brought to the attention of these Procurers that REA for the period from 1st September 2013 doesn't warrant any revision, hence the dues from 1st September 2013 onwards are clearly payable and overdue for more than 2.5 years.

7. Assuming without admitting that the procurers could pay their dues after the aforementioned order dated 31.03.2016, the procurers have failed to pay their dues even after more than 53 days. Hence, it is beyond doubt that these Procurers are in default and whole/part of their respective Contracted Capacity are liable to be offered to other non defaulting procurers/third parties under the provisions of Article 11.5 of the PPA referred above.
8. Without prejudice to the above, we further submit as under :
 - 8.1. The default trigger date under the Regulation is based on the date of service of bill. The present bills due from Procurers are more than 2.5 years old.
 - 8.2. The 60 days period in the default trigger date includes the period for payment (Due Date) permitted under the contract. Normally such period is 30 days from the date of service of bills. Thus, the intent of Regulation is to offer 30 days grace period over and above the date on which the procurers are contractually liable to pay the dues. We reiterate that SPL is entitled to offer the whole or part of the Contracted Capacity of the defaulting procurers in accordance with the provisions of PPA. Even assuming without admitting that the procurers could pay their dues after the aforementioned order dated 31.03.2016, the grace period of 30 days expired long back and the period of 60 days envisaged in the Regulation also stands substantially complied with.
9. As desired by you, modified indemnity in your favour is enclosed herewith. Please note that the indemnity is subject to the condition that WRLDC will immediately upon receipt of any such claim from any third party, provide a copy thereof to SPL and extend all reasonable assistance to SPL to contest the claim or demand; and WRLDC will not enter into any such consent or compromise with the claimant that may result in any liability on SPL.



Request

10. In view of the foregoing, we request you to prepare implementation plan for offering Default Electricity in accordance with the provisions of the PPA as requested by our letter dated 20.05.2016. While our request is to implement Regulation from 00.00 hours of 25.05.2016, since we are left with little time to implement, implementation plan may please be expedited by 25.05.2016, to enable us to commence sale of power under Article 11.5.3 of the PPA from 00.00 hours of 27.05.2016.
11. Kindly also note that Default Electricity has been offered to non-defaulting Procurers and no response has been received from such procurers with regard to availing the Default Electricity within the period stipulated under the PPA. Therefore, SPL has also submitted a PX-V form seeking NOC / Prior Standing Clearance from WRLDC. We, therefore request you to issue the NOC to enable us to offer the default electricity to 3rd parties in accordance with the terms of PPA.
12. This letter is without prejudice to our right to exercise other remedies/recourse available to us as per law and PPA to recover the dues.

Thanking you.

Yours faithfully,

For Sasan Power Limited


Mayank Gupta
General Manager

Enclosure: As above

Copy to:

- 1. The Member Secretary**
Western Regional Power Committee,
F-3, MIDC Area, Marol, Opp. SEEPZ, Central Road,
Andheri (East), Mumbai - 400 093
- 2. The Member Secretary**
Norther Regional Power Committee,
F-3, MIDC Area, Marol, Opp. SEEPZ, Central Road,
Andheri (East), Mumbai - 400 093

3. **Chief Executive Officer**
Power System Operation Corporation Ltd
B-9, Qutub Institutional Area
Katwaria Sarai, New Delhi – 110016
4. **Executive Director,**
National Load Dispatch Centre
Power System Operation Corporation Ltd
B-9, Qutub Institutional Area
Katwaria Sarai, New Delhi – 110016
5. **General Manager**
Norther Regional Load Dispatch Centre
Power System Operation Corporation Ltd
B-9, Qutub Institutional Area
Katwaria Sarai, New Delhi – 110016
6. **The Chief General Manager (IPC)**
MP Power Management Co. Ltd (Lead Procurer)
Shakti Bhawan, Jabalpur – 482 008, Madhya Pradesh
7. **The Secretary**
Punjab State Electricity Board,
The Mall, Patiala – 147 001, Punjab

Also to:
The Chief Engineer (PP & R)
Punjab State Power Corporation Ltd.
Shed C-3, Shakti Vihar, Patiala – 147 001, Punjab
8. **The Managing Director**
Paschimanchal Vidyut Vitran Nigam Limited,
Victoria Park, Meerut – 250 001, Uttar Pradesh
9. **The Managing Director**
Purvanchal Vidyut Vitran Nigam Limited,
Hydel Colony, Varanasi – 221004, Uttar Pradesh
10. **The Managing Director**
Madhyanchal Vidyut Vitran Nigam Limited,
4A Gokhale Marg, Lucknow – 226001, Uttar Pradesh
11. **The Managing Director**
Dakshinanchal Vidyut Vitran Nigam Limited,
220 kV Vidyut Sub-Station, Mathura Agra Bypass Road,
Sikandra Agra - 282007, Uttar Pradesh

Also to (For Procurers above at S. No. 2 to 5)



The Superintendent Engineer, SPAT Circle
UP Power Corporation limited
Sakti Bhavan, 14 Ashok Marg
HazratKanj, Lucknow – 226001, Uttar Pradesh

12. The Managing Director

Tata Power Delhi Distribution Ltd.
Grid Substation Building, Hudson Lines, New Delhi – 110 009

13. Chief Executive Officer

BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place, New Delhi – 110 019

14. Chief Executive Officer

BSES Yamuna Power Limited,
Shakti Kiran Building, Near Karkardooma Court,
Karkardooma, New Delhi -110 092

15. The Chief Engineer / PPM

Haryana Power Generation Corporation Limited,
Shakti Bhawan, Panchkula – 134109, Haryana

Also to:

