



# North Eastern Regional Power Committee

## Agenda

### For

## 31<sup>st</sup> Commercial Sub-Committee Meeting

Time : 10:00 Hrs.  
Date : 6<sup>th</sup> December, 2016 (Tuesday)  
Venue : "Hotel Radisson Blu Plaza Delhi"  
Host : OTPC Limited

### CONFIRMATION OF MINUTES

#### 1. CONFIRMATION OF MINUTES OF THE 30<sup>TH</sup> COMMERCIAL SUB-COMMITTEE MEETING OF NERPC.

Minutes of the 30<sup>th</sup> CC Meeting held at Hotel "Mayfair Spa & Resort", Gangtok on the 20<sup>th</sup> October 2016 was circulated vide No.: NERPC/COM/CC\_Min/2016/2284-2323 dated 2<sup>nd</sup> November 2016 and corrigendum to the minutes was circulated vide NERPC/COM/CC\_Min/2016/2804-2843 dated 9<sup>th</sup> November 2016.

As no observation has been received from any of the constituents, the minutes of the 30<sup>th</sup> CCM may be confirmed.

### FOLLOW UP ACTION

#### **2.1 *Colony Consumption by CSGS and Provision of CERC Regulations' 2014 thereof:***

The issue was deliberated in the 24<sup>th</sup>, 28<sup>th</sup>, 29<sup>th</sup> & 30<sup>th</sup> CCM. In the last CCM, it was noted by the forum that all generating stations are required to keep record of colony consumption and auxiliary consumption separately and furnish the same whenever asked by the beneficiaries/CC forum. NTPC & OTPC have informed that they have not drawn any colony consumption as of now. NHPC has already intimated along with single line diagram that metering of colony consumption is done separately vide their letter No. NH/Comml./NERPC/08/2016/1846-47 dt. 29.07.2016. Only NEEPCO is yet to intimate the forum their arrangement for metering of colony consumption separately supported by line diagram showing the meters etc.

**Forum may kindly deliberate.**

**ITEMS FOR DISCUSSION**

**3. AGENDA ITEMS FROM NERPC**

**3.1 *Tabulation of revenue earned through regulation of power to beneficiary states of NER:***

Concerned utilities are to submit the required information in the format given below.

Financial Year : e.g. 2015 - 2016										
Regulating Entity:	Generating station from where regulation is done	Quantum of regulated power (in MWH)	Mode of sale of regulated power (through exchange or through traders or DSM etc)	Total revenue earned from sale of regulated power (In Rs.)	Detail of expenditure incurred towards (a) adjustment of energy charges (b) registration fee for exchanges or traders' fee etc (c) Any other incidental expenses with detail (In Rs.)			Amount of outstanding dues of the Regulated Entity. (In Rs.)	Amount adjusted against the outstanding dues of the Regulated Entity (In Rs.)	Remaining amount, if any, to be passed on to the Regulated Entity (In Rs.)
(1)	(2)	(3)	(4)	(5)	(a)	(b)	(c)	(7)	(8)	(9)=(5)-(6)-(8)

NOTE: If (9) is negative, then it indicates that outstanding due has not been recovered fully.

Presently, NEEPCO is regulating Power to MeECL. NEEPCO is required to furnish details as above.

**4. AGENDA ITEMS FROM NHPC**

**4.1 *Signing of PPA:***

**(i) *Signing of Power Purchase Agreement (PPA) in respect of Tawang HE Project, Stage - I & II :-***

Signing of PPA in respect of Tawang HE Project, Stage – I & II is pending with **Mizoram, Tripura, & Manipur**. Recently, the matter was discussed in 30<sup>th</sup> CCM of NERPC held on 20.10.2016 at Gangtok and it was deliberated that information/queries sought by Tripura & Mizoram has already been replied by NHPC vide letter dated 04/08/2016 and 09/09/2016 and reminder letter of NHPC dated 20.09.2016 has been sent to Manipur. Therefore concerned beneficiary should communicate to NHPC regarding any further clarification required apart from communication already replied by NHPC. Mizoram, Tripura and Manipur was again reminded vide our letter dated 28.10.2016, 17.11.2016 and 17.11.2016. It is

also intimated that NHPC has received letter of consent from APDCL for signing of PPA in respect of Tawang- I & II.

