



**Petition No 785 of 2012**

**BEFORE  
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION  
LUCKNOW**

**Date of Order : 07.05.2012**

**PRESENT:**

1. Hon'ble Shri Rajesh Awasthi, Chairman
2. Hon'ble Shri Shree Ram, Member
3. Hon'ble Smt. Meenakshi Singh, Member

**IN THE MATTER OF:** Revision in tariff due to reduction in transmission line cost resulting from change in designated Grid Substation in PPA.

**AND**

**IN THE MATTER OF**

U.P. Power Corporation Ltd.,  
through its Chief Engineer (PPA)  
PPA Directorate, 14<sup>th</sup> Floor,  
Shakti Bhawan Extension,  
14, Ashok Marg, Lucknow.

-----Petitioner

M/s Uttar Sugar Mills Ltd.  
Barkatapur, Sabalpur Bitra,  
Tehsil – Najabad, Distt Bijnor (U.P.)

----- Respondent

The following were present:

1. Sri A. K. Gandhi, CE.(PPA), UPPCL
2. Sri S.P.Pandey, S.E.(PPA), UPPCL
3. Sri S. K. Sinha, EE (PPA), UPPCL
4. Sri Alok Sharma , Manager (Legal & Commercial), Uttam Sugar
5. Sri A. Sharma, Asst. Mgr, Uttam Sugar
6. Sri Ajai Vikram Singh, Advocate, Uttam Sugar
7. Sri D. D. Chopra, Advocate, Uttam Sugar.

**Order**

(Date of Hearing 27.03.2012)

1. The Petitioner has submitted that a Power Purchase Agreement (PPA) for 26 MW power was signed between them and the Respondent, M/s Uttam Sugar Mills Limited, on 22.08.2007. As per



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the terms of PPA, 25 km. long dedicated 132 kv transmission line was to be constructed from the generating unit at Barkatpur to Najibabad by the generating company on their cost. The scheduled commissioning as per the PPA was November, 2008. The Petitioner has added that afterwards on request of the Respondent, they agreed to change the grid substation from Najibabad to Chandak. As the distance is reduced from 25 kms to 0.3 kms, the cost on evacuation system has been reduced by about Rs.582.67 lac. In view of reduced cost due to reduction in the length of dedicated transmission line, they have prayed to the Commission to revise the applicable tariff. The Petitioner has also submitted that they have entered into a supplementary PPA on 13.12.2011 regarding the change in grid substation and reduction in tariff.

2. The Respondent, M/s Uttam Sugar Mills Limited has submitted in its reply that for construction of nearby Chandak grid substation, they have provided land to UPPTCL for 29 years at a symbolic lease rent of Rs 1.00 vide lease deed entered between them on 6.7.2008. The Respondent has opposed the plea of reduction in tariff and requested to dismiss the case.
3. During the hearing, Sri S.P.Pandey, S.E.(PPA), UPPCL stated that the benefit due to reduction in the cost of project should go to the consumer and therefore, requested the Commission to consider the reduction in applicable tariff. Sri D. D. Chopra, Advocate, Uttam Sugar submitted that there was no such provision in the Regulations so there may not be any consideration for reduction in the tariff. He further added that this should also be taken into cognizance by the Hon,ble Commission that about 5 acres of land has been provided by them for construction of Chandak substation at only a symbolic lease rent of Rs.1.
4. The Commission has observed that the UPPCL's petition is based on a condition of supplementary PPA entered between the parties on 13.12.2011. They have requested for reduction in tariff due to reduction in the cost of transmission line as per the agreed terms in the same supplementary PPA. As in this case the said agreed supplementary PPA has never been submitted for the approval of the Commission, any issue breeding out of it does not sustain for the consideration of the Commission. Hence, the petition, ab-initio, is not maintainable.
5. The petition is dismissed.

(Meenakshi Singh)  
Member

(Shree Ram)  
Member

(Rajesh Awasthi)  
Chairman

Place : Lucknow  
Dated: 07.05.2012