The Chief Engineer

Haryana Power Purchase Centre (HPPC)
Sector 6, Shakti Bhawan, Panchkula – 134109, Haryana

16. The Managing Director

Ajmer Vidyut Vitran Nigam Limited,
Hathi Bhata, Ajmer – 305001, Rajasthan

17. The Chairman and Managing Director

Jaipur VidyutVitran Nigam Limited,
VidyutBhavan, Jaipur – 302005, Rajasthan

18. The Managing Director

Jodhpur VidyutVitran Nigam Limited,
New Power House, Jodhpur – 342003, Rajasthan

Also to (For Procurers above at S. No. 10 to 12):

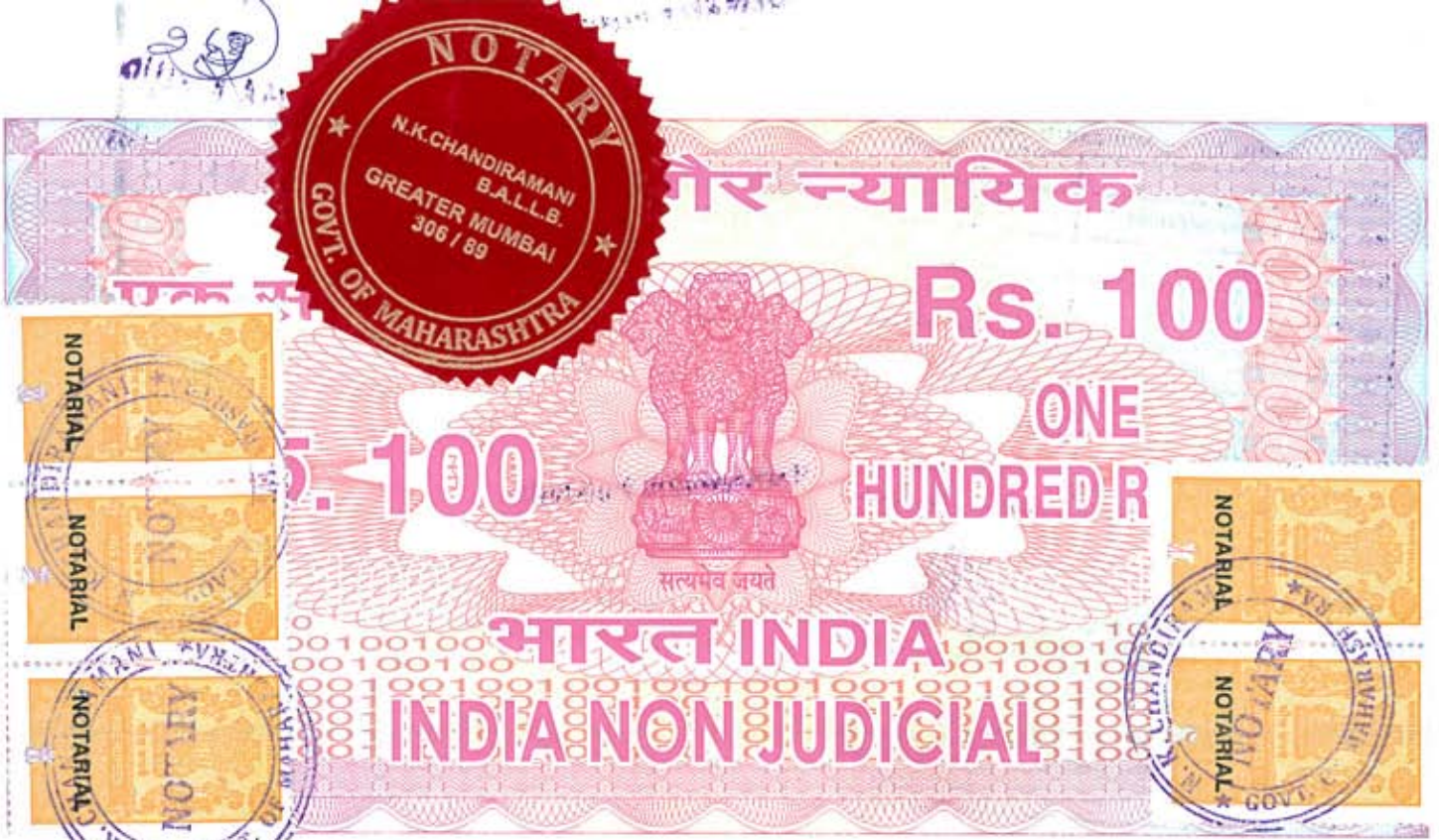
Chief Engineer (RUVNL)

Shed No. 5, Room No. 6, VidyutBhavan,
Vidyut Marg, Lal Kothi,
Jaipur – 302 005

19. The Chairman and Managing Director

Uttarakhand Power Corporation Limited (UPCL),
UrjaBhawan, Dehradun – 248 001, Uttarakhand

Mangal



महाराष्ट्र MAHARASHTRA

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PS 861873

प्रधान मुद्रांक कार्यालय, मुंबई
प. म. वि. क्र. ८०००००३
16 MAY 2016
सक्षम अधिकारी



Serial no. of document is 262
dated 24.5.16 as per NOTARY
REGISTER

भा.रा.कू.पोटले

Sasan Power Limited (SPL) confirms that all information stated by SPL in the application no. SPL/2016/1940 dated 20.05.2016 are true and SPL has followed the provisions of Power Purchase Agreement dated 07.08.2007 and the procedure of Power Supply Regulations, 2010 while applying to Western Regional Load Despatch Centre (WRLDC) for preparation of the Implementation plan.

