



Petition No. 1685 of 2021
BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

Date of Order (05.08.2021)

PRESENT:

1. Hon'ble Sh. Raj Pratap Singh, Chairman
2. Hon'ble Sh. Kaushal Kishore Sharma, Member
3. Hon'ble Sh. Vinod Kumar Srivastava, Member (Law)

IN THE MATTER OF: Petition under Section 86(1)(b) of the Electricity Act, 2003 for seeking approval of the Supplementary Power Purchase Agreement on account of addition of Clause 4.10 under Article 4 of the Principal PPA dated 21.11.2008 with regard to Alternative Source of Power supply by the Seller.

1. Madhyanchal Vidyut Vitran Nigam Ltd. (MVVNL)
4A, Gokhale Marg, Lucknow 226001.
2. Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL)
Urja Bhawan, Victoria Park, Meerut - 250001
3. Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)
Purvanchal Vidyut Bhawan Vidyut Nagar, PO -BLW
Bikharipur, Varanasi - 221 004
4. Dakshinanchal Vidyut Vitran Nigam Ltd. (DVVNL)
Urja Bhawan, NH-2, (Agra-Delhi Bypass Road)
Sikandra, Agra-282002
5. Kanpur Electric Supply Co. (KESCO)
KESCO 14/71, Civil Lines, KESA House, Kanpur - 208001
6. U.P. Power Corporation Ltd. (UPPCL)
Shakti Bhawan, 14-Ashok Marg, Lucknow-226001 ----- **Petitioners**

Versus

1. Prayagraj Power Generation Co. Ltd.
Shatabdi Bhavan, B-12 & 13,
Sector-4, Noida (U.P.), 201301 ----- **Respondent**



Following were present:

1. Sh. Venkatesh, Counsel, PPGCL
2. Md. Altaf Mansoor, Counsel, UPPCL
3. Sh. Ajay Kapoor,
4. Sh. Pankaj Prakash, PPGCL
5. Sh. Suhael Buttan, Counsel, PPGCL
6. Sh. Abhay Kumar,
7. Chief Engineer, Commercial
8. M.D., PuVVNL

ORDER

(Date of Hearing 29.07.2021)

1. The Petitioners and the Respondent had entered "PPA" / "Principal Agreement" dated 21.11.2008 which is valid for a period of 25 years to supply of power up to contracted capacity from Respondent's Thermal Power Station situated at Tehsil Bara, District Prayagraj, Uttar Pradesh. The said PPA is under Case-2 bid as per Guidelines for Determination of Tariff by Bidding Process issued by the Ministry of Power, Government of India (GoI). The Petitioners and the Respondent has entered the 1st Supplementary PPA dated 23.12.2020 for amending the PPA dated 21.11.2008. By means of the said Supplementary PPA, a new clause numbered as "Clause 4.10" under the Article 4: "Development of the Project" has been added to the Principal Agreement dated 21.11.2008. The said newly added Clause 4.10 is with respect to Alternative Source of Power supply by the Seller i.e., PPGCL.
2. The Prayers of the Petitioner is as below: -
 - a. Approve the Supplementary PPA dated 23.12.2020 to the PPA dated 21.11.2008 (as contained in Annexure No.5) between the Petitioners and the Respondent for providing the Alternative Source of Power Supply by the Seller.
 - b. Pass such other further order(s) as the Hon'ble Commission may deem just in the facts of the present case.
3. During the hearing, Sh. Venkatesh submitted that the Petitioners and the Respondent have executed 1st Supplementary PPA dated 23.12.2020 for inclusion of a new clause "4.10 - Alternate source of Power supply" under the Article 4 - "Development of the Project" to the Principal PPA dated 21.11.2008. The inclusion of the new clause will not affect the tariff under the PPA dated 21.11.2008.



4. The Commission asked the Petitioner that if the source of the Power changes, whether there will be any change in the cost matrix. Md. Altaf Mansoor, counsel of UPPCL responded that there shall be no change in the power procurement cost.
5. Further, the Commission asked the Respondent that what are the events under which the alternate power will be supplied to the procurers under the agreement. Sh. Venkatesh, counsel of the PPGCL responded that alternate power will be supplied under "Scheduled Outage" or "unscheduled maintenance". Sh. Venkatesh also submitted that prior consent of the procurer will be needed to supply from alternate source of the power by the seller.
6. After hearing the parties, the Commission to satisfy itself that amendment to the PPA dated is not against the interest of the Discoms and consequently the consumers directed the parties to furnish the following:
 - a) Tariff Schedule of the PPA dated 21.11.2008.
 - b) The Petitioners should submit a note on power procurement cost optimization achievable through this amendment to the PPA dated 21.11.2008 regarding alternate source of supply in the specified events.
7. The Commission allowed two-week time to the parties to submit the abovementioned details at para 6.

The matter shall be listed for hearing after the submission of details by the parties, if required.

(Vinod Kumar Srivastava)
Member

(Kaushal Kishore Sharma)
Member

(Raj Pratap Singh)
Chairman

Place: Lucknow

Date: 05. 08.2021