

(WITHOUT PREJUDICE)

CC/ Comml./ROP-Meghalaya/2021/2

Dt.: 29.01.2021

To
Chairman cum Managing Director,
Meghalaya Energy Corporation Ltd,
New Office Complex, Lumjingshai,
Shillong-793 001. Meghalaya

Dear Sir,

Sub: "Notice for Regulation of Power Supply" for default of Meghalaya Energy Corporation Ltd (MeECL) in making payment of outstanding dues towards Tr. charges.

Ref : 1.0 Your letter No. MePDCL/DD/EM/T-86/2020-21/462 dtd 12.11.2020
2.0 Our letter CC/Comml./ROP-Meghalaya/2020/3 dtd 12.11.2020
3.0 Your letter No. MePDCL/DD/EM/T-86/2020-21/510 dtd 01.12.2020
4.0 Our letter CC/Comml./ROP-Meghalaya/2020/4 dtd 08.12.2020
5.0 Your letter No. MePDCL/DD/EM/T-86/2020-21/540 dtd 15.12.2020

1. MeECL is a designated Inter-State Transmission System customer (DIC) who is availing Inter-state Transmission System (ISTS) network for transfer of power from various power plants located in different parts of the country to MeECL and is under obligations to make timely payment of transmission tariff and to open requisite Letter of Credit towards Payment Security Mechanism in line with the Electricity Act 2003 read with the relevant contractual provisions and CERC Regulations.
2. It is, however, a matter of serious concern that MeECL is consistently failing to make full payment against the monthly bills raised on it towards transmission tariff despite regular follow-up by CTU and commitments by MeECL. As a consequence, total dues of MeECL have grown to a huge amount of **Rs 74.65 Cr** as on date, out of which an amount of Rs. 63.94 Crs is outstanding for >45 days (**an amount of Rs 57.33 Crs has crossed 60 days and an amount of Rs. 42.37 Crs has even crossed 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 this regard, attention is invited to the correspondence issued by the CTU, as referred above, which demonstrates the default of MeECL in 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 total outstanding dues >60 days latest by **08.02.2021**, the regulation of power supply of MeECL through their Long Term Access shall be effected as follows:-

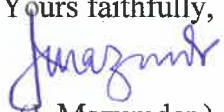
• Quantum of power to be regulated	:	50 MW of power drawl of MeECL from ISTS network
• Commencement of Regulation of supply	:	From 00.00 Hrs of 13.02.2021.
• Period of Regulation of Power supply	:	Initially for one month or till clearing of the dues outstanding for more than 60 days
• Source of regulation of Power Supply	:	To be regulated from various Power plants of NEEPCO, NHPC & NTPC from which MeECL has allocation of power under Long Term Access, the quantum shall be in proportion of the allocation from NEEPCO, NHPC & NTPC may be decided by NERLDC based on merit order of despatch.
<ul style="list-style-type: none"> • The regulation of power shall be carried out through North Eastern Region Transmission Corridor. • All other liabilities of MeECL shall be as per provisions of CERC Regulations 		

7. Further, CERC vide Order dtd 02.09.2015 under Pet. no. 142/MP/2012 at Para 59 (c) mentioned on curtailment of Short Term Open Access (STOA) during the regulation of power supply. 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."

8. Through a copy of this Notice, NERLDC is being requested to prepare implementation plan for Regulation of Power Supply of MeECL & implement the same **w.e.f. 00:00 Hrs. of 13.02.2021** upon confirmation by us on 09.02.2021.
9. In view of above, it is requested to liquidate the outstanding dues greater than 60 days by **08.02.2021** failing which regulation of power supply shall also be enforced as stipulated above.

Thanking You,

Yours faithfully,

 (J. Mazumder)

Chief General Manager (Commercial),CTU

CC ::

Executive Director,
North Eastern Regional Load
Despatch Centre,
Power System Operation Corporation Limited (POSOCO)
POWERGRID Complex, Lower
Nongrah, Lapalang, P.O : Rynjah
Shillong-793006 (Meghalaya)

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 supply from various power plants of NEEPCO, NHPC & NTPC from which MeECL has allocation of power under Long Term Access, the quantum shall be in proportion of the allocation from NTPC, NHPC & NEEPCO may be decided by NERLDC based on the merit order of despatch.* Indemnification bond furnished earlier holds good for subject Regulation of power of MeECL.

Executive Director (Comml.),
NTPC Ltd, Core 7,
Scope Complex, Lodhi Road,
New Delhi - 110016

With a request to take necessary action for implementation of Regulation of power supply of MeECL from NTPC Plants, as per CERC (Regulation of Power supply) Regulation, 2010.

Executive Director (Comml)
NHPC Ltd,
NHPC Office Complex,
Sector 33, Faridabad -121003

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

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 of Power supply) Regulation, 2010.

Copy of Notice dtd 29.01.2021 for Regulation of Power supply issued to MeECL is enclosed for kind information of :

1. Secretary (Power), MoP, GOI, Shram Shakti Bhawan, Rafi Marg, New Delhi.
2. Chief Secretary, Meghalaya Government Secretariat, Shillong - 171002,
3. Secretary, CERC, 3rd & 4th Floor, Chandra Lok Building, 36, Janpath, New Delhi.
4. Chairperson, Meghalaya SERC, 1st Floor [Front Block Left Wing] New Administrative Building, Lower Lachumiere, Shillong-793001, East Khasi Hills District, Meghalaya.
5. Member Secretary, North Eastern Regional Power Committee, NERPC Complex, Dong Parmaw, Lapalang, Shillong - 793 006, Meghalaya
6. CMD, POSOCO, B-9, 61, IFCI Tower, 9th Floor, Nehru Place, New Delhi – 110019.
7. Superintending Engineer(LDC), State Load Despatch Center, MeECL, Shillong.
8. GM I/C, NER, POWERGRID, Shillong