



**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

4<sup>th</sup> Floor, Singareni Bhavan, Red Hills, Hyderabad – 500 004

SATURDAY, THE FIRST DAY OF SEPTEMBER  
TWO THOUSAND EIGHTEEN

Present

**Dr. P. Raghu, Member**

**Sri P. Rama Mohan, Member**

I.A. No. 23 of 2018

in

O.P.Nos.60 & 61 of 2017

**Between:**

Eastern Power Distribution Company of A.P. Ltd.  
Corporate Office, P & T Colony, Seethammadhara  
Visakhapatnam

... Applicant

**AND**

M/s Srivathsa Power Projects Limited  
Regd office: G-2 Concorde Apts,  
6-3-658, Somajiguda, Hyderabad – 500 082

... Respondent

This Interlocutory Application has come up for hearing finally on 25-08-2018 in the presence of Sri P.Shiva Rao, learned Standing Counsel for the applicant, Sri K. Srinivasulu, Manager – Accounts & Finance representing the respondent and Sri M. Venugopala Rao, learned objector. After carefully considering the material available on record and after hearing the arguments of the learned Standing Counsel and the learned objector, the Commission passed the following:

**ORDER**

M/s Eastern Power Distribution Company of A.P Limited has filed the present application u/s 62(1), 86 (1) (b) of the Electricity Act, 2003 read with Clause 55 of APERC (Conduct of Business) Regulations, 1999 requesting for permission to the applicant to procure power from the respondent at a tentative price of Rs.3.393 / kWh from 01-07-2018 till the end of FY 2018-19, beyond first quarter of FY 2018-19, as permitted earlier by the APERC in its order dated 26-05-2018 in IA No.17 of 2018 in O.P.Nos.60 & 61 of 2017 on the same terms.

2. It is claimed in the application that a Memorandum of Agreement (MoA) to be entered between the applicant (APEPDCL) and the respondent (M/s Srivathsa Power projects Ltd.) for procuring power from the Respondent is not yet finalised. Once it is finalized the same will be filed before the Hon'ble Commission for approval, after obtaining consent from Govt. of Andhra Pradesh. Meanwhile, keeping

in view the cheaper cost of power from the respondent, and to avoid local load reliefs due to overloading of 132 KV local lines, it is proposed to continue to procure power from the plant till the end of FY 2018-19. The tentative price of the power from M/s Srivathsa Power Projects Ltd., works out to Rs.3.393 / kWh.

3. The respondent is running a mini power plant of 17.202 MW at Razole Taluq, East Godavari District, Andhra Pradesh. The relevant background and facts of the case are discussed in detail in the order of the Commission dated 26-05-2018 wherein, the applicant was permitted to procure power in the 1<sup>st</sup> quarter of FY 2018-19 at Rs.3.298 /kWh (fixed cost of Rs. 0.483 / kWh for the delivered units and variable cost of Rs.2.815 / kWh (pass through based on gas price).

4. During the public hearing on 25-08-2018, Sri M. Venugopala Rao, learned objector with knowledge in power sector has expressed the view that there is no objection to procure from the respondent as it is cheaper compared to other plants from which the applicant is at present procuring the power, in the interest of the consumers.

5. As the relevant facts and circumstances discussed in the order of the Commission dated 26-05-2018 remain the same and as an MoA is proposed to be entered into till the expiry of gas supply agreement till which time the normally expected quantum of power can be presumed to be available for generation and supply, the availability of such power cannot be doubted in view of the applicant's claim. Hence, the request of the applicant can be accepted accordingly, particularly if it helps in avoiding local load reliefs and frequent overloading of the relevant 132 kV local lines. Considering that the agreed tariff is on the lower side and as the proposal is economical and is in the interest of the consumers, the applicant's request to procure power from the respondent at Rs.3.393 / kWh being the tentative price (with interim fixed cost of Rs.0.483 / kWh and variable cost of gas price as pass through) is accepted. The applicant is accordingly permitted to procure power from the respondent as per the directions given above for the period from 01-07-2018 till 31-03-2019.

6. Accordingly Interlocutory Application is allowed.

This order is corrected and signed on this the **1<sup>st</sup> day of September, 2018.**

Sd/-  
**P. Rama Mohan**  
Member

Sd/-  
**Dr. P. Raghu**  
Member