

BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF: Approval of Power Purchase Agreements signed by UP Power Corporation Ltd. on behalf of distribution licensees with generating companies for purchase of power from their bagasse based co-generation plants.

AND

IN THE MATTER OF:

Petition No.	Petitioner	Parties to the Agreement		Date of Agreement
		Generating Company	Distribution licensee	
379/06	UP Power Corporation Ltd.	Rana Sugars Ltd., Karimganj, Distt. Rampur	Paschimanchal Vidyut Vitran Nigam Ltd.	3.8.06
380/06	UP Power Corporation Ltd.	Rana Sugars Ltd., Belwara, Distt. Mooradabad	Paschimanchal Vidyut Vitran Nigam Ltd.	3.8.06
387/06	UP Power Corporation Ltd.	Khmbhi Chini Mills, Khmbhi, Distt. Lakhimpur Kheri	Madhyanchal Vidyut Vitran Nigam Ltd.	26.8.06
391/06	UP Power Corporation Ltd.	J. H. V. Sugar Ltd., Gadaura, Distt. Mahrajganj	Purvanchal Vidyut Vitran Nigam Ltd.	11.9.06
383/06	UP Power Corporation Ltd.	Gularia Sugar Mills, Gularia, Distt. Lakhimpur Kheri	Madhyanchal Vidyut Vitran Nigam Ltd.	17.8.06
R- 683/06	UP Power Corporation Ltd.	Dhampur Sugar Mills, Ltd. Dhampur Distt. Bijnor	Paschimanchal Vidyut Vitran Nigam Ltd.	7.8.06
395/06	UP Power Corporation Ltd.	Balrampur Chini Mills, Ltd. (Unit- Babhnan) Gonda	Purvanchal Vidyut Vitran Nigam Ltd.	26.9.06

ORDER

(Date of hearing 17.10.2006)

Following were present.

1. Shri S. P. Pandey, Executive Engineer, UPPCL.
2. Shri A. S. Jaspal, Group Vice President, Rana Group.
3. Shri Kedarnath Ranasaria Director, Balrampur Chini Mills-Unit Khumbhi / Gularia / Babhnan.

4. Shri Durga Prasad, Consultant, , Balrampur Chini Mills-Unit Khumbhi / Gularia / Babhnan.
5. Shri Kulbhusan Singh, Group Head, J. H. V. Sugar.
6. Shri Rvinder Nath Chaturvedi, DGM, (Power).
7. Shri Rakesh Kumar, GM, Dhampur Sugar Mills.

(1) UP Power Corporation Ltd. (UPPCL) has filed above-mentioned Petitions seeking approval of draft Power Purchase Agreements (PPA) for purchase of electricity from Bagasse based co-generation plants. These agreements have been signed by UPPCL on behalf of the distribution licensees on being authorized by the Board of Directors of the distribution licensees and UPPCL takes all obligations under the said agreements on behalf