**In view of above, Mizoram, Tripura and Manipur are once again requested to give their consent on revised draft PPA already sent to them vide our letter dated 03.05.2016 so that date and venue of signing of PPA can be finalized.**

**(ii) Signing of Power Purchase Agreement (PPA) in respect of Subansiri Lower HE Project (2000 MW) in Arunachal Pradesh :-**

Signing of PPA with Deptt. of Power, Govt. of Arunachal Pradesh in respect of Subansiri Lower HE Project (2000 MW) in Arunachal Pradesh is pending since long. Modification sought by Arunachal Pradesh has already been agreed by NHPC vide our letter dated 10.11.2016. Response of Arunachal Pradesh on our letter dated 10.11.2016 is still awaited. PPA of Tawang HEP, Stage I & II will also be signed on similar lines.

**So, Deptt. of Power, Govt. of Arunachal Pradesh may please be requested to give their consent at the earliest.**

#### **4.2 Outstanding dues of NHPC for more than 60 days:**

**(i) MeECL, Meghalaya:** - During 30<sup>th</sup> CCM of NERPC held on 20.10.2016 at Gangtok, representative of Meghalaya intimated that MePDCL, Meghalaya has taken all efforts to clear their outstanding dues by December, 2016. But till date, neither we have received payment nor any communication in this regard. It is also intimated that our auditor is pressing hard to settle the issue of long pending outstanding dues at the earliest. Subsequent reminder sent to Meghalaya on 11.11.2016 to liquidate outstanding dues including surcharge by December 2016.

As on date, an amount of **Rs 31.19 Crs** (Including surcharge of **Rs 9.62 Crs** up to 31.10.2016) is payable by MeECL, Meghalaya.

**So, MeECL/MePDCL, Meghalaya is requested to clear the entire outstanding dues as per their commitment.**

**(ii) MSPDCL, Manipur:** - An amount of **Rs 6.43 Crs** (Including surcharge of **Rs 1.92 Lacs** up to 31.10.2016) is outstanding for more than 60 days. We have requested MSPDCL vide letter dated 09.11.2016 to clear the outstanding dues but till date MSPDCL has not cleared outstanding dues for more than 60 days.

**MSPDCL, Manipur is requested to clear their outstanding dues for more than 60 days as early as possible.**

#### **4.3 Opening/maintaining of Letter of Credit (LC):**

Opening & maintaining of Letter of Credit of requisite value is essential as per requirement of PPA, allocation order issued by MOP, GOI in respect of Loktak Power Station and CERC (Regulation of Power Supply), Regulation, 2010. The existing LC's had already expired but fresh/renewed L.C of requisite amounts has not been received so far despite of our regular follow up. The matter was also

discussed in 17<sup>th</sup> TCC & 17<sup>th</sup> NERPC meeting and 30<sup>th</sup> CCM of NERPC. After last CCM, matter was reminded to Manipur & Arunachal Pradesh vide our letter dated 07.11.2016. Details of LC's are as under:-

<u>Name of beneficiary</u>	<u>Requisite amount</u>	<u>Validity expired on</u>
Arunachal Pradesh	Rs 0.75 Crs	31.03.2016
Manipur	Rs 4.87 Crs	15.09.2016

**Deptt. of Power, Govt. of Arunachal Pradesh & MSPDCL, Manipur are requested to furnish the "Letter of Credit (LC)" of requisite amount on top priority.**

## 5. AGENDA ITEMS FROM NERTS/POWERGRID

### 5.1 *Outstanding dues:*

The total outstanding of POWERGRID's NER beneficiaries as on 27.11.16 is as under:

All Figures in INR Crores

DIC	Total Outstanding	Outstanding more than 60 days	Average billing	Remarks
Ar. Pradesh	<b>1.74</b>	<b>0.00</b>	<b>3.15</b>	-
AEGCL (Assam)	<b>105.96</b>	<b>8.23</b>	<b>36.00</b>	<b>3 months receivables</b>
Manipur	<b>8.78</b>	<b>0.00</b>	<b>3.90</b>	02 months receivables
MeECL (Meghalaya)	<b>27.43</b>	<b>6.96</b>	<b>6.90</b>	<b>04 months receivables</b>
Mizoram	<b>5.63</b>	<b>0.00</b>	<b>3.5</b>	<b>2 months receivables</b>
Nagaland	<b>-0.24</b>	<b>0.00</b>	<b>2.65</b>	-
TSECL (Tripura)	<b>-0.06</b>	<b>0.00</b>	<b>3.90</b>	-
Total	<b>149.07</b>	<b>14.99</b>	<b>60.00</b>	<b>02 months receivables</b>