SPL undertakes to indemnify, defend and save WRLDC and hold them harmless from any and all demands, suits, recoveries, cost and expenses, court cost, attorney fees, damages, losses, suffered by them in any claim and action by or against third parties directly arising out of or resulting from the regulation of power under the Power Purchase Agreement dated 07.08.2007 read with the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 pursuant to SPL's request contained in its letter no. SPL/2016/1940 to WRLDC.

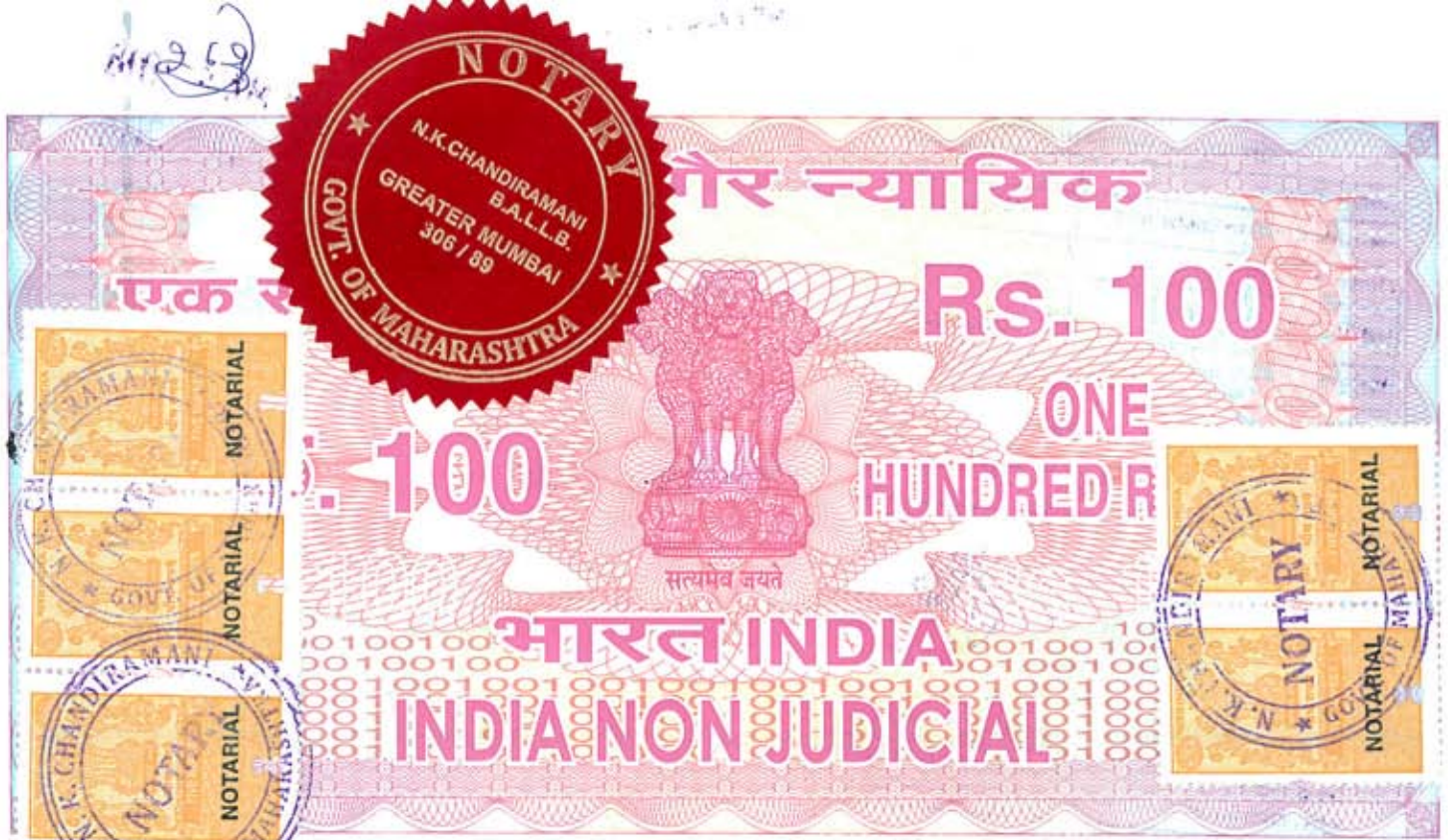


SIGNED BEFORE ME
24.5.16

N.K. CHANDIRAMANI
B.A.L.L.B.
NOTARY GREATER MUMBAI
GOVT. OF MAHARASHTRA
B/12, Aashra GHS, Vakola,
Santacruz (E), Mumbai-400055
24.5.2016

Authorized Signatory

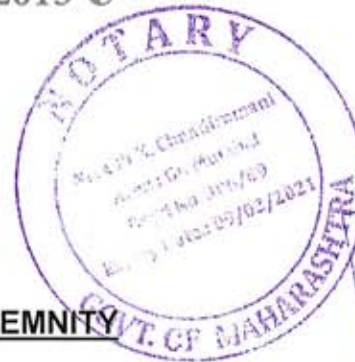
For Sasan Power Limited



महाराष्ट्र MAHARASHTRA

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PS 861874



श. रा. क. पोटेले

INDEMNITY

Sasan Power Limited (SPL) confirms that all information stated by SPL in the application no. SPL/2016/1941 dated 20.05.2016 are true and SPL has followed the provisions of Power Purchase Agreement dated 07.08.2007 and the procedure of Power Supply Regulations, 2010 while applying to Western Regional Load Despatch Centre (WRLDC) for preparation of the Implementation plan.

