



Ref .No: 01: CD: 407

Date: 04.02.2021

To
Managing Director
Manipur State Power Distribution Company Limited (MSPDCL)
3rd Floor, New Directorate Building,
Near 2nd MR Gate, Imphal-Dimapur Road,
Imphal: 795001.

Sub: Regulation Notice;
Regulation of power supply to the Manipur State Power Distribution Company Limited (MSPDCL) as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 (as amended), PPA dated 29.09.2007, GOI letters regarding allocation of power from NTPC Station, PPAs signed with Manipur and Ministry of Power (MoP), GoI Order No. 23/22/2019-R&R dated 28.06.2019

Dear Sir,

1. You are kindly aware that the bills raised by NTPC on Manipur State Power Distribution Company Limited (MSPDCL) for energy supplied by NTPC from various stations are to be paid within due dates. As on date, a total of **Rs 70 Cr** remains unpaid, out of which **Rs 58 Cr** remains unpaid beyond due dates. Further, against the Letter of Credit (LC) requirement of **Rs13.32 Cr**, LC of requisite amount is not available. In spite of repeated follow ups at various levels in person as well as through our letters dated 08.05.2020, 17.07.2020, 30.10.2020, 24.11.2020, 10.12.2020 & 29.01.2021, MSPDCL has yet not maintained the LC of requisite amount and also has not liquidated the outstanding dues which are beyond due dates. As per various agreements and CERC Regulations, in case of default in making payments of bills, NTPC has the right to discontinue/ regulate the power supplies.
2. The Tripartite Agreement signed between Government of Manipur, RBI and Government of India which is applicable for supply of electricity from NTPC stations to MSPDCL also provides for regulation of power supply in case of non payment of bills. Further, CERC (Regulation of Power Supply) Regulations, 2010 (as amended) provide 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

पंजीकृत कार्यालय: एनटीपीसी भवन, स्कोप काम्प्लेक्स, 7 इन्स्टीटयुशनल एरिया, लोधी रोड, नई दिल्ली – 110 003

Regd Office: NTPC Bhawan, Scope Complex, 7 Institutional Area, Lodhi Road, New Delhi – 110 003

Corporate Identification Number L40101DL1975GOI007966, Telephone No: 011-2436 2067

control area the Regulating 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.....

(Emphasis supplied)

Unquote

3. Further, the terms & conditions of Power Purchase Agreement (PPA) dated 29.09.2007 provides as follows at clause 2.2.4.

Quote

*“Notwithstanding the obligations of Govt. of Manipur 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 Govt. of Manipur** to any other Bulk Power Customer(s) as per the provisions of generic procedure for regulation of power supply issued by CERC*”

(Emphasis supplied)

Unquote

4. The allocation letters 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. The relevant extract from one such letter no.5/19/2005-Th.2 dated 13.10.2008 is as given below :

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 beneficiary 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

5. Further, The Ministry of Power, Gol in its order dated 28.06.2019 and clarification thereof has mentioned as under-

Quote

“ 5.0....

i. In accordance with Section 28 (3) (a), the NLDC & RLDC shall despatch power only after it is intimated by the Generating Company and / Distribution Companies that as Letter of Credit for the desired quantum of power has been opened and copies made available to the concerned generating company.

.....

iii. RLDC shall dispatch electricity only up to the quantity equivalent of value of Letter of Credit.

iv. The dispatch shall stop once the quantum of electricity under LC is supplied.....

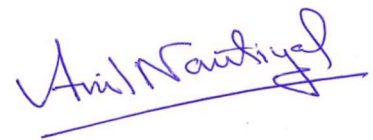
6.0 It shall also be ensured by the Load Dispatch Centre that the regulated entity, during the period of regulation, has no access to procure power from the Power Exchanges and they shall not be granted Short Term Open Access.(STOA) ”

Unquote

6. An amount of **Rs 58 Cr** has remained unpaid beyond due dates and MSPDCL is also not maintaining LC of the requisite value. Notice for regulation of power supply on MSPDCL is hereby given for effecting regulation of power supply to MSPDCL w.e.f. **00:00 hrs of 11.02.2021** initially for a period of 15 days, as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 as amended and as per PPAs signed and various allocation letters issued by Gol.
7. In view of above, power supply to the extent of 100% allocated from NTPC Stations will be regulated to the MSPDCL as per the details given below:
- i) Quantum and source of power from which regulation / diversion is proposed: **56.29 MW** from **NTPC Station** (Detail attached at **Annex-A**).
 - ii) The above is likely to result in excess power available to the extent of scheduled reduction.
 - iii) Regarding diversion/ absorption of regulated share, it is being taken up with other constituents of North East and other regions to indicate their requirements. As soon as we receive any response from these constituents for absorption of regulated power of MSPDCL, the same would be communicated to NERLDC.
8. As per requirement of CERC (Regulation of Power Supply) Regulations, 2010, NTPC is also posting Regulation Notice on NTPC website <https://www.ntpc.co.in/> under the tab “Notices”.
9. The proposed regulation would be **implemented w.e.f. 00:00 hrs. of 11.02.2021**, initially for a period of 15 days or till the time outstanding dues get cleared, whichever is earlier. A copy of this notice is also being sent to concerned RLDCs, for preparation of implementation plan for regulation of power supply to MSPDCL and implementation of the same as per the procedure laid down by CERC (Regulation of Power Supply) Regulations, 2010 as amended.

Thanking you,

Yours faithfully,



(Anil Nautiyal)
Chief General Manager (Commercial)

CC :

1. Executive Director
North Eastern Regional Load Dispatch Centre
POWERGRID Complex, Dongteih, Lower
Nongrah, Lapalang,
Shillong - 793006,
Meghalaya

with a request to prepare **implementation plan** for Regulation/ Suspension of power supply to MSPDCL and implement the same as per CERC (Regulation of Power Supply) Regulations, 2010



(Anil Nautiyal)
Chief General Manager (Commercial)

2. Member Secretary, NERPC

Distribution List:

- Chairperson, CERC
- Chief Secretary, Govt of Manipur
- Secretary(Power), Govt of Manipur
- JS (Thermal), MoP,GOI

ANNEXURE-A

S.N.	Name of Station	Installed Capacity (MW)	Allocation to MSPDCL (MW)
1	Bongaigaon TPS	750	56.29
Total from Stations of NTPC		750	56.29