**AEGCL (Assam), MeECL (Meghalaya** may be impressed upon to liquidate their respective outstanding dues immediately.

**5.2 LC requirement against PoC billing as per CI. No. 3.6 of BCD (Billing Collection and Disbursement) Procedures of CERC order no. L-1/44/2010-CERC, Dtd. 29.04.11:**

REQUIREMENT AND STATUS OF LC AS ON DATE (27.11.16) OF NER BENEFICIARIES

(All Figures in Rs Lakh)

Sl	Beneficiary	Required LC Amount	Due date of enhancement and renewal (for one year)	Total LC Amount to be renewed including enhanced value		
				Existing	Enhancement	Total
1	Arunachal Pradesh	244.96	<b>31.03.16</b>	252.00	0.00	244.96
2	AEGCL (Assam)	3217.89	31.05.17	3217.89	0.00	3217.89
3	Manipur	236.79	<b>15.09.16</b>	213.13	<b>23.66</b>	236.79
4	MeECL	699.72	04.10.17	150.00	<b>549.72</b>	699.72
5	Mizoram	269.59	04.05.17	269.59	0.00	269.59
6	Nagaland	284.04	21.03.17	284.04	0.00	284.04
7	Tripura	271.56	14.02.17	183.00	88.56	271.56

- DICs are requested to renew & enhanced the LC as per requirement.
- **MeECL may be impressed upon to enhance LC of requisite amount immediately.**
- Arunachal Pradesh & Manipur may be impressed to renew / enhance the LC as per requirement.

**6. AGENDA ITEMS FROM NTPC**

**6.1** Outstanding more than 60 days as on 25.11.2016 is Rs 107.20 Crore. Tripura is not paying the energy bill for the energy supplied since April 2016.

Sl. No.	Beneficiaries	Total Outstanding in Cr.	Outstanding more than 60 days
1	APDCL, Assam	207.15	41.63
2	Deptt. of Power, Arunachal	5.55	--
3	Power & Electricity Deptt., Mizoram	9.61	--
4	Deptt. of Power, Manipur	10.54	3.66
5	MeECL, Meghalaya	59.15	39.19
6	TSECL, Tripura	29.20	22.72
<b>Total</b>		<b>321.20</b>	<b>107.20</b>

**6.2** Following beneficiaries have not opened the LC of required amounts.

Sl.No	Beneficiaries	LC Required As per PPA (Cr.)	Remarks
1	MeECL, Meghalaya	9.36	Not yet opened
2	DoP, Arunachal Pradesh	5.36	Not yet opened
3	MSPDCL, Manipur	5.86	Not yet opened
4	TSECL, Tripura	5.95	Not agreeing to open.

**6.3** Tripura is not signing quarterly reconciliation.

**6.4** Ministry of Power has approved the TPA on 22.12.2016. The same is requested to be expedited.

## **7. AGENDA ITEMS FROM NEEPCO**

**7.1** *Outstanding dues of beneficiaries payable to NEEPCO as on 31.10.2016 are as follows:*

Beneficiary	Principal (In Rs. crore)	Surcharge accumulated till 31.06.2016 (in Rs. crore)	Total (in Rs. Crore)
APDCL	429.37	42.72	<b>472.09</b>
P&E Deptt., Mizoram	17.61	10.80	<b>28.41</b>
MSPDCL	32.62	2.77	<b>35.39</b>
TSECL	77.51	45.21	<b>122.72</b>
DoP, Arunachal Pradesh	29.50	3.90	<b>33.40</b>
DoP, Nagaland	0.01	0.00	<b>0.01</b>
MePDCL	367.94	246.09	<b>614.03</b>
<b>Total</b>	<b>954.56</b>	<b>351.49</b>	<b>1306.052</b>

While many of the beneficiaries have cleared their old dues and are paying the current dues regularly, however the status of by **MePDCL** and **APDCL** is alarming.

Due to accrual of such outstanding dues, NEEPCO is facing difficult to meet its day to day expenditure including fuel cost required for operating its thermal power stations. In the interest of extending better service to its beneficiaries, NEEPCO earnestly requests all the beneficiaries to clear all the accumulated dues on priority and at the same time requests to make the payment against current bills on regular basis.

The above is for deliberation of the house.

### **7.2 *Signing of PPA for Kameng Hydro Electric Project (KaHEP)***

Kameng HEP (600 MW) is scheduled to be commissioned during the middle part of 2017. Assam & Arunachal Pradesh has signed the PPA long back. NEEPCO sincerely acknowledges that Nagaland has signed the PPA recently.

