

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड

(भारत सरकार का उद्यम)

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)



पावरग्रिड

केन्द्रीय कार्यालय: "सौदामिनी" प्लॉट सं. 2, सेक्टर-29, गुडगाँव-122 001, (हरियाणा) दूरभाष: 0124-2571700-719, फ़ैक्स : 0124-2571762, "Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, (Haryana) Tel. : 0124-2571700-719, Fax : 0124-2571762, Web.: www.powergridindia.com

CIN : L40101DL1989GOI038121

(WITHOUT PREJUDICE)

CC/Comml./ROP-Meghalaya/2019

Dt.: 18.01.2019

To,
The Chairman and Managing Director,
Meghalaya Energy Corporation Ltd,
Lum Jingshai,
Short Round Road,
Shillong-793 001. Meghalaya

Dear Sir,

Sub: "Notice for Regulation of power supply" for default of Meghalaya Energy Corporation Ltd (MeECL), Meghalaya in making payment of dues

- Ref:
1. Our letter no. CC:Comml:Meghalaya dtd 15.11.2018
 2. Our letter no. CC:Comml: Meghalaya dtd 10.01.2019
 3. Yr letter no. A/REV/1497/2016/65 dtd 11.01.2019
 4. Yr letter no. DD/EM/T-86/2018-19/689 dtd 14.01.2019
 5. Our letter no. NESH/COMMLIN-07/260 dtd 15.01.2019
 6. Transmission Service Agreement dtd 21.06.2016.

1. MeECL is a Designated Inter-State Transmission System customer (DIC) which is availing Inter-state Transmission System (ISTS) network for transfer of power from various power plants located in different parts of country to MeECL and is under obligations to make timely payment of transmission tariff and to open requisite Letter of Credit (LC) towards Payment Security Mechanism (PSM) in line with the Electricity Act 2003 read with relevant contractual provisions and CERC Regulations.
2. It is, however, a matter of serious concern that MeECL is consistently failing to make payment of monthly bills raised on it towards transmission tariff despite various commitments by MeECL and regular follow-up by CTU. As a consequence, total dues of MeECL have accumulated to Rs 17 Cr as on 18.01.2019, which includes an amount of Rs 9 Cr. outstanding for more than 60 days (*out of which an amount of Rs 1 Cr. has even exceeded 120 days*) based on the bills already raised by CTU.
3. CTU has been mandated with the responsibility of Billing, Collection and Disbursement of transmission charges towards ISTS licences from all the DICs. Such huge outstanding dues as brought out above are seriously affecting the cash flows of all the ISTS Licensees and causing adverse impact on the ability to carry on as a business enterprise and to fulfil loan repayment liabilities towards creation of transmission assets.

4. Regulation 4 of CERC (Regulation of Power Supply), 2010 reads as under:-

"In case of outstanding dues or in case the 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 drawl schedule in the case of the generating company or withdrawal of open access / access to Inter-State Transmission System in the case of the transmission licensee."

5. In above regard, attention is invited to various correspondence issued by the CTU, as referred above, which demonstrates the default of MeECL in making payment of legitimate dues. As per the provisions of **Regulation 4 of CERC (Regulation of Power Supply) Regulation 2010, provisions of BCD procedure** approved by CERC and terms of TSA, the CTU is constrained to issue this "Notice for Regulation of Power Supply".
6. Accordingly, in case of failure of MeECL to clear the outstanding dues latest by 29.01.2019(by 4.30PM), the regulation of power supply of MeECL through their Long Term Access shall be effected as follows:-

• Quantum of power to be regulated	:	30 MW of power drawl of MeECL from ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 01.02.2019
• Period of Regulation of Power supply	:	Initially for 3 months or till clearing of the dues outstanding for more than 60 days
• Source of regulation of Power Supply	:	To be regulated from various Power plants of NEEPCO as per the enclosed Annexure-1 .
• The regulation of power shall be carried out through North Eastern Region Transmission Corridor.		
• All other liabilities of MeECL shall be as per the provisions of CERC Regulations.		

