

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Petition No. 26 of 2016

In the matter of:

Petition under Section 62 & Section 86(1)(a) of the Electricity Act, 2003, read with the UERC (Terms & Conditions for Determination of Tariff) Regulations, 2011 and UERC (Terms & Conditions for Determination of Multi Year Tariff) Regulations, 2015 as amended till date for determination of tariff for the Control Period from FY 2016-17 till FY 2018-19 for supply of power to UPCL from 428 MW Gas based Combined Cycle Power Plant of M/s Sravanthi Energy Private Limited at Village Khaikhera, Kashipur, District Udham Singh Nagar, Uttarakhand.

In the matter of:

M/s Sravanthi Energy Private Limited		... Petitioner
	AND	
Uttarakhand Power Corporation Ltd.		... Respondent

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Shri Subhash Kumar	Chairman
Shri K.P. Singh	Member

Date of Hearing: August 09, 2016

Date of Order: August 09, 2016

Heard the Petitioner and the Respondent. The Respondent has stated that it does not have any issue on the maintainability of the Petition. The Commission decides to admit the Petition.

1. The Petitioner in its Petition had made the following requests:
 - a. Approve the Capital Cost of the Project;
 - b. Determine the Tariff for the proposed supply of 214 MW (gross capacity) power to UPCL for the period from the CoD till the forthcoming tariff control period of FY 16-17 to FY 18-19;

- c. To approve the interim tariff of Rs. 4.70 per unit of electricity, constituting of Rs. 4.70 per unit as Capped Unit Price and Rs. (0.03) (“negative 3 paise”) per unit of PSDF support till the determination of final tariff;
 - d. Provide approval for permanent evacuation of power by injecting power into Power Transmission Company of Uttarkhand Limited (PTCUL) transmission system through 220 kV Loop In Loop Out at Kashipur - Mahuakheraganj transmission line of the Petitioner already connected to the aforesaid transmission line;
 - e. Allow for recovery of actual energy charge (calculated as per the provision of regulation 55 of the MYT Regulation 2015) for every unit (after netting of with the start-up power) of infirm power supplied to the state grid till First COD is achieved;
 - f. Grant “Must Dispatch” status to the Power Station for supply of electricity for a quantum equal to Total Incremental Electricity (as defined in the PSDF agreement) till the time the Petitioner gets e-bid RLNG allocation under the said Scheme considering the fact that the Gas Supply Agreement with GAIL is on “take-or-pay” basis.
2. The Commission vide its Order dated 20.07.2016 had approved the PPA to be entered by the Petitioner with UPCL for 214 MW power scheduled to be generated from the Petitioner’s project wherein the tariff has been defined as that determined by UERC in accordance with the Regulation for determination of tariff as in force from time to time. However, during the period of applicability of the Scheme of GoI, the tariff shall be the Capped Unit Price.
 3. The Petitioner in its tariff Petition has arrived at a station heat rate of 1919 Kcal/kWh and the Gross Calorific Value of Fuel as 10000 kCal/SCM. In this regard, the Commission is of the view that the Station Heat Rate would be governed by the relevant provision in the regulations. For the present as the plant or station is not yet commissioned, for the purpose of determination of the provisional tariff, the Commission has considered the Station Heat Rate on the basis of claim of the Petitioner. However, this dispensation will apply only till commissioning of the first phase of the Petitioner’s project. The Petitioner is directed to furnish full details as required by the regulations so that the normative Station Heat Rate could be determined. The cost of gas, the exchange rate and GCV has been taken as mentioned in the e-bid RLNG Supply Agreement dated 30.04.2016 entered into by the Petitioner with GAIL.

4. The Commission is at present, not carrying out any prudence check of the submission made by the Petitioner with respect to the capital cost of the project. Final view in this regard as also on allowable IDC would be taken while determining final tariff for the Petitioner. Further, in accordance with the Scheme for utilization of Gas based power generation capacity, the Commission has not considered the RoE while calculating the capacity charges during the period of the Scheme.
5. Accordingly, the capacity charges and variable charges of the Petitioner plant respectively works out to Rs. 1.84 per unit and Rs. 3.66 per unit for the first year, the total of which works out to Rs. 5.50 per unit. However, in accordance with the PSDF Support Agreement entered into by the Petitioner with GoI on September 24, 2015, the capped unit price, i.e. the maximum price payable by the distribution licensee is Rs. 4.70 per unit, which is lower than the provisional tariff determined by the Commission. Hence, the Commission decides to allow a provisional tariff of Rs. 4.70/Unit (exclusive of the PSDF support) to be recovered by the Petitioner from UPCL till determination of final tariff by the Commission. The variable charges of Rs. 3.66/unit as worked out above are based on indicative price of US \$ 5.62/mmbtu and exchange rate of Rs. 68/unit for a US \$. Both these are liable to change during currency of the agreement with fuel supplier, i.e. M/s Gail.
6. The Commission is further of the view that any benefit passed on to the generator on account of lowering in the overall cost of gas needs to be passed on to the distribution licensee. The Commission at present is not taking any view on the same and will review it on actual basis and suitable adjustment/mechanism would be provided by the Commission while issuing the final tariff order. Accordingly, the Petitioner is directed to submit the copy of the fortnightly bills raised by GAIL and also the details of PSDF support amount received by it during the month by 7th of the ensuing month. However, till determination of final tariff by the Commission, UPCL shall continue to pay the generator a provisional tariff of Rs. 4.70 per unit (exclusive of PSDF Support) or for the period after September, 2016 the capped price decided by GoI in accordance with the GoI (PSDF) Scheme. Payment of infirm power supplied to UPCL by the generator shall be in accordance with the MYT Regulations, 2015.
7. The issue of connectivity has already been decided by the Commission vide its Order dated 20.07.2016 and is not being reiterated again and the same shall be dealt in accordance with the findings of the Commission given in the said Order.

8. Accordingly, it is ordered that:

- a. UPCL is directed to treat the Petitioner's generating station as a must-dispatch station and dispatch the Gross energy equivalent to 214 MW from the date of commissioning of the project.
- b. UPCL is directed to pay a provisional tariff of Rs. 4.70 per unit (exclusive of the PSDF support) to the generator for energy supplied to it or for the period after September, 2016 the capped price decided by GoI in accordance with the GoI (PSDF) Scheme.
- c. UPCL is also directed to submit its comments, if any, on the merits of the Tariff Petition within one month from the date of the Order.
- d. The Petitioner is directed to furnish full details as required by the regulations, consequent to the commissioning of the first phase of the project, so that the normative Station Heat Rate could be determined.
- e. The Petitioner is also directed to furnish the details of the total capital cost including IDC consequent to the commissioning of the first phase of the project.
- f. The Petitioner is directed to submit the copy of the fortnightly bills raised by GAIL and also the details of PSDF support amount received by it during the month by 7th of the ensuing month.
- g. The Petitioner is directed to furnish any further information/clarifications as deemed necessary by the Commission during the processing of the Petition and provides such information and clarifications to the satisfaction of the Commission within the time frame as may be stipulated by the Commission failing which the Commission would proceed to dispose of the matter as it deems fit based on the information available with it.

9. Ordered accordingly.

(K.P. Singh)
Member

(Subhash Kumar)
Chairman