Draft PPAs along with salient features of the project including estimated cost, first year tariff, levelized tariff etc. were sent to all the beneficiaries of the project of NE region. The urgency of the matter was also discussed in the 29<sup>th</sup> CC meeting held on 22/06/2016 at Kohima as well as in the 15<sup>th</sup> TCC meeting held at Imphal. Reminders on the matter were also sent to all the above mentioned beneficiaries of NE region. However, no response has yet been received from Meghalaya, Manipur, Tripura & Mizoram.

NER beneficiaries of the project, those who are yet to execute the PPA are requested to kindly expedite the execution of the PPAs in order to freeze the commercial aspects at the earliest to facilitate further subsequent action by NEEPCO.

The house may kindly deliberate on the matter.

### **7.3 Reconciliation of accounts.**

NEEPCO is sending the quarterly statements on regular basis to all of its beneficiaries furnishing detail of bills as well as the related financial transactions for the period under consideration on account of sale of electricity. But immediate confirmation/communication is not received from any beneficiaries. Though in absence of any dispute communicated by the beneficiaries, it is presumed that the transaction details sent by NEEPCO have been accepted by them, however, it is suggested that the beneficiaries should either convey their confirmation in writing by **or shall propose for a meeting with NEEPCO for further discussion on the same.**

Since the said reconciliation of accounts between NEEPCO and its beneficiaries are essential for closing of accounts as well as to address the disputed transactions, if any, it is suggested that the actions are taken henceforth without delay, so that the accounts can be closed on quarterly basis.

The above is for deliberation to the beneficiaries.

## **8. AGENDA ITEMS FROM OTPC**

### **8.1 Outstanding Dues of OTPC against NER beneficiaries:**

The current total outstanding dues of OTPC against the NER beneficiary states (as on 29-11-2016) are as under:

(Amount in Rs Crores)

Sl.No.	Beneficiary	Outstanding Dues (>60 Days)	Total Outstanding
1	Arunachal Pradesh	0	3.24
2	Assam	6.75	74.41
3	Manipur	6.11	17.79
4	Meghalaya	15.21	37.94
5	Mizoram	0	6.23
6	Nagaland	0	0
7	Tripura	32.35	90.70
	<b>Total</b>	<b>60.43</b>	<b>230.32</b>

The total outstanding dues as on 29-11-2016 are Rs 230.32 Crores out of which outstanding beyond 60 days is Rs 60.43 Crores.

Constituents are requested to clear at least the outstanding dues over 60 days, at the earliest.

**8.2 Status of Payment Security Mechanism of the beneficiaries required against monthly energy billing as per Power Purchase Agreement and CERC regulations:**

SI. No.	Beneficiary	Letter of Credit (LC) required as per PPA (Rs Crore)	LC amount status (Rs Crore)	Valid Upto	Remarks
1	Arunachal Pradesh	11.62	11.62	31-Mar-2016	Kindly renew the LC and park sufficient funds with bank for LC
2	Assam	40	40	27-Apr-2017	LC is in place
3	Manipur	15.02	3.7	15-Sept-2016	Kindly renew the LC
4	Meghalaya	29.78	-	-	Meghalaya has never provided the LC even after continuous persuasion
5	Mizoram	7.5	7.5	6-May-2017	LC is in place
6	Nagaland	14.26	14.26	20-Mar-2017	LC is in place
7	Tripura	46.53	18	19-Mar-2017	Kindly enhance the LC amount.

Beneficiaries are requested to enhance and renew the LC amount as per the PPA at the earliest.

**8.3 Inclusion of OTPC in the Tri-Partite Agreement:**

In line with other Central Sector Inter State Generating Stations, power from Palatana Project has been allocated to the seven North Eastern states by Ministry of Power, Govt. of India. Palatana Power Project has also been granted the Mega Power Project status under the Mega Power Policy of Government of India. However, being a generating station developed after execution of the TPA, OTPC is not covered under the TPA.

OTPC had therefore requested its beneficiary states to kindly provide consent for inclusion of OTPC in the TPA. Assam, Mizoram, Nagaland and Manipur have already forwarded their consent to the MoP for inclusion of OTPC in the TPA. OTPC has also submitted its request to Ministry of Power, Govt of India to include OTPC in the TPA along with the consent for the same from these four beneficiary states.

