



ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
4th Floor, Singareni Bhavan, Red Hills, Hyderabad 500 004

I.A.No. 17 of 2018

in

O.P.Nos. 60 & 61 of 2017

Date: 26-05-2018

Present
Justice G. Bhavani Prasad, Chairman
Dr. P. Raghu, Member
Sri P. Rama Mohan, Member

Between:

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

... Applicant

A N D

M/s. Srivathsa Power Projects Private 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 19-05-2018 in the presence of Sri P. Shiva Rao, learned Standing Counsel for the Applicant. After carefully considering the material available on record and after hearing the arguments of the learned Standing Counsel, the Commission passed the following:

ORDER

A petition under Sections 62 (1) and 86 (1) (b) of the Electricity Act, 2003 read with Clause 55 of the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, requesting for permission to the applicant to procure power from the respondent at an interim fixed cost of Rs.0.483 per unit for the delivered units and variable cost of Rs.2.815 per unit (pass through based on gas price) during the first quarter of FY 2018-19.

2. The petitioner's case is that the respondent set up a mini power plant of 17.202 MW at Razole Taluq, East Godavari District, which was commissioned on 01-04-2003. The respondent entered into a Power Purchase Agreement with AP Transco on 21-06-2004, after the directions of the Commission in O.P.No.70-A/2001 dated 04-05-2001 to sell power to AP Transco instead of third parties. The Power Purchase Agreement was later transferred to APEPDCL, the applicant under the third transfer scheme notified by the State Government and the Power Purchase Agreement expired by 31-03-2018. The respondent entered into a Memorandum of Agreement with the applicant to supply power upto 05-07-2021 beyond 31-03-2018 till the expiry of the Gas Supply Agreement at the old rates, as per the New Domestic Natural Gas Pricing Guidelines of 2014, at mutually agreed terms and conditions. The tentative cost of power works out to Rs.3.298 per unit and after the Memorandum of Agreement is entered into, it will be submitted to the Commission for approval. In the ARR for FY 2018-19, the applicant proposed to purchase energy of 68.41 MU from the respondent at the same rate now proposed. But it was not considered due to the nearing expiry of the Power Purchase Agreement, absence of statement of availabilities and insignificant impact of the meagre capacity being included or excluded. The absence of generation from 01-04-2018 by the respondent is resulting in local load reliefs and frequent overloading of the double circuit lines as intimated by APSLDC. The cost of generation is one of the lowest, which is lower than the average cost of power purchase, approved by the Commission. Therefore, purchase of energy from the respondent rather than other expensive sources will bring down the overall purchase cost. Hence, the petition.

3. Though a public notice was taken inviting views / objections / suggestions of the interested persons / stakeholders, no stakeholder appeared before the

Commission and no views / objections / suggestions were received from any person including the respondent, who did not enter appearance in person or through counsel. The claims of the applicant thus remained uncontroverted and un-rebutted and the closure of the mini power plant may deprive the livelihood of the persons depending on it as their source of sustenance. As a Memorandum of Agreement 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 and as the availability of such power may not be doubted in view of the claims of the applicant, the request of the applicant can be considered positively, more so, if it really avoids local load reliefs and frequent overloading of the relevant circuit lines and further because of the agreed tariff being on the lower side. As the proposal is very economic and beneficial to the long term interest of the consumers, the proposal has to be accepted.

4. Accordingly, the Interlocutory Application is allowed. No costs.

This order is corrected and signed on this the **26th day of May, 2018**.

Sd/-
P. Rama Mohan
Member

Sd/-
Dr. P. Raghu
Member

Sd/-
Justice G. Bhavani Prasad
Chairman