

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:46
ANSWERED ON:28.02.2000
OUTSTANDING DUES OF STATES TO NTPC
INDRAJIT GUPTA;NARESH KUMAR PUGLIA

Will the Minister of POWER be pleased to state:

- (a) whether the National Thermal Power Corporation has issued disconnection notices to certain States for failing to clear their dues;
- (b) if so, the details in this regard; and
- (c) the steps taken/proposed to be taken by the Government to ensure recovery of the outstanding dues to National Thermal Power Corporation from the States expeditiously ?

Answer

THE MINISTER OF POWER

(SHRI P.R. KUMARAMANGALAM)

(a) to (c) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF STARRED QUESTION NO.46 TO BE ANSWERED IN THE LOK SABHA ON 28.2.2000 REGARDING OUTSTANDING DUES OF STATES TO NTPC.

(a) : Yes, Sir.

(b) : National Thermal Power Corporation (NTPC) has issued notices for regulation of power supply to West Bengal State Electricity Board (WBSEB), Bihar State Electricity Board (BSEB) in the Eastern Region effective from 1-03-2000, Kerala State Electricity Board (KSEB) in Southern Region and Uttar Pradesh Power Corporation Limited (UPPCL) in Northern Region effective from 10-03-2000.

The total outstanding dues payable by WBSEB, BSEB, KSEB and UPPCL to NTPC stand at Rs.1175.76 crores, Rs.2174.17 crores, Rs.116.20 crores, Rs.1759.11 crores as on January 31, 2000 including surcharge of Rs.342.30 crores, Rs.664.01 crores, Rs.33.54 crores, and Rs.557.91 crores respectively.

In case of WBSEB and BSEB, notices were given due to non-fulfilment of commitments given by them in response to regulation notices issued by NTPC in October, 1999. Also, these SEBs have continued to default in payment of NTPC dues resulting in huge build-up of arrears.

In case of KSEB, notice was given due to inadequate payments for power supply from Kayamkulam CCPP even though cost of power has increased very significantly due to sharp increase in Naphtha prices. As a result, there has been a very substantial build-up of arrears to the tune of Rs.240 crores due to shortfall in payment by KSEB.

In case of UPPCL, notice was given for not making timely payment of current monthly bills and not enhancing LC to the required level.

(c) : The NTPC and Government are taking up various measures regarding recovery of outstanding dues of NTPC as indicated below:

(i) The NTPC Management is pursuing recovery of dues with concerned SEB/State Government.

(ii) The Special Incentive Scheme has been started by NTPC since September, 1994 to provide incentive to States which establish Letter of Credits (LC) to cover full amount of current monthly bills supply to the defaulting states.

(iv) In case of new power projects, NTPC is making efforts for payments safeguards in the Power Purchase Agreements which also includes back up of State Government guarantee for the LC.

(v) The position is also reviewed periodically by Ministry of Power and the matter is taken up at the level of Chief Secretary/Power Minister/Chief Minister as and when required.

(vi) There is also dispensation under which dues as on 31.12.1996 are being recovered directly by Ministry of Finance through Central

appropriation and paid directly to NTPC.

(vii) A proposal for securitization for liquidating part of the outstanding dues payable to Central Public Sector Power Utilities is also under consideration.