However, the Ministry of Power vide its letter dated 22<sup>nd</sup> November, 2016 while approving continuation of the Payment Security Mechanism (PSM) and execution of



the TPA beyond 31<sup>st</sup> October 2016, has only included the CPSUs under the Ministry of Power namely NTPC, NHPC, THDCIL, DVC, SJVN, NEEPCO, SECI, PGCIL, NLC, CIL and their subsidiaries/joint ventures with State PSUs as eligible entities for the proposed TPA that is going to be extended further.

ONGC though being a CPSU (Maharatna Company) is not included in the list of CPSUs that are eligible for the TPA as it does not come within the jurisdiction of Ministry of Power. OTPC being a joint venture company of ONGC is therefore not covered under this proposed TPA.

We would also like to invite your kind attention to the minutes of the 30<sup>th</sup> Commercial Committee Meeting of NERPC, wherein while discussing the issue of TPA, the forum had discussed and noted the following:

*"After detail deliberation, the forum decided that the central PSUs may write to NERPC Secretariat and the same will be forwarded to MoP by NERPC to take up with the concerned state governments."*

In view of the above, we humbly request NERPC to take up the matter of inclusion of OTPC in the TPA with Ministry of Power, Gol and also advise the remaining beneficiary states of Palatana Project to submit their consent for inclusion of OTPC in the TPA to the Ministry of Power, Gol.

## **9. AGENDA FROM NERLDC**

### **9.1 *Deviation charges outstanding:***

Status of Deviation charges outstanding as on 28/11/2016 is attached (**Annexure 9.1**). From the same it can be seen that Assam (**₹ 41.45 Crores**; greater than 13 weeks **₹ 8.33 Crores**) & Arunachal Pradesh (**₹ 4.70 Crores**; greater than 13 weeks **₹ 2.0 Crores**) are major defaulters.

It is reiterated that outstanding >13 weeks may result in action as stipulated by CERC by not allowing open access.

**Assam and Arunachal Pradesh are required to take immediate necessary action.**

### **9.2 *Reactive Charges Outstanding:***

Status of Reactive charges outstanding as on 25/11/2016 is attached (Annexure-9.2). From the same it can be seen that Arunachal Pradesh - ₹ 21.19 Lakhs, Manipur - ₹ 67.68 Lakhs, Mizoram - ₹ 6.34 Lakhs and Tripura - ₹ 4.14 Lakhs are major defaulters.

**Arunachal Pradesh, Manipur, Mizoram & Tripura are required to take immediate necessary action.**

### 9.3 Opening of LC against Deviation Charges Liability:

As per DSM charges and related matters Regulations, 2014 of CERC, following are the LC amounts pertaining to NER entities mentioned below:-

घटक/Constituents	एल सी राशि/LC Amount (in Lakhs)
अरुणाचल प्रदेश / Ar. Pradesh	54.21
असम / Assam	170.30
मणिपुर / Manipur	15.87
मेघालय / Meghalaya	1.47
मिजोरम / Mizoram	32.44
नगालैंड / Nagaland	37.85
त्रिपुरा / Tripura	63.52

Till date only Nagaland has opened LC.

**It is requested to open LC to adhere to CERC stipulation.**

### 9.4 Bank Account details of Arunachal Pradesh

As per clause 10 (3) of CERC DSM Regulations, 2014," All payments to the entities entitled to receive any amount on account of charges for Deviation shall be made within 2 working days of receipt of the payments in the "Regional Deviation Pool Account Fund" of the concerned region".

Accordingly payment is made by NERLDC to receiving entities through RTGS/online transfer. But, in case of Ar. Pradesh, payment is released through account payee Demand Draft (DD), as bank account details have not been furnished in spite of no. of correspondences.

**Ar. Pradesh is requested to furnish bank account details at the earliest.**

### 9.5 Meter issues:

AMR Scheme in NER: - Scheme has already delayed. Needs to be expedited. POWERGRID may intimate the target date for floating NIT.

### 9.6 Signing of Reconciliation Statement:

Status of signing of Reconciliation statement of DSM, Reactive, RRAS and Fees & Charges is attached in Annexure-9.6

**All constituents are requested to sign all reconciliation statements.**

### 9.7 Tabling quarterly figures of Deviation and Reactive Pool Account in Commercial Committee:

The figures will be tabled in Commercial Committee meeting.

**ANY OTHER ITEMS**

**DATE AND VENUE OF NEXT COMMERCIAL COMMITTEE MEETING**

The next Commercial Coordination Sub-Committee meeting will be held in the month of Feb/Mar 2017. The date and venue will be intimated separately.

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