



Ref. No.:01:CD:150

Date: 22.10.2021

To,  
Chairman  
Uttar Pradesh Power Corporation Limited (UPPCL)  
Shakti Bhawan  
14, Ashok Marg  
Lucknow (UP)

**Sub: Regulation Notice;**

**Regulation of power supply to the UPPCL as per provisions of the CERC (Regulations of Power Supply) Regulations, 2010 (as amended), BPSA dated 12.01.1994, Various GOI letters regarding allocations of power from NTPC Stations and various other PPAs signed with UPPCL.**

**Ref:**

1. NTPC Notice No. 01:CD:150 dated 19.10.2021
2. UPPCL letter No. 1503/ED(F)/F-II/NTPC/01/2000 dated 21.10.2021

Sir,

1. You are kindly aware that the bills raised by NTPC on Uttar Pradesh Power Corporation Limited (UPPCL) for energy supplied by NTPC from various stations are to be paid within due dates. As on date, a total of **Rs 1786 Cr** remains unpaid, out of which **Rs 821 Cr** remains unpaid beyond due dates. In spite of repeated follow ups at various levels in person as well as through our letters dated 03.09.2021, 14.09.2021, & 11.10.2021, UPPCL has yet not liquidated the outstanding dues which are beyond due dates. Further, vide letter dated 19.10.2021, we have again requested your kind intervention to liquidate the outstanding dues by 21.10.2021. In this regard, 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. 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***

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 0100

**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 .....*”

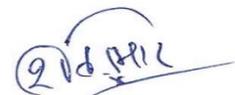
(Emphasis supplied)

**Unquote**

5. An amount of **Rs 821 Cr** has remained unpaid beyond due dates. Notice for regulation of power supply on UPPCL is hereby given for effecting regulation of power supply to UPPCL w.e.f. **00:00 hrs of 31.10.2021** 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. Further, as per the directives of Ministry of Power (MoP), Govt of India (Gol) during the meeting held on 08.10.2021 (Copy enclosed), it was decided to regulate the 50% quantum allocated power to the defaulting entity/beneficiaries and to be increased gradually in case non-payment.
7. In view of above, power supply to the extent of 50% allocated from NTPC Stations to the State of UP will be regulated as per the details given below:
  - i) Quantum and source of power from which regulation / diversion is proposed: **2793 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 UPPCL, the same would be communicated to NRLDC.
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 31.10.2021** 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 UPPCL 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)

Encl: As Above

CC:

1. Executive Director  
Northern Regional Load Despatch Centre  
New Delhi – 16
2. Executive Director  
Eastern Regional Load Despatch Centre,  
Kolkata.
3. Executive Director  
Western Regional Load Despatch Centre,  
Mumbai.
4. Director,  
Uttar Pradesh Load Despatch Centre  
Lucknow

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



GM (Commercial)

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

Distribution List:

- a) Secretary, CERC
- b) Chairman, UPERC
- c) Chief Secretary, Govt of UP
- d) Addl Chief Secretary (Energy), Govt. of UP
- e) Chief Engineer (Thermal), MoP

## Annexure - A

### Allocation of Power to Uttar Pradesh from NTPC Stations

Sl	Power Station	Project Capacity	Allocation of Power to UP	Proposed Regulated Power	Proposed Regulated Power
		(MW)	(MW)	(MW)	(%)
<b>From NTPC Stations</b>					
1	KORBA-III	500	1.15	1.15	0.23%
2	KORBA-I&II	2100	2.48	2.48	0.12%
3	Rihand III	1000	356.62	356.62	35.66%
4	SIPAT-I	1980	4.54	4.54	0.23%
5	Rihand-II	1000	328.8	328.8	32.88%
6	Rihand-I	1000	355.8	355.8	35.58%
7	SIPAT-II	1000	1.57	1.57	0.16%
8	Singrauli	2000	814.2	814.2	40.71%
9	VSTPS-IV	1000	2.29	2.29	0.23%
10	VSTPS-III	1000	1.65	1.65	0.17%
11	VSTPS-II	1000	1.65	1.65	0.17%
12	VSTPS-V	500	1.15	1.15	0.23%
13	VSTPS-I	1260	2.21	2.21	0.18%
14	LARA-I	1600	3.67	3.67	0.23%
15	Kahalgaon-II	1500	250.95	250.95	16.73%
16	Kahalgaon-I	840	76.61	76.61	9.12%
17	Tanda St-II	1320	975.53	587.66	44.52%
		<b>Total</b>	<b>3180.87</b>	<b>2793</b>	