

BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Petition No. 429/06

IN THE MATTER OF: Approval of Power Purchase Agreement with PTC, India.

AND

IN THE MATTER OF:

Petitioner:

Noida Power Company Ltd.
Commercial Complex, H-Block,
Alpha Sector-II,
Greater Noida

ORDER

The Petitioner is seeking approval to the purchase of 18-24 MW power from a Captive Generating Plant at Distt-Bellary, Karnataka at rate Rs.3.075 unit at the bus of the plant. The rate of purchase at the bus of 132 KV Surajpur Sub-station shall be Rs.4.17 per unit due to increase of transmission charges and losses of Central Transmission Utility (CTU)/ intervening State Transmission Utilities (STUs) and scheduling charge of Load Dispatch Centers.

The Petitioner was directed, by Order dated 12.6.06 passed in Petition no.349/06, to invite bids for purchase of power and accordingly Petitioner was required in this Petition to show that the proposal for purchase of power was according to the guidelines framed by Govt. of India on 19.1.05, lowest and most beneficial to the consumers, vide Order dt.22.1.07.

The Petitioner has made submissions in compliance to the said order on an affidavit dt.9.2.07 according to which the offers for sale of electricity were received by it from PTC, WBSEB and Tata Power in September,06 i.e. after the expiry of the period specified in Public Notice dt.19.6.06 for inviting bids. The offer of Lanco was received on 4.4.06. Therefore, in view of above facts, these proposal can not be considered as the proposal arising out of bidding process specified in the GOI guidelines for medium term procurement of power.

Further, the Petitioner has adjudged the offer of PTC, India the lowest. The energy rate of Rs.3.075/KWh shall be a single part tariff valid for 5 years. Other charges, like transmission charges of CTU, intervening STUs and scheduling charges of Regional/State Load Despatch Centers (RLDC/SLDC) shall be at actual. PTC, India has committed guaranteed supply of 157 M unit at PLF of 75% in a year. The tariff for

purchase beyond 157 M unit/year (i.e.10 M units/month) shall also remain same during 5 years. The Petitioner is envisaging 16% tariff hike due overall rise in the cost of power purchase.

The present proposal is not strictly as per GOI guidelines as the Petitioner received the offeres after the period specified in the Public Notice expired but in view of increasing gap between demand & supply, the Commission decides to relax this condition in the present case and accepts the proposal. The Petitioner is directed to ensure compliance of GOI guidelines in future. So far as hike in retail tariff is concerned, the Commission shall take appropriate decision in the ARR & tariff petition to be filed by the Petitioner for year 2007-08. For supply beyond 5 years, the approval of the Commission shall be obtained.

The Commission has received a letter from the Petitioner which states that ABT meters have been installed at all seven 33 KV feeders emanating from 132 KV/33 KV sub-station Surajpur. Since the Petitioner shall be purchasing power from more than one source as such it has become necessary that supplies to the Petitioner be subject to day ahead scheduling, energy accounting and unscheduled inter change accounting at latest UI rate announced by the Central Electricity Regulatory Commission. Allowable unscheduled interchange (UI) shall be limited to 10% of total power purchase cost approved by the Commission at rate not exceeding the maximum rate in merit order for power purchase portfolio of the Petitioner. The Petitioner and the Power System unit of UPPCL are directed to act accordingly. A copy of this order may be sent to Chief Engineer, Power System, and UPPCL.

Aiming at optimization of overall power purchase cost to the Petitioner, the Commission directed the Petitioner, in Order dt.26.12.05 passed in Petition no.206/05 to setup generating plant in compliance to observations of the Hon'ble High Court of Judicature at Allahabad, bench at Lucknow in order dated 10.11.05. As such, the Petitioner is directed to submit the status report in this regard within 15 days.

Before we part with the issue, it is necessary to mention that the Petitioner has also sought approval of some power purchase proposals through letters dt.17.3.07 & 20.2.07. The periods of supply under these proposals varies from less than 1 month to 6 month at rates ranging from Rs.4.56/unit to Rs.6.21/unit, the rates higher than that proposed under this Petition. The Commission is not willing to accept these letters. The Petitioner should note for future that the Commission is approached through a Petition in such matters. Further, we also realize that it would not be possible for the Petitioner to approach the Commission each time for approval of purchase if the power is available

only for few months. Therefore for the purpose of procurement of power for period not exceeding one year, the Petitioner is permitted to purchase additional power on an offer made to it at rate not higher than approved by the Commission in power purchase agreements. In such case, guaranteed conditions of supply including availability factor shall be agreed invariably.

The Petition is disposed of.

(R.D. Gupta)
Member

(P.N Pathak)
Member

(Vijoy Kumar)
Chairman

Lucknow; Dated : 10th May, 2007