



Ref.No: 01: CD: 407

कोर्पोरेट कार्यालय / Corporate Centre
Date: 22.02.2020

To,

Managing Director
South Bihar Power Distribution Company Ltd (SBPDCL)
Vidyut Bhawan, Bailey Road
Patna- 800001

Sub: Regulation Notice;

Regulation of power supply to the SBPDCL as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 (as amended), BPSA dated 28.05.1993, Various GOI letters regarding allocations of power from NTPC Stations and various other PPAs signed with SBPDCL.

Dear Sir,

1. You are kindly aware that the bills raised by NTPC on SBPDCL for energy supplied by NTPC from various stations are to be paid within due dates. As on date, a total of **Rs 633.72 Cr** remains unpaid, out of which **Rs 371.69 Cr** remains unpaid beyond due dates. In spite of repeated follow ups at various levels in person as well as through our letters dated 15.11.2019,16.01.2020,10.02.2020, SBPDCL has yet 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 Govt of Bihar, RBI and Govt of India which is applicable for supply of electricity from NTPC stations to state of Bihar 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.....***
5. ***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 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. The terms & conditions of Bulk Power Supply Agreement (BPSA) dated 28.05.1993 provides as follows at clause A.7.5 .

Quote

*"In the event of failure to establish/enhance LC as above, or any bill(s) remaining unpaid for a period exceeding two months from the date of issue of the bill, **NTPC shall have the authority to discontinue supply of power from NTPC station(s) to such Bulk Power Customer(s) and advise EREB to exclude its allocation from scheduling and energy accounting and treat its share in the same manner as unallocated power under clause A.2 till restored by NTPC.**"*

(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.5/31/2006-Th.II dated 21.02.2017 is as given below :

Quote

" 4. 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 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.

5. 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. An amount of **Rs 371.69 Cr** has remained unpaid beyond due dates. Notice for regulation of power supply on SBPDCL is hereby given for effecting regulation of power supply to SBPDCL w.e.f. **00:00 hrs of 10.03.2020** initially for a period of 15 days as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 and as per PPAs/BPSA signed and various allocation letters issued by Gol.
6. In view of above, power supply to the extent of 100% allocated from NTPC Stations will be regulated to SBPDCL as per the details given below:
- i) Quantum and source of power from which regulation / diversion is proposed: **1429.23 MW** from all **applicable NTPC Stations** (Details 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 Eastern and other regions to indicate their requirements. As soon as we receive any response from these constituents for absorption of regulated power of SBPDCL, the same would be communicated to ERLDC.

7. 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".
8. The proposed regulation would be **implemented w.e.f. 00:00 hrs. of 10.03.2020** 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 SBPDCL and implementation of the same as per the procedure laid down by CERC (Regulation of Power Supply) Regulations, 2010.

Thanking you,

Yours faithfully,



(Rajnish Bhagat)
ED (Commercial)

CC:

1. Executive Director
Eastern Regional Load Dispatch Centre
14 Golf Club Road, Tollygunje,
Kolkatta-700033

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



ED (Commercial)

2. Member Secretary, ERPC

Distribution List:

- Chairperson, CERC
- Chairman, ERPC
- Chief Secretary, Govt of Bihar
- Principal Secretary (Energy), Govt. of Bihar
- JS (Thermal), MoP

Annexure-A

Sl.No	Name of the Station	Installed Capacity (MW)	Allocation for Bihar (MW)	Allocation to South Bihar (54% of Total Bihar allocation)
1	Talcher-I	1000	413	223
2	Farakka-I&II	1600	502	271
3	Farakka-III	500	108	58
4	Kahalgaon-I	840	352	190
5	Kahalgaon-II	1500	75	40
6	Barh-II	1320	1198	647
Total from ER Stations of NTPC		6760	2647	1429