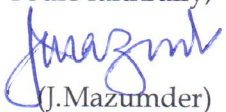
7. Further, it may be informed that the dues for an amount of **Rs 1 Crore** are exceeding 120 days as on 18.01.2019(included in the dues mentioned at Para 2 above) and as per Para 59 (c) of CERC Order dtd 02.09.2015 under Pet. no. 142/MP/2012, this calls for curtailment of Short Term Open Access (STOA). The relevant portion of the said CERC Order dtd 02.09.2015 is reproduced below:-

*"During the period of regulation of power supply, for defaults in payment of transmission charges, STOA to the regulated entity shall be denied by NLDC/RLDCs under Regulation 25A of Open Access Regulations from the date of commencement of regulation of power supply. When Regulation 25A is invoked independent of regulation of power supply, default trigger date for invoking Regulation 25A of Open Access Regulations shall be 90 days from the due date of payment of various charges covered under the respective Regulations. **NLDC/RLDCs shall deny short term open access to the defaulting entity on occurrence of the default trigger dates as mentioned above without having to approach the Commission on the basis of the request of concerned RLDC or Central Transmission Utility, as the case may be.**"*

As per the above, in case the dues >120 days is not liquidated by MeECL latest by 24.01.2019 (by 4.30 PM), the STOA transactions shall be curtailed w.e.f. 26.01.2019, prior to resorting to Regulation of Power supply as stated at Para 7 above.

8. Through a copy of this Notice, NERLDC is being requested to:
- Take necessary action to curtail the STOA transactions of MeECL with effect from 00:00 Hrs of 26.01.2019.
 - Prepare implementation plan for Regulation of Power Supply of MeECL & implement the same w.e.f. 00:00 Hrs. of 01.02.2019.
10. In view of above, it is advised to liquidate the outstanding dues greater than 120 days by 24.01.2019 (by 4.30PM) and clear the dues greater than 60 days as per above by 29.01.2019 (by 4.30PM) failing which regulation of power supply shall be enforced as stipulated above.

Thanking You,

Yours faithfully,


Chief General Manager(Commercial), CTU

CC:-

- Executive Director,
North Eastern Regional Load
Dispatch Centre, Dongtiah, Lower
Nongrah, lapalang,
Shillong - 793006
(FAX- 0364- 2537470, 2537427)

 - With a request to implement the STOA curtailment of MeECL w.e.f 26.01.2019 in line with Para 59(c) of CERC Order dtd 02.09.2015 under Pet.no. 142/MP/2012, upon confirmation by us on 24.01.2019.
 - With a request to prepare the implementation plan for Regulation of power supply of MeECL and implement the same as per CERC Regulation, 2010. The proposed regulation of power from various generators as per Annexure-1 may be reviewed and finalised. Indemnification bond furnished earlier holds good for subject Regulation of power of MeECL.
- Executive Director (Comml.),
NEEPCO, Brookland Compound,
Lower New Colony, Shillong- 793
003, Meghalaya

With a request to take necessary action for implementation of Regulation of power supply of MeECL from NEEPCO HEP Projects, as per CERC Regulation, 2010.

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Copy of Notice dtd 18.01.2019 for Regulation of Power supply issued to MeECL, Meghalaya is enclosed for kind information of :

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi.
Fax : 011-23721487
2. Chief Secretary, Meghalaya Government Secretariat, Shillong - 171002,
Fax No: 0364-2225978
3. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36, Janpath, New Delhi,
110 001. Fax: 011-23753923
4. Chairperson, Meghalaya SERC, 1st Floor [Front Block Left Wing] New
Administrative Building, Lower Lachumiere, Shillong-793001, East Khasi Hills
District, Meghalaya. Fax No: 364-2500062
5. Member Secretary, North Eastern Regional Power Committee, Meghalaya State
Housing Finance Cooperative Society Ltd Bldg, Nongrim Hills, Shillong - 793 003,
Meghalaya Fax : 0364-2520030
6. CMD, POSOCO, 61, IFCI Tower, 9th Floor, Nehru Place, New Delhi - 110019
7. Superintending Engineer (LDC), State Load Despatch Center, MeECL, Shillong.
8. Executive Director, POWERGRID, NER, Shillong.



Annexure-1

Regulation of Power Supply of Meghalaya Energy Corporation Ltd (MeECL) -
Tentative list of generators and quantum of Power to be regulated

S.No	Generating Company	Generating Station	Station Capacity	Share Allocation of MeECL	Quantum of power to be regulated to MeECL under this notice
1	NEEPCO	Kopili-I	200MW	34 MW	24 MW
2	NEEPCO	Khandong	50 MW	8 MW	6 MW
	Total		250 MW	42 MW	30 MW

