

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

In the matter of:

Petition under Section 62 and Section 86 (1) (a) of the Electricity Act, 2003, read with the UERC (Terms and Conditions for Determination of Tariff) Regulations, 2011 (in short, UERC MYT Regulations, 2011) and UERC (Terms and Conditions for Determination of Multi Year Tariff) Regulations, 2015, as amended till date (in short, UERC MYT Regulations, 2015) for determination of tariff for FY 2016-17 and for the Control Period from FY 2016-17, 2017-18 till FY 2018-19 for supply of power to Uttarakhand Power Corporation Limited (UPCL) from 214 MW Gas based Kashipur Combined Cycle Power Plant of Beta Infratech Pvt. Ltd. at Mahuakheraganj, Kashipur, District Udhamasinghnagar, Uttarakhand.

In the matter of:

M/s Beta Infratech Pvt. Ltd.

... Petitioner

AND

In the matter of:

Uttarakhand Power Corporation Ltd.

... Respondent

CORAM

Shri Subhash Kumar Chairman

Date of Hearing: February 7, 2017

Date of Order: February 10, 2017

Heard the Petitioner and the Respondent. The Respondent has not raised any issue on the maintainability of the Petition. The Commission decides to admit the Petition.

1. The Petitioner in its Petition has made the following requests:
 - a. Approve the Capital Cost of the Project which will be used for determination of Annual Fixed Charges for the Project;
 - b. Determine the Tariff for the proposed supply of 107 MW (gross capacity) power to UPCL for the following period:

- i. The period of CoD till 31st March, 2017 under section 62 of the Electricity Act, 2003 and the UERC MYT Regulations, 2011 and Regulation 55A of UERC MYT Regulation, 2015 read with the provisions of the Scheme ; and
 - ii. The forthcoming Tariff Control Period of FY 2017-18 to FY 2018-19, under Section 62 of the Electricity Act, 2003 and the UERC MYT Regulations, 2015 with specific reference to Regulation 55A, read with the provisions of the Scheme as applicable for the period FY 2016-17 and thereafter if the Scheme continues;
 - c. To allow the actual plant availability to be achieved based on the actual availability of gas in that particular financial year while carrying out the truing-up exercise;
 - d. The Commission may decide an interim tariff of Rs. 4.91/unit of electricity, which includes Rs. 4.70/unit as Capped Unit Price directly from the distribution licensee and Rs. 0.21/unit from the PSDF fund of the Government of India (through the distribution licensee), for supply of power to UPCL under the Scheme, for the period from of CoD till 31st March, 2017;
 - e. To direct UPCL to issue a Letter of Confirmation in the format provided in Annexure-I of the PSDF Support Agreement executed by the Petitioner with the Ministry of Power, Government of India as per requirements of the Scheme;
 - f. Provide approval for evacuation of power by injecting power by injecting power to PTCUL system, by connecting BETA 220 kV D/c line to" Line in-Line out " LILO of 220 kV Kashipur-Mahuakheraganj line. The Petitioner has already signed Connection Agreement with PTCUL, dated 23rd September, 2011 (Attached as **Annexure-B and Annexure-J**). The same power system shall be used to draw startup power for the plant and shall evacuate power on the same arrangement. The Commission is humbly requested to kindly direct PTCUL in this regard;
 - g. Allow for recovery of actual energy charge (calculated as per the provision of Regulation 58 of the MYT Regulation, 2011) for every unit (after netting of with the start-up power) of infirm power supplied to the state grid till COD is achieved;
 - h. 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 Petition for approval of draft PPA to be executed between UPCL and the Petitioner has

already been admitted and is under process for finalization of Order in the matter. In the said draft PPA, tariff has been defined as determined by the Commission in accordance with the Regulations 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 Gross Station Heat Rate of 1925 Kcal/kWh and the Gross Calorific Value of Fuel as 9730 & 9800 kCal/SCM. In this regard, the Commission is of the view that the Gross 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 Gross 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 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, variable charges and saleable MUs claimed by the Petitioner for FY 2016-17 to FY 2018-19 are as follows:

Particular	FY 2016-17	FY 2017-18	FY 2018-19
No. of salable units (MUs)	3.67	772.82	772.82
Capacity Charges (Rs./kWh)	120.99	4.27	4.35
Energy Charges (Rs./kWh)	47.92	4.26	4.26
Total Charges (Rs./kWh)	168.91	8.54	8.62

However, in accordance with the PSDF Support Agreement entered into by the Petitioner with GoI on September 14, 2016, 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 claimed by the Petitioner. 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.

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 March, 2017 the capped price decided by GoI in accordance with the GoI (PSDF) Scheme, if the same is further extended by GoI. Payment of infirm power supplied to UPCL by the generator shall be in accordance with the MYT Regulations, 2015.
7. On the issue of connectivity, the Commission vide its Order dated 15.11.2016 has already directed PTCUL to allow connectivity to the project for testing and commissioning activities including evacuation of power as per the scheduled timeframe.
8. UPCL submitted that the Petitioner during the hearing held on 15.11.2016 proposed that the plant will be commissioned in the month of February, 2017. However, the Petitioner extended the date of commissioning of the plant till mid of March, 2017 without any further intimation. Due to this UPCL is not able to make an accurate power procurement plan. Accordingly, the Petitioner is directed to intimate UPCL regarding date of commission of the plant at least one week in advance of commissioning of its plant.
9. 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 107 MW from the date of commissioning of the project.
 - b. UPCL is directed to pay a provisional tariff of Rs. 4.70/unit (exclusive of the PSDF support) to the generator for energy supplied to it or for the period after March, 2017 the capped price decided by GoI in accordance with the GoI (PSDF) Scheme, if the same is further extended by GoI.
 - 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 Gross Station Heat Rate could be determined.

- e. The Petitioner is 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 off the matter as it deems fit based on the information available with it.

10. Ordered accordingly.

(Subhash Kumar)
Chairman