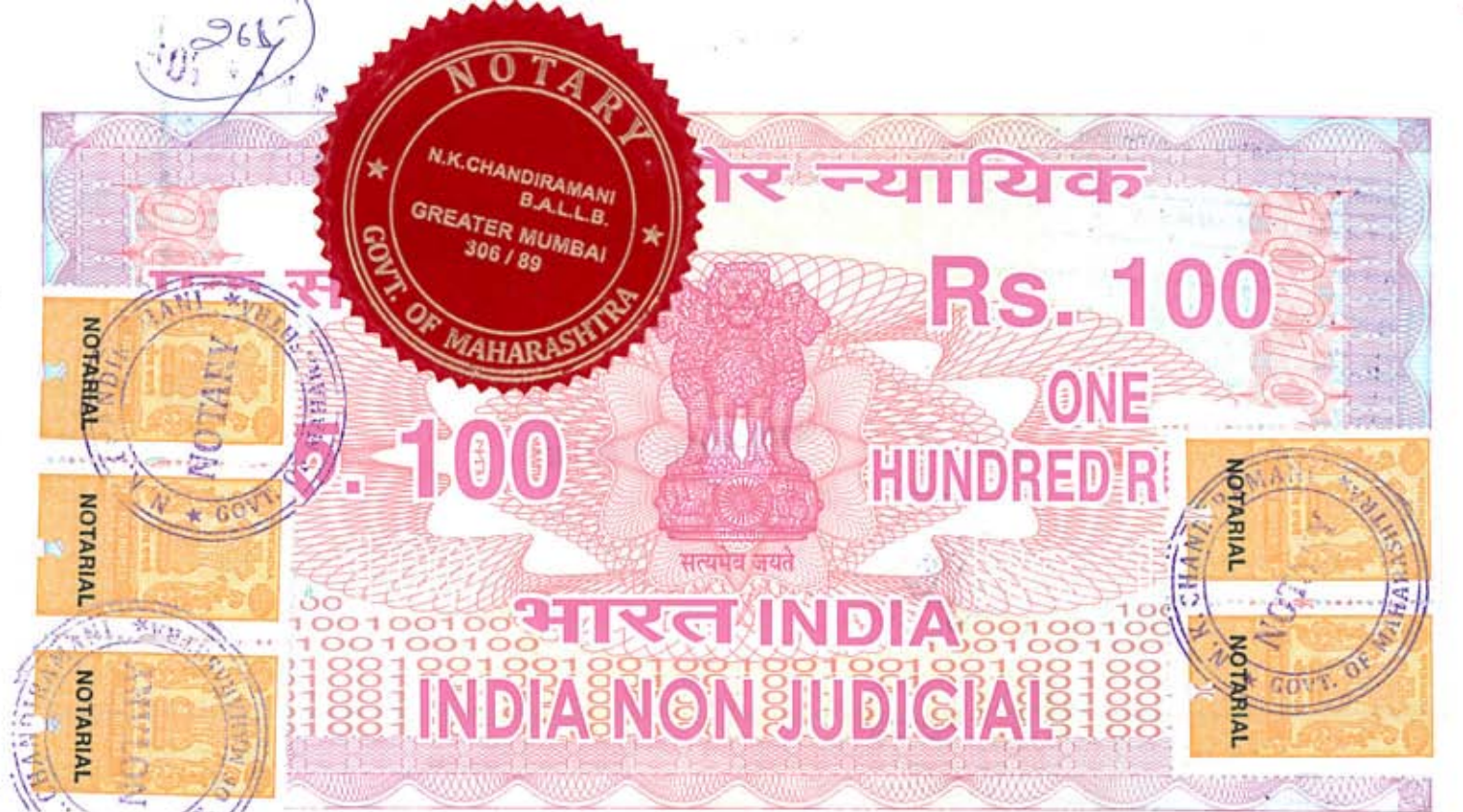
SPL undertakes to indemnify, defend and save WRLDC and hold them harmless from any and all demands, suits, recoveries, cost and expenses, court cost, attorney fees, damages, losses, suffered by them in any claim and action by or against third parties directly arising out of or resulting from the regulation of power under the Power Purchase Agreement dated 07.08.2007 read with the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 pursuant to SPL's request contained in its letter no. SPL/2016/1941 to WRLDC.



SIGNED BEFORE ME
24.5.16
N.K. CHANDIRAMANI
B.A.L.L.B.
GOVT. OF MAHARASHTRA
B/12, Antam CHS, Vahola,
Santacruz (E), Mumbai-400055
24.5.2016

Authorized Signatory

For Sasan Power Limited



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जान मुद्रांक कार्यालय, मुंबई
प. म. वि. क. ८०००००३
16 MAY 2016
संकेत आयकारी

श्री. रा. कृ. पोटले



INDEMNITY

Sasan Power Limited (SPL) confirms that all information stated by SPL in the application no. SPL/2016/1942 dated 20.05.2016 are true and SPL has followed the provisions of Power Purchase Agreement dated 07.08.2007 and the procedure of Power Supply Regulations, 2010 while applying to Western Regional Load Despatch Centre (WRLDC) for preparation of the Implementation plan.

SPL undertakes to indemnify, defend and save WRLDC and hold them harmless from any and all demands, suits, recoveries, cost and expenses, court cost, attorney fees, damages, losses, suffered by them in any claim and action by or against third parties directly arising out of or resulting from the regulation of power under the Power Purchase Agreement dated 07.08.2007 read with the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 pursuant to SPL's request contained in its letter no. SPL/2016/1942 to WRLDC.



