

Before

## UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 23 of 2013

**In the Matter of:**

Approval in deviation in guidelines for Short term procurement of power by Distribution licensee through tariff based bidding process issued by MoP dated 15.05.2012

**In the Matter of:**

Uttarakhand Power Corporation Limited

Applicant

**Coram**

<b>Shri Jag Mohan Lal</b>	<b>Chairman</b>
<b>Shri C.S. Sharma</b>	<b>Member</b>
<b>Shri K.P. Singh</b>	<b>Member</b>

**Date of Order: September 16, 2013**

**ORDER**

Uttarakhand Power Corporation Ltd. (UPCL) in the Petition dated 16.09.2013 has proposed following deviations in guidelines for short term procurement of power through tariff based bidding process issued by MoP dated 15.05.2012 and the same are presented below:

<b>S. No</b>	<b>As per Bidding Guideline for short term procurement of power (MoP resolution dated 15.05.212)</b>	<b>Deviations proposed by UPCL</b>
1.	<b>Clause No 4.1 Tariff Structure</b> ... for inter-State transmission of power, state/regional periphery of the seller to be taken as Delivery Point. For intra-State	<b>Clause No. 4.1</b> For transmission of power from any source, either inter-state or intra - state, the delivery point shall be

	<p>transmission of power, interconnection point of seller with STU to be taken as delivery point. However, the bids will be evaluated at the procurer's periphery after taking into account the applicable PoC charges.</p> <p>For avoidance of doubt, Intra-State open access charges, transmission charges and losses along with CTU injection charges and loss upto the CTU interface are on Seller's account and CTU drawl charges and losses along with intra-State open access, transmission charge and losses are on procurer's account...</p>	<p>Uttarakhand State periphery. All open access charges, transmission charges and losses upto the delivery point are on seller's account and all open access charges, transmission charges and losses beyond delivery point are on procurer's account.</p>
2.	<p><b>Clause No. 5 (iii) (a)</b></p> <p>The Bidder may be required to submit EMD of Rs. 30,000 per MW per Month of offered capacity in the form of Bank Guarantee issued by any Nationalized/scheduled Bank.</p>	<p><b>Clause No 5 (iii) (a)</b></p> <p>The Bidder may be required to submit EMD of Rs. 10,000 per MW per month of offered capacity in the form of Bank Guarantee issued by any Nationalized/Scheduled Bank</p>
3.	<p><b>Clause No. 5 (iv) (a)</b></p> <p>The successful bidder may be required to furnish CPG within 7 days from the date of selection of successful Bidder for an amount calculated at Rs. 3 lac per MW per month of contract period or part thereof.</p>	<p><b>Clause No. 5 (iv) (a)</b></p> <p>The successful bidder may be required to furnish CPG within 7 days from the date of selection of successful Bidder for an amount calculated at Rs. 1 lac per MW per month of contract period or part thereof.</p>

2. UPCL has stated that these deviations will result in better competition. Clause 7 of the "Guidelines for short-term (i.e. for a period less than or equal to one year) Procurement of Power by Distribution Licensees through Tariff based bidding process" requires that in case distribution licensee finds essential to have deviation from these guidelines, the same could be done with the prior approval of the Commission. However, it is seen from the Petition that tenders for purchase of short term power has already been floated and are currently under process which is inconsistent with the provisions of the guidelines. UPCL should ensure that, in future, it is fully compliant with the provisions of the guidelines failing which their Petition shall not be entertained. In view of the urgency shown by UPCL, as a special case, the Commission is according approval to the deviations proposed by UPCL.

3. Further, UPCL in the said Petition has also proposed to purchase additional quantum to the tune of 1193.69 MUs of power through infirm sources including short term purchase of power on account of reduced availability from firm sources caused by natural calamity which befell the State on 16.06.2013. Considering the short fall, the overall deficit power purchase proposed by UPCL works to 2514.28 MUs including 1320.59 MUs already approved by the Commission under deficit/infirm purchase in the Tariff Order dated 06.5.2013. The details furnished by UPCL in the Petition do not facilitate examination of projected shortfall in availability from firm sources. However, recognizing that the natural calamity has resulted in stoppage of some of the hydel stations for prolonged period, the availability is expected to be lower, the Commission hereby approves the purchase of additional quantum of power from short term sources provided that the total quantum of power purchase does not exceed the quantum of total purchase i.e. 11394.33 MUs approved by the Commission for FY 2013-14 in the aforesaid Tariff Order dated 06.05.2013. UPCL shall ensure that total power purchase during the year is restricted to this quantum. However, if any major change in sale projections occur, UPCL should obtain prior approval of the Commission to procure power over & above the quantum approved.
4. UPCL is further directed to ensure compliance of direction given in section 5.3.6 of aforesaid Tariff Order for purchase of deficit power i.e. they shall obtain prior approval of the Commission for procurement of deficit power at the rate beyond Rs. 4.07/kWh.

(K.P. Singh)  
Member

(C.S. Sharma)  
Member

(Jag Mohan Lal)  
Chairman