



Petition No. 1070, 1120 & 1121 of 2016

BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION LUCKNOW

Quorum

1. Sri Desh Deepak Verma, Chairman
2. Sri S. K. Agarwal, Member

IN THE MATTER OF:

Rosa Power Supply Company Ltd.
520, F Block, Kasmanda House,
2 Park Road, Hazratganj,
Lucknow – 226001

..... **Petitioner**

AND

UP Power Corporation Limited
(through its Chairman)
7th Floor, Shakti Bhawan
14- Ashok Marg, Lucknow.

..... **Respondent**

The following were present:

1. Sri Sanjay Kumar Singh, Director Commercial, UPPCL
2. Sri Ram Swarath, Director, SLDC
3. Sri V.P. Srivastava, C.E. (PPA), UPPCL
4. Sri P. N. Upadhyaya, CE, SLDC
5. Sri J. P. S. Gangwar, SE PPA, UPPCL
6. Sri Arvind Mittal, SE, SLDC
7. Sri Naeem Khan, EE, PPA, UPPCL
8. Sri M K Gupta, EE, SLDC
9. Sri Manish Garg , Consultant, UPPCL
10. Sri Bhushan Rastogi, Consultant, UPPCL
11. Sri Rajiv Srivastava, Advocate, UPPCL
12. Sri Puneet Chandra, Adovcate, UPPTCL
13. Sri Rahul Srivastava, Advocate, USLDC
14. Sri Sumeet Notani, DGM, RPSCL



ORDER
(Date of Hearing 21st September, 2016)

1. Sri Sanjay Singh, Director Commercial made following submissions in the matter of developing new arrangement of Trade-off between fixed and Variable charge by the generator to compete in MOD.

That in the MOD order the generator has been allowed to forego point of his fixed cost to get a reduction in variable cost to achieve better position in MOD stack in such a situation:-

- i. If the Generator provides discount on the Fixed Charges, then it will raise question on the sanctity of the Fixed Charge components (i.e. Interest on Loan, Interest on Working Capital etc.) as approved by the Commission.
 - ii. Over the year, the discount provided on Fixed charge will not sustain, as at 85% availability of the plant, the Licensee will be obliged to provide full Fixed Charge to the Generator.
 - iii. Discount may be provided in Variable charge by the Generator to compete in MOD stack.
 - iv. All the Stake-holders should be consulted for preparing any procedure for MOD.
2. Mr. Vibhav Agarwal from Rosa Power Supply company Limited agreed with the suggestion that generator is allowed to reduce his variable cost.
 3. RPSCCL submitted that the Order issued by the Commission on June 21, 2016 and July 4, 2016, has still not been implemented. On this Mr. Sanjay Sigh Director UPPCL gave assurance that the Order has been implemented as per the direction of the Commission. Director (SLDC) also informed that the order of MOD is being implemented religiously.
 4. Considering the submissions made by both the parties, the Commission reiterated that the Order dated June 21, 2016 and July 4, 2016, passed by the commission has to be enforced in letter and spirit and if the commission finds any violation of the Order, the penal action shall be taken against the respondents.



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5. Further, the Commission directed Mr. Sanjay Singh, Director Commercial, UPPCL, to formulate a draft procedure on MOD and submit it to the Commission.
 6. Next date of hearing shall be intimated separately.

(S. K. Agarwal)
Member

(Desh Deepak Verma)
Chairman

Place: Lucknow

Dated: 07.10.2016

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