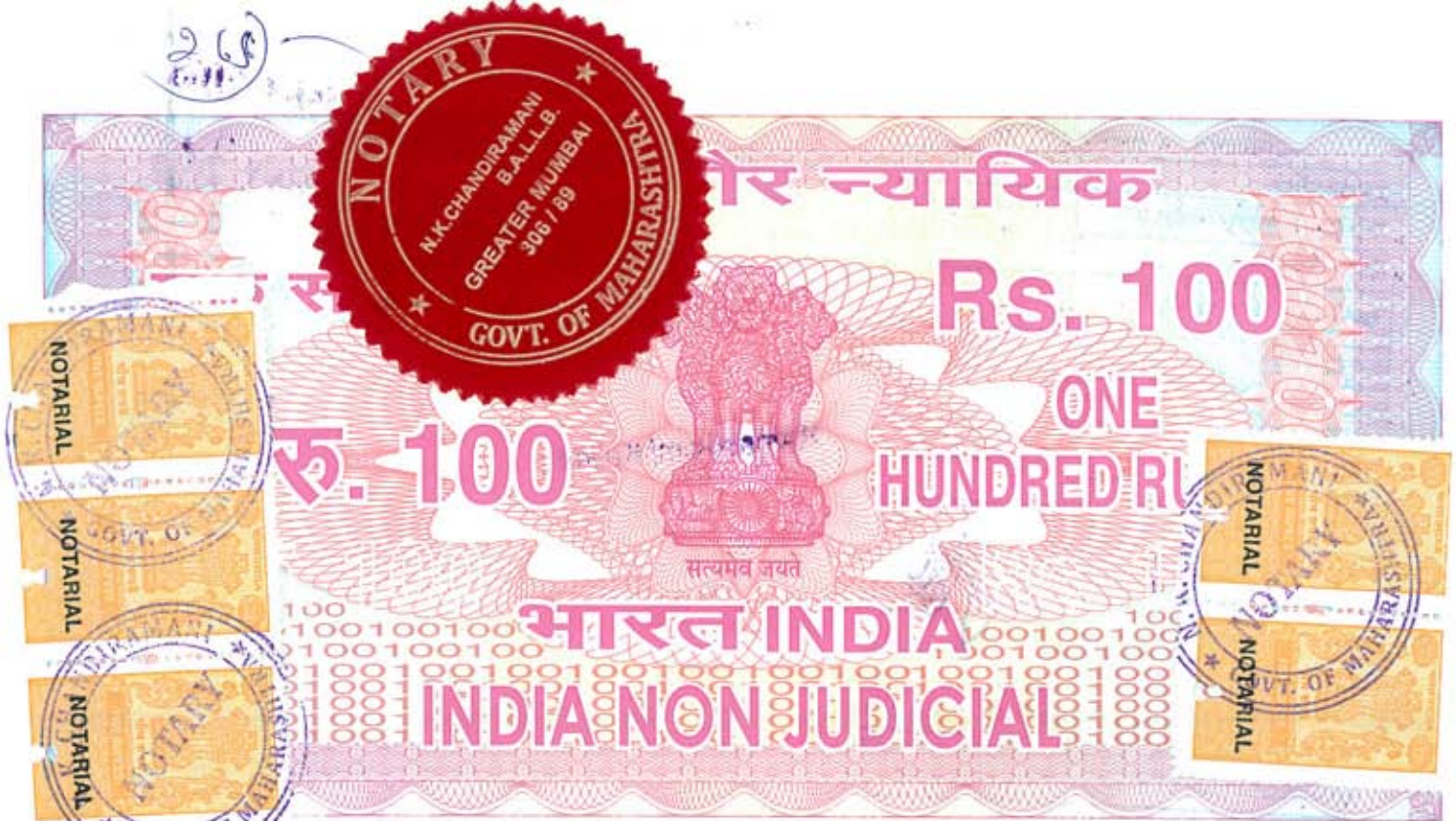
SIGNED BEFORE ME
24.5.16

N.K. CHANDIRAMANI
B.A.L.L.B.
GOVT. OF MAHARASHTRA

Authorized Signatory

For Sasan Power Limited

B/12, Anaram CHS, Vokola,
Santacruz (E), Mumbai-400055
24.5.2016



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PS 861876



Serial no. of document is 265
dated 24.5.16 as per NOTARIAL
REGISTER

श.श.क. पोटले

INDEMNITY

Sasan Power Limited (SPL) confirms that all information stated by SPL in the application no. SPL/2016/1943 dated 20.05.2016 are true and SPL has followed the provisions of Power Purchase Agreement dated 07.08.2007 and the procedure of Power Supply Regulations, 2010 while applying to Western Regional Load Despatch Centre (WRLDC) for preparation of the Implementation plan.

SPL undertakes to indemnify, defend and save WRLDC and hold them harmless from any and all demands, suits, recoveries, cost and expenses, court cost, attorney fees, damages, losses, suffered by them in any claim and action by or against third parties directly arising out of or resulting from the regulation of power under the Power Purchase Agreement dated 07.08.2007 read with the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 pursuant to SPL's request contained in its letter no. SPL/2016/1943 to WRLDC.



