

Commission's Order on the Presentation on ARR for FY 2014-15 and Truing-up of FY 2012-13 made by NPCL on 13th Aug, 2014.

Present

1. ShriDesh Deepak Verma, Chairman
2. Smt. Meenakshi Singh, Member
3. Shri I. B. Pandey, Member

The other officials who attended are as follows:

List of Persons who attended the Presentation 13th August, 2014		
S.No	Name	Organization
1	R. C. Agarwala	MD & CEO, NPCL
2	RAJIV GOYAL	NPCL
3	SARNATH GANGULY	NPCL
4	MANOJ JAIN	NPCL
5	A.K. ARORA	NPCL
6	ALOK SHARMA	NPCL
7	M G RAMACHANDRA	SR. ADVOCATE, NPCL
8	P.G.KHANDALKAR	UPPTCL
9	Sunil Mohan Agarwal	SLDC
10	S. K. Bhattacharya	UPPTCL
11	S. P.GUPTA	SLDC
12	PANKAJ SAXENA	UPPTCL
13	M.K.GUPTA	SLDC
14	Zahir Ahmad	SLDC
15	R. P. Prasad	UPPCL

The presentation was also attended by the Commission's Officers & Consultants. The matters taken up were as follows:

SINo.	Subject	NPCL Submitted	Hon'ble Commission's Directions
1	Village Connections	For a population of approximately 5.0 lacs in villages, there are around 25,000 connections. There is a substantial potential / scope to	The Commission directed that all eligible consumers should be provided

		<p>increase the number of consumers.</p> <p>It was further informed by NPCL that special drives/ camps are being conducted in villages alongwith Village Contact Persons (village boys are being associated to bridge gap) and approximately 2,000 connections have been released in villages in first quarter of FY 2014-15.</p>	<p>connections by NPCL after conducting detail surveys by the end of the year.</p>
2	Physical possession of 220 / 33 kV R. C. Green Substation	<p>It was submitted that to meet the demand of the consumers of NPCL, a 220 kV Substation was constructed at R. C. Green, Greater Noida, by appointing UPPTCL as a contractor jointly by GNIDA and NPCL.</p> <p>The land is registered in the name of NPCL and the cost initially paid by GNIDA, was also reimbursed by NPCL to GNIDA after the proposal of transfer of physical possession of substation to NPCL was approved by the Board of GNIDA.</p> <p>The GNIDA has also advised UPPTCL, the contractor employed by GNIDA to construct the substation, to transfer the physical possession of the substation to NPCL.</p>	<p>The Commission directed UPPTCL to submit reply as to why the substation cannot be transferred to NPCL within 7 days.</p> <p>Also if required, NPCL may submit to UPPTCL, under self-attestation a declaration that NPCL being a distribution licensee comes under the definition of Bulk Consumer.</p> <p>The Commission would decide the matter thereafter.</p>
3	Requirement of additional 4 nos. of 33 kV bays at R C Green Substation	<p>It was informed that an application of erection of 4 nos. additional 33 kV bays at R C Green Substation to meet the prospective demand of summer of 2015 was pending with UPPTCL.</p> <p>It was also submitted that NPCL will bear the cost of the same. The application is still pending despite several reminders.</p>	<p>The Commission directed the UPPTCL to provide the estimate of erection of 4nos. of 33 kV bays at R C Green Substation within a fortnight and apprise the Commission of the status of compliance.</p>
4	400 kV substation at Greater Noida by PGCIL, NoC by UPPTCL	<p>NPCL submitted that as per CERC's Connectivity Regulations, 2009, it had applied for direct connectivity to PGCIL for 500 MW power drawl. During the 31st Standing Committee Meeting of NRPC held on 3rd Jan'13, on receiving consent from UPSTU (UPPTCL), the CTU has granted</p>	<p>The Commission expressed its anguish over pendency of the matter on such a small issue. The Commission directed NPCL to submit the reply, under self-attestation,</p>

