



WITHOUT PREJUDICE

Ref .No: 01: CD: 156

Date: 07.01.2021

To,
Principal Secretary (Power development Deptt)
Govt of J&K,
Civil Secretariat,
Jammu

Sub: Regulation Notice;
Regulation of power supply to the Power Development Department, J&K (PDD-J&K) as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 (as amended), BPSA dated 31.01.1994, Various GOI letters regarding allocations of power from NTPC Stations and various other PPAs signed with J&K

Dear Sir,

1. You are kindly aware that the bills raised by NTPC on Power Development Department (PDD), J&K for energy supplied by NTPC from various stations are to be paid within due dates. As on date, a total of **Rs 3287.00 Cr** remains unpaid, out of which **Rs 2805.00 Cr** remains unpaid beyond due dates. In spite of repeated follow ups at various levels in person as well as through our letters dated **18.08.2020, 01.09.2020, 07.10.2020, 20.11.2020, 06.01.2021**, PDD J&K 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 J&K, RBI and Govt of India which is applicable for supply of electricity from NTPC stations to J&K 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 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 31.01.1994 provides as follows at A.5 of Appendix A.

Quote

“It is agreed that the Bulk Power Customers will make all efforts to open LC within a reasonable period. In the event of failure to establish/ enhance LC within a reasonable period or alternatively in the absence of LC, if any bills remain unpaid for a period exceeding two months from the date of issue of the bills, NTPC shall have the options to discontinue/ reduce supply of power to such bulk power customers in consultation with Govt. of India and advise NREB accordingly.”

(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.5/7/2013-Th.II (Vol.I) dated 09.07.2015 is as given below :

Quote

“ 4. The above allocation will further be subject to the Power Purchase Agreements (PPAs) entered into by NTPC Limited with State Power

Utilities/ Union Territory and will further be subject to the beneficiaries 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 beneficiaries 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 beneficiaries 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 2805.00 Cr** has remained unpaid beyond due dates. Notice for regulation of power supply on PDD-J&K is hereby given for effecting regulation of power supply to PDD-J&K w.e.f. **00:00 hrs of 12.01.2021** 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 the UT of J&K as per the details given below:
 - i) Quantum and source of power from which regulation / diversion is proposed: **1118 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 Northern and other regions to indicate their requirements. As soon as we receive any response from these constituents for absorption of regulated power of PDD-J&K, the same would be communicated to NRLDC.
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 12.01.2021** 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 PDD-J&K and implementation of the same as per the procedure laid down by CERC (Regulation of Power Supply) Regulations, 2010.

Thanking you,

Yours faithfully,

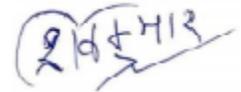


(V V Sivakumar)
GM (Commercial)

CC:

1. Executive Director
Northern Regional Load Dispatch
Centre
New Delhi - 16
2. Executive Director
Eastern Regional Load Dispatch
Centre,
Kolkata.
3. Executive Director
Western Regional Load Dispatch
Centre,
Mumbai.

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



GM (Commercial)

4. Member Secretary, NRPC
5. Member Secretary, ERPC
6. Member Secretary, WRPC

Distribution List:

- Chairperson, CERC
- Chief Secretary, Govt of J&K
- Principal Secretary (Fin.), Govt. of J&K
- Chief Engineer (C&S), PDD, Govt. of J&K
- JS (Thermal), MoP

Annexure-A

NTPC Allocation			
NTPC Stations	IC	Allocation of Power to J&K	
	(in MW)	(in MW)	(in %)
Dadri ST-II	980	7.53	0.77%
Dadri GPS	829.78	143.48	17.29%
Auraiya GPS	663.36	112	16.88%
Anta GPS	419.33	72	17.17%
Singrauli	2,000	14	0.70%
Rihand-I	1,000	76.9	7.69%
Rihand-II	1,000	101.5	10.15%
Unchahar-I	420	15.12	3.60%
Unchahar-II	420	33.52	7.98%
Unchahar-III	210	14.74	7.02%
Unchahar-IV	500	59.37	11.87%
Farakka	1,600	13.6	0.85%
Kahalgaon-I	840	30.91	3.68%
Kahalgaon-II	1,500	83.4	5.56%
Rihand-III	1,000	73.97	7.40%
Koldam	800	127	15.88%
Unit-I of Tanda St-II	660	38.35	5.81%
Korba-I	2,100	12.43	0.59%
Vindhyachal-I	1,260	7.46	0.59%
Vindhyachal-II	1,000	5.92	0.59%
Vindhyachal-III	1,000	5.92	0.59%
Kawas	656.2	3.88	0.59%
Gandhar	657.39	3.89	0.59%
Sipat-II	1,000	5.92	0.59%
Korba-III	500	2.96	0.59%
Sipat-I	1,980	11.72	0.59%
Vindhyachal-IV	1,000	5.92	0.59%
Mauda-I	1,000	5.92	0.59%
Vindhyachal-V	500	2.96	0.59%
Mauda-II	1,320	7.81	0.59%
Solapur	1320	7.81	0.59%
Lara	800	4.74	0.59%
Gadarwara	800	4.74	0.59%
Singrauli Hydro	8	0.31	3.88%
NTPC TOTAL	31744.06	1117.70	3.48%