SIGNED BEFORE ME
24.5.16

Authorized Signatory
For Sasan Power Limited
N.K. Chandiramani
GOVT. OF MAHARASHTRA
B/12, Aaram CHS, Vakhola,
Santacruz (E), Mumbai-400055
24.5.2016



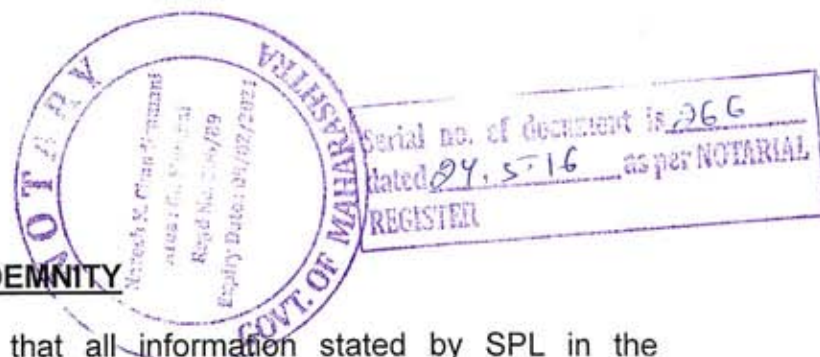
महाराष्ट्र MAHARASHTRA

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PS 861877

प्रधान मुद्रांक कार्यालय, मुंबई
प. म. वि. क्र. ८०००००३
16 MAY 2016
सक्षम अधिकारी
बी. रा. कृ. पोटेले

INDEMNITY



Sasan Power Limited (SPL) confirms that all information stated by SPL in the application no. SPL/2016/1944 dated 20.05.2016 are true and SPL has followed the provisions of Power Purchase Agreement dated 07.08.2007 and the procedure of Power Supply Regulations, 2010 while applying to Western Regional Load Despatch Centre (WRLDC) for preparation of the Implementation plan.

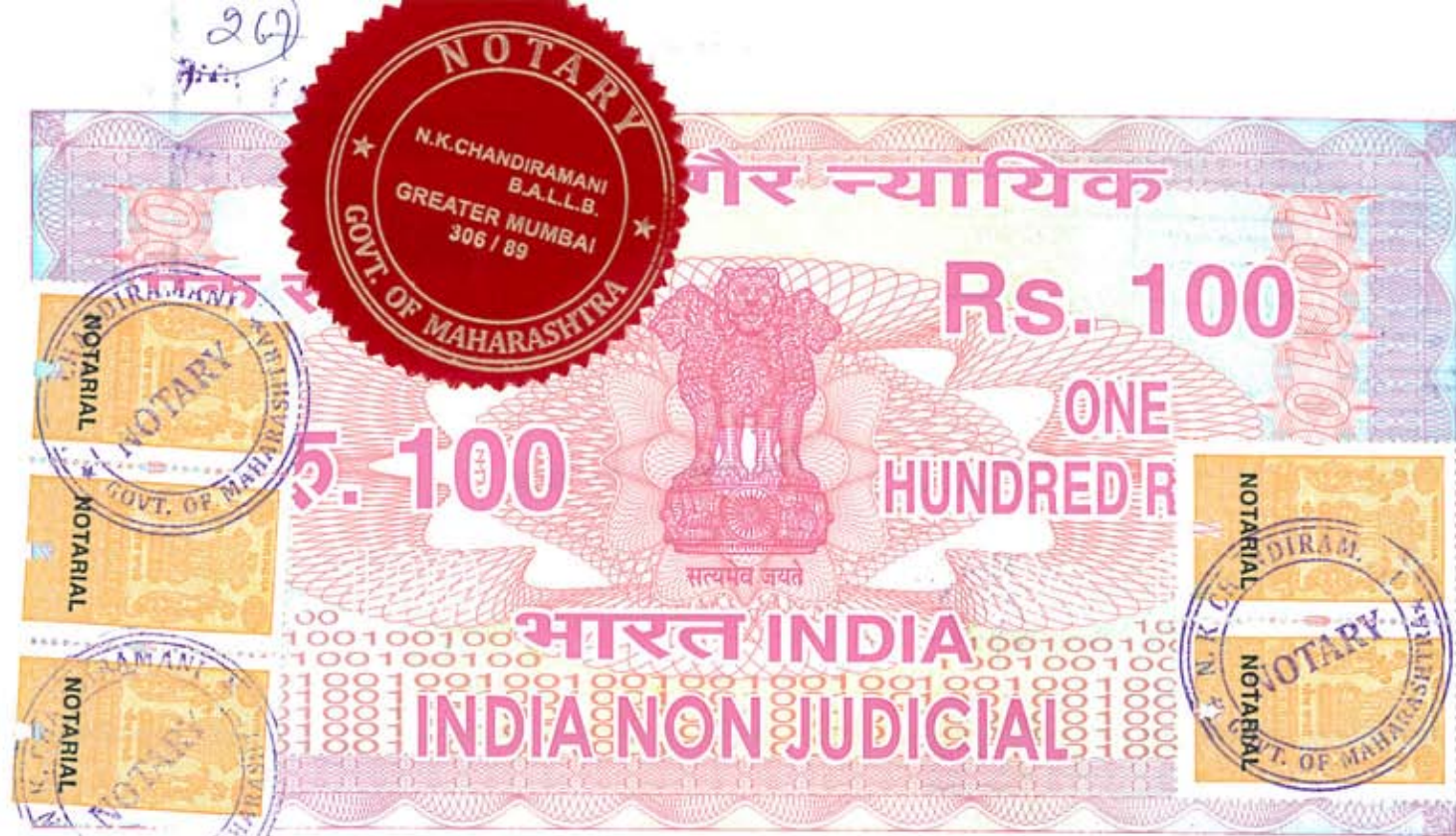
SPL undertakes to indemnify, defend and save WRLDC and hold them harmless from any and all demands, suits, recoveries, cost and expenses, court cost, attorney fees, damages, losses, suffered by them in any claim and action by or against third parties directly arising out of or resulting from the regulation of power under the Power Purchase Agreement dated 07.08.2007 read with the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 pursuant to SPL's request contained in its letter no. SPL/2016/1944 WRLDC.