		<p>connectivity to NPCL vide letter no. C/CTU/C/N/13/09 dt 16.08.2013 with the following proposal:</p> <p>a) A new 400 kV substation with 2 x 500 MVA transformer;</p> <p>b) 400 kV double circuit line from Ballabgarh to Greater Noida.</p> <p>It was further informed that land and right of way is already been allocated by GNIDA for the project.</p> <p>The Govt of India appointed Bid Processing Coordinator for project vide notification dated vide dated 20th May, 2013.</p> <p>In order to move further in the project, PGCIL requires the NOC of UPPTCL, the state STU. The Company had applied the same on 30th Dec, 2013. However, UPPTCL has sent a query to PGCIL asking if NPCL, being a distribution licensee, can apply as a Bulk Consumer.</p> <p>NPCL has already confirmed to UPPTCL during the meetings the same by stating regulations and referring to Judgement of CERC in a similar case in West Bengal.</p> <p>PGCIL has informed that until NOC is provided by UPPTCL, no progress can be made in the matter.</p>	<p>to UPPTCL within a week without fail.</p> <p>UPPTCL to decide NPCL's application regarding NOC immediately on receipt of NPCL's reply and also explain the reasons of delay.</p>
5.	Long-term PPA	<p>NPCL provided the status of proposed power project at Greater Noida, existing Long-term PPA with Essar Power (J) Limited (EPJL) and the concerns related to the grant of open access by UPSLDC.</p> <p>NPCL also informed that the Performance Bank Guarantee of Rs. 72 Cr securing the LTPPA of EPJL will expire by 31st August 2014 and therefore, requested Hon'ble Commission to issue necessary directions prior to 31st Aug'14.</p>	<p>The Commission directed as follows –</p> <p>i) The subjudice matter of EPJL may be expedited.</p> <p>ii) NPCL to enter into LTPPA latest by 31st Dec'14.</p>

		<p>It was also discussed that NPCL must enter into LTPPAs with parties which can provide supply of power on immediate basis taking into consideration the ongoing transmission constraints also. Also it would be better if NPCL enters into LTPPAs in the range of 150-175 MW from more than one source to ensure reliability of the supply.</p>	
6.	<p>Standing clearance for Power Exchange by UPSLDC</p>	<p>NPCL apprised that it is not able to procure power through power exchange since last 5-6 six years despite orders from Hon'ble CERC (twice).</p> <p>Shri S P Gupta, UPSLDC informed that NPCL has recently completed all the requisite formalities for providing NOC except receiving of feeder data from the connecting substation i.e. R C Green and Surajpur.</p> <p>NPCL confirmed that the data has started flowing to ALDC, Modipuram, as required by BPTA signed with UPPTCL.</p>	<p>The Commission directed NPCL to ensure providing of data to UPSLDC as per BPTA within 15 days.</p>
7.	<p>Regarding Revenue Gap</p>	<p>NPCL submitted that till 05-06, NPCL has passed over more than Rs. 209 Cr to UPPCL in the form of power purchase cost since FY 1993 – 2006. Considering 9% simple interest, the amount as at March 2006 will be Rs. 328 cr.</p> <p>For FY 2006-07, Hon'ble Commission approved the PPC payable by NPCL to UPPCL at par with State Discoms which resulted into a surplus of Rs. 19 Cr. However, the same was stayed by the Hon'ble Commission by a separate order till the settlement of 10 MVA dispute. The dispute is sub judice in Hon'ble Supreme Court.</p> <p>From FY 2007-08 onwards, NPCL started buying power through open access, which was at substantially high cost as compared to UPPCL's BST resulting into revenue gaps which has</p>	<p>The Commission directed as follows –</p> <ul style="list-style-type: none"> i) To provide re-casted slides of the PPT in which the reason for the accumulated revenue gap has been shown. ii) To provide actual BST pertaining to the relevant year. iii) To ensure nil revue gap during FY 2014-15 &

	<p>accumulated to Rs. 659 cr till FY 2013-14 (including carrying cost).</p> <p>It also mentioned that Hon'ble Commission vide its order dated 19th Oct'12, revised UPPCL BST from retrospective date i.e. 1st April 2010 resulting into increase in PPC by Rs 68 Cr contributing to revenue gap in FY 2012-13.</p> <p>Further, they submitted that on the basis of current estimates and tariffs (including regulatory surcharge), NPCL would be able to meet its costs with a miniscule revenue gap of Rs. 27 Cr.</p>	onwards.
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(I. B. Pandey)

Member

(Meenakshi Singh)

Member

(Desh Deepak Verma)

Chairman

Place: Lucknow

Date: 23 September, 2014