



एन टी पी सी लिमिटेड

(भारत सरकार का उद्यम)

NTPC Limited

(A Government of India Enterprise)

पूर्वी क्षेत्र-II मुख्यालय

Eastern Region - II Headquarters

भुवनेश्वर / Bhubaneswar

Ref.No: NTPC/ERII/2017

Date: 27.02.2017

To,
The Chairman-Cum-Managing Director
Meghalaya Energy Corporation Limited (MeECL)
Lum Jingshai, Short Round Road,
Shillong-793001.

Sub: Regulation Notice;
Regulation of power supply to the Meghalaya Energy Corporation Limited (MeECL) as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 (as amended),GOI letter regarding allocation of power from NTPC Station and PPA signed with Meghalaya.

Sir,

As you are aware that NTPC has raised following bills on MeECL w.r.t power allocated from NTPC stations.

Energy Supplied in the month	Date of presentation of bills	Unpaid bills (in Rs Cr)	Last Day of Payment i.e. 60 th day.
May'16	7-Jun-16	9.13	6-Aug-16
Jun'16	5-Jul-16	9.73	3-Sep-16
Jul'16	5-Aug-16	10.32	4-Oct-16
Aug'16	6-Sep-16	10.02	5-Nov-16
Sep'16	6-Oct-16	10.08	5-Dec-16
Oct'16	8-Nov-16	9.88	7-Jan-17
Nov'16	6-Dec-16	8.77	4-Feb-17
Dec'16	6-Jan-17	8.80	7-Mar-17
Jan'17	6-Feb-17	7.25	7-Apr-17
Total Outstanding Dues		83.97	

The total amount of bills remaining unpaid as on date has reached to **Rs 83.97 Cr.** out of which an amount of **Rs. 67.92 Cr** remain unpaid for more than 60 days of its billing.

प्लॉट नं. - एन 17/2, ओ एल आई सो बिल्डिंग, तीसरी एवं चौथी मंजील, नयापल्ली, भुवनेश्वर - 751012, दुरभाष : 0674-2500918, फैक्स : 0674-2501919

Plot No. N-17/2, OLIC Building, 3rd & 4th Floor, Nayapalli, Bhubaneswar-751012, Tele : 0674-2500918, Fax : 0674-2501919

पंजीकृत कार्यालय : एनटीपीसी भवन, स्कोप काम्प्लेक्स, 7, इन्स्टीटयुशनल एरिया, लोधी रोड, नई दिल्ली - 110003

Regd. Office : NTPC Bhawan, SCOPE Complex, 7 Institutional Area, Lodhi Road, New Delhi - 110003

दुरभाष/Tel : 011-24360100, फैक्स/Fax : 011-24361018, /वेबसाईट/Website : www.ntpc.co.in

Further, as on date, no Letter of Credit (LC) has been provided by MeECL as against requirement of **Rs. 9.36 Cr/month**.

In addition to the continuous follow ups vide letters dated 01/07/2016, 06/07/2016, 01/08/2016, 23/08/2016, 06/10/2016, 16/11/2016, 08/12/2016, 04/01/2017, 21/02/2017 and meeting by officials of NTPC with senior officials of MeECL for liquidating its outstanding dues of energy bills, there is no firm commitment for payment to NTPC.

The allocation letter for Bongaigaon Thermal Power Project dated 13/10/2008 issued by Govt. of India provide that in case of default in payment, NTPC has the right to shut-off or restrict power supply from power stations and reallocate power as follows

Quote

“ 3. The above allocation will further be subject to the beneficiary States ensuring compliance with the financial and commercial terms (including coverage for Letter of Credit) of the Power Purchase Agreement (PPA) signed with NTPC Ltd., the tariff notification and any other directives/ guidelines issued by the Government of India/ Central Electricity Regulatory Commission from time to time.

4. In case of failure of the beneficiaries States adhering to the condition mentioned above, NTPC Ltd. may shut off or restrict power supply from the power station and also reallocate the power in case beneficiary States default in payment or where they have not opened LCs of an adequate amount in favour of NTPC Ltd

Unquote

MeECL has failed to comply with all the above provisions of various agreements and allocation letters issued by Govt. of India.

Clause 2.2.4 of the PPA dated 13/07/2007 signed by Meghalaya stipulate as under:

Quote

2.2.4 Notwithstanding the obligations of MeSEB to pay all the dues as per this Agreement, in the event of default in opening of LC of adequate amount in favour of NTPC or payment of bills beyond-a period of 60 days of billing, NTPC shall be entitled to regulate/ divert the share of MeSEB to any other Bulk Power Customer(s) as per the provisions of generic procedure for

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regulation of power supply issued by CERC or any other competent authority from time to time read with the provisions of TPA till the time default is set right.

Unquote

Further, CERC (Regulation of Power Supply) Regulations, 2010 (as amended) provides that:

Quote

4. *In case of the outstanding dues or in case the required 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 drawal schedule in the case of the generating company.....*
6. *Upon receipt of the notice under Regulation 4 and within 3 days thereafter, the concerned State Load Despatch Centre/Regional Load Despatch Centre, in whose control area the Defaulting Entity is situated, shall make a plan in writing for implementing the regulation of power supply and shall inform the Regulating Entity, Regulated Entity, concerned State Load Despatch Centres, Regional Power Committees, and Regional Load Despatch Centres of the said Plan and shall post the implementation plan on its website... ..*
8. *The regulation of power supply for the Regulating Entity shall be implemented from the fourth day of the notice as per plan prepared by the Regional Load Despatch Centre/State Load Despatch Centre unless the Regulating Entity requests cancellation of the regulation of power supply.*

(Emphasis supplied)

Unquote

With no payment by MeECL against energy dues since long, NTPC is finding it extremely difficult to sustain its operations especially when the fuel bill i.e. about 80% of energy cost is paid in advance to fuel companies. You will appreciate that NTPC stations can't run this way when MeECL is not paying NTPC's dues in the stipulated time of 60 days cycle and continue to do the payments / LC defaults in spite of repeated request from NTPC Ltd.

Since till date MeECL has not yet even paid **Rs. 67.92 Cr** resulting in payment default beyond 60 days and not yet opened **LC of Rs 9.36 Cr**, notice for regulation of power supply on MeECL is hereby given for effecting regulation of power supply to MeECL.

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