SIGNED BEFORE ME
7/10/2016
24.5.16
N.K. CHANDIRAMANI
B.A.L.L.B.
NOTARY CHANDIRAMANI
GOVT. OF MAHARASHTRA
B/12, Aaram CHS, Vakola,
Mumbai-400056
24.5.2016

Authorized Signatory

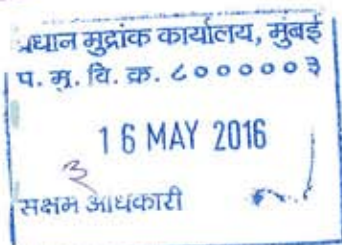
For Sasan Power Limited



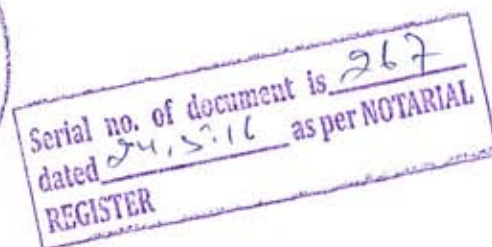
महाराष्ट्र MAHARASHTRA

2015

PS 861878



जी. रा. कृ. पीटले



Sasan Power Limited (SPL) confirms that all information stated by SPL in the application no. SPL/2016/1945 dated 20.05.2016 are true and SPL has followed the provisions of Power Purchase Agreement dated 07.08.2007 and the procedure of Power Supply Regulations, 2010 while applying to Western Regional Load Despatch Centre (WRLDC) for preparation of the Implementation plan.

SPL undertakes to indemnify, defend and save WRLDC and hold them harmless from any and all demands, suits, recoveries, cost and expenses, court cost, attorney fees, damages, losses, suffered by them in any claim and action by or against third parties directly arising out of or resulting from the regulation of power under the Power Purchase Agreement dated 07.08.2007 read with the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 pursuant to SPL's request contained in its letter no. SPL/2016/1945 WRLDC.



SIGNED BEFORE ME

24.5.16
N.K. CHANDIRAMANI
B.A.L.L.B.
NOTARY OFFICER MUMBAI
GOVT. OF MAHARASHTRA
B/12, Anand CUS, Vakola,
Antacruz (E), Mumbai-400055
24.5.2016

Authorized Signatory

For Sasan Power Limited



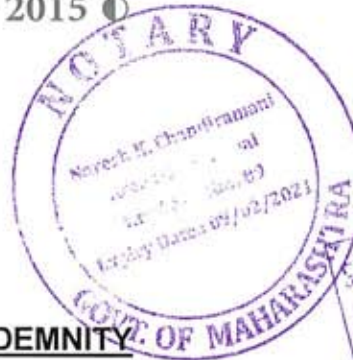
महाराष्ट्र MAHARASHTRA

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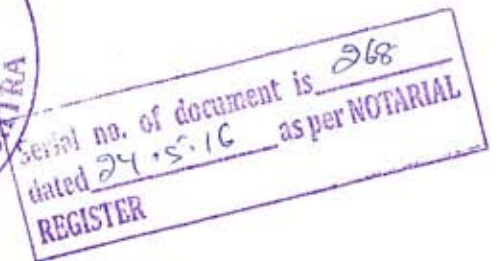
PS 861879



श्री. ग. क. पोटेले



INDEMNITY



Sasan Power Limited (SPL) confirms that all information stated by SPL in the application no. SPL/2016/1946 dated 20.05.2016 are true and SPL has followed the provisions of Power Purchase Agreement dated 07.08.2007 and the procedure of Power Supply Regulations, 2010 while applying to Western Regional Load Despatch Centre (WRLDC) for preparation of the Implementation plan.

SPL undertakes to indemnify, defend and save WRLDC and hold them harmless from any and all demands, suits, recoveries, cost and expenses, court cost, attorney fees, damages, losses, suffered by them in any claim and action by or against third parties directly arising out of or resulting from the regulation of power under the Power Purchase Agreement dated 07.08.2007 read with the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 pursuant to SPL's request contained in its letter no. SPL/2016/1946 WRLDC.

