



Ref .No: 01: CD: 156

Date: 04.02.2021

To,  
The Managing Director,  
MPPMCL, Jabalpur

**Sub: Regulation Notice;**

**Regulation of power supply to the MPPMCL 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 MPPMCL.**

Dear Sir,

1. You are kindly aware that the bills raised by NTPC on M.P. Power Management Company Limited (MPPMCL), Jabalpur for energy supplied by NTPC from various stations are to be paid within due dates. As on date, a total of Rs 3823.00 Cr remains unpaid, out of which Rs 2919.00 Cr remains unpaid beyond due dates. In spite of repeated follow ups at various levels in person as well as through our letters dated 17.07.2020, 29.07.2020, 18.08.2020, 18.09.2020, 30.10.2020, 27.11.2020, 27.12.2020 & 09.01.2021, MPPMCL, Jabalpur 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 M.P., RBI and Govt of India which is applicable for supply of electricity from NTPC stations to State of Madhya Pradesh 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 12.01.1994 provides as follows at A.7.2 of Appendix A.

**Quote**

***“It is agreed that the Bulk Power Beneficiary/(ies) 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 bill(s) remain unpaid for a period exceeding two months from the date of issue of the bill, NTPC shall have the authority to discontinue/ reduce supply of power from NTPC station(s) to such bulk power beneficiary/(ies) and advise WREB 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 2919.00 Cr** has remained unpaid beyond due dates. Further, the existing Letter of Credit maintained by MPPMCL is not adequate (deficit of Rs 48.8 Crores). Notice for regulation of power supply on MPPMCL is hereby given for effecting regulation of power supply to MPPMCL 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 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 State of Madhya Pradesh as per the details given below:
- Quantum and source of power from which regulation / diversion is proposed: **5141 MW** from all **applicable NTPC Stations** (Details attached at **Annex-A**).
  - The above is likely to result in excess power available to the extent of scheduled reduction.
  - Regarding diversion/ absorption of regulated share, it is being taken up with other constituents of Western and other regions to indicate their requirements. As soon as we receive any response from these constituents for absorption of regulated power of MPPMCL, Jabalpur, the same would be communicated to WRLDC.
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 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 MPPMCL 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.
4. Member Secretary, NRPC
5. Member Secretary, ERPC
6. Member Secretary, WRPC

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

Distribution List:

- Chairperson, CERC
- Chief Secretary, GoMP
- Principal Secretary (Energy), GoMP
- Principal Secretary (Fin.), GoMP
- JS (Thermal), MoP



Annexure-A

NTPC Allocation			
NTPC Stations	IC	Allocation of Power to M.P	
	(in MW)	(in MW)	(in % )
Dadri ST-II	980	2	0.20
Dadri GPS	829.78	2	0.24
Auraiya GPS	663.36	2	0.30
Anta GPS	419.33	1	0.24
Singrauli	2,000	4	0.20
Rihand-I	1,000	2	0.20
Rihand-II	1,000	2	0.20
Mandsaur Solar	250	250	100.0
Unchahar-II	420	1	0.24
Unchahar-III	210	1	0.48
Unchahar-IV	500	1	0.20
Rajgarh Solar	50	50	100.00
Kahalgaon-II	1,500	74	4.93
Rihand-III	1,000	3	0.30
Koldam	800	1	0.13
Unit-I of Tanda St-II	660	1	0.15
Korba-I&II	2,100	478	22.76
Vindhyachal-I	1,260	437	34.68
Vindhyachal-II	1,000	314	31.40
Vindhyachal-III	1,000	241	24.10
Kawas	656.2	140	21.33
Gandhar	657.39	117	17.80
Sipat-II	1,000	183	18.30
Korba-III	500	73	14.60
Sipat-I	1,980	324	16.36
Vindhyachal-IV	1,000	277	27.70
Mauda-I	1,000	177	17.70
Vindhyachal-V	500	138	27.60
Mauda-II	1,320	239	18.11
Solapur	1320	323	24.47
Lara	800	180	22.50
Gadarwara	800	416	52.00
Khargone	1320	687	52.05
<b>NTPC TOTAL</b>	<b>30496.06</b>	<b>5141</b>	<b>16.86%</b>