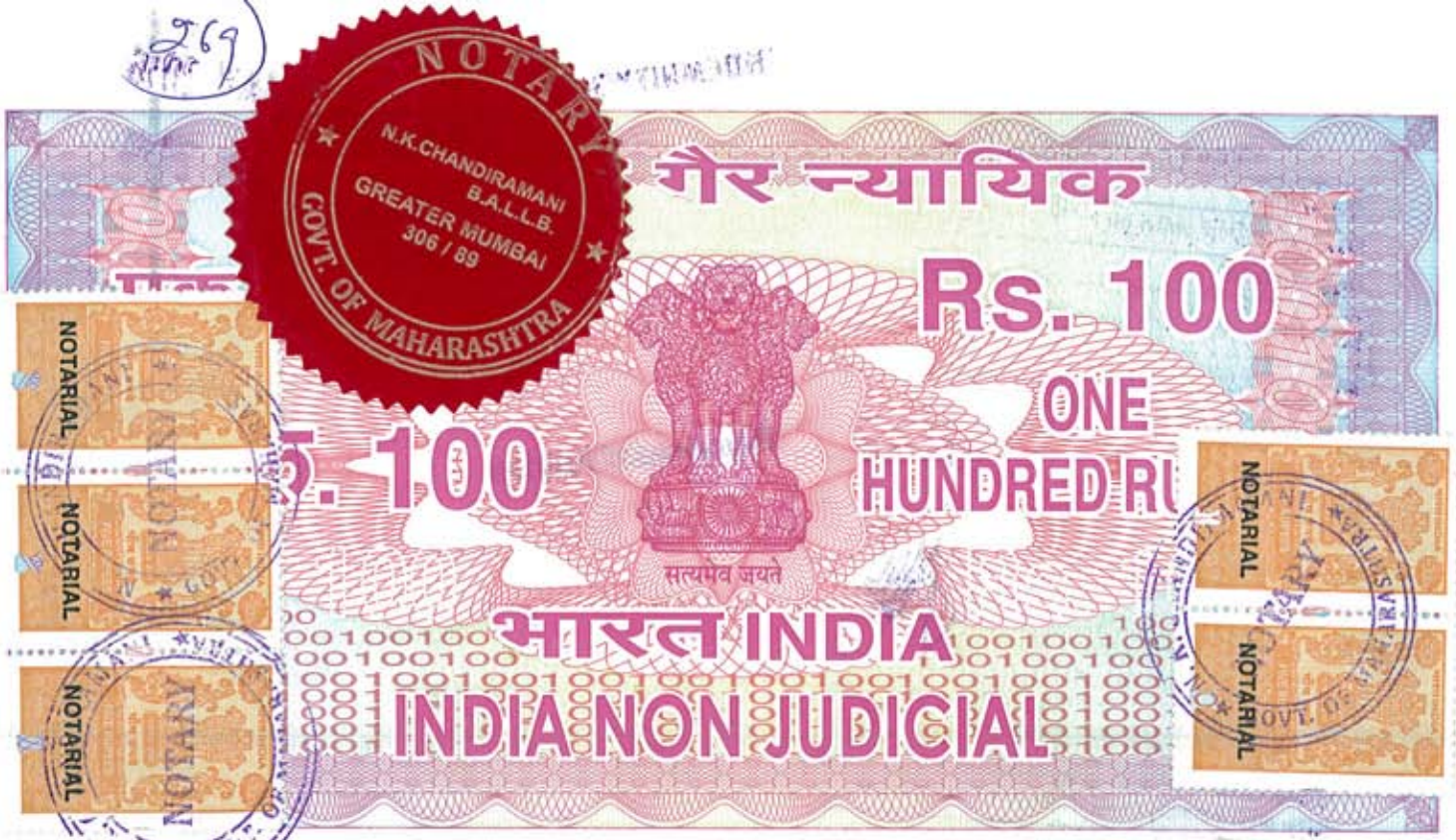


SIGNED BEFORE ME
24.5.16

N.K. CHANDIRAMANI
B.A.L.L.B.
GOVT. OF MAHARASHTRA
B/12, LAXMI CHS, Vekola,
Santacruz (E), Mumbai-400055
24.5.2016

Authorized Signatory

For Sasan Power Limited



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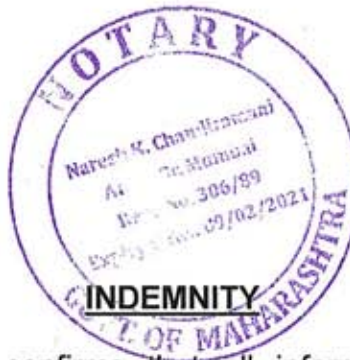
PS 861880

प्रधान मुद्रांक कार्यालय, मुंबई
प. म. वि. क्र. ८०००००३

16 MAY 2016

सक्षम अधिकारी

जि. रा. कृ. पोटेले



Serial no. of document is 269
dated 24.5.16 as per NOTARIAL
REGISTER

Sasan Power Limited (SPL) confirms that all information stated by SPL in the application no. SPL/2016/1947 dated 20.05.2016 are true and SPL has followed the provisions of Power Purchase Agreement dated 07.08.2007 and the procedure of Power Supply Regulations, 2010 while applying to Western Regional Load Despatch Centre (WRLDC) for preparation of the Implementation plan.

SPL undertakes to indemnify, defend and save WRLDC and hold them harmless from any and all demands, suits, recoveries, cost and expenses, court cost, attorney fees, damages, losses, suffered by them in any claim and action by or against third parties directly arising out of or resulting from the regulation of power under the Power Purchase Agreement dated 07.08.2007 read with the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 pursuant to SPL's request contained in its letter no. SPL/2016/1947 WRLDC.



SIGNED BEFORE ME

N.K. CHANDIRAMANI
B.A.L.L.B.
NOTARY GREATER MUMBAI
GOVT. OF MAHARASHTRA

B/12, Aaravi CHS, Vakola,
Santacruz (E), Mumbai-400055
24.5.2016

Authorized Signatory

For Sasan Power Limited



PS 861881

महाराष्ट्र MAHARASHTRA
प्रधान मुद्रांक कार्यालय, मुंबई
प. म. वि. क. ८०००००३
३ 16 MAY 2016
सक्षम अधिकारी



INDEMNITY

Serial no. of document is 270
dated 24.5.16 as per NOTARIAL
REGISTER

श्री. रा. कृ. पोटेले

Sasan Power Limited (SPL) confirms that all information stated by SPL in the application no. SPL/2016/1948 dated 20.05.2016 are true and SPL has followed the provisions of Power Purchase Agreement dated 07.08.2007 and the procedure of Power Supply Regulations, 2010 while applying to Western Regional Load Despatch Centre (WRLDC) for preparation of the Implementation plan.

SPL undertakes to indemnify, defend and save WRLDC and hold them harmless from any and all demands, suits, recoveries, cost and expenses, court cost, attorney fees, damages, losses, suffered by them in any claim and action by or against third parties directly arising out of or resulting from the regulation of power under the Power Purchase Agreement dated 07.08.2007 read with the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 pursuant to SPL's request contained in its letter no. SPL/2016/1948 WRLDC.



SIGNED BEFORE ME
24.5.16
N.K. CHANDIRAMANI
B.A.L.L.B.
NOTARY PUBLIC, MUMBAI
GOVT. OF MAHARASHTRA
B/12, Aarati CHS, Vekola,
Santacruz (E), Mumbai-400055
24.5.2016

Authorized Signatory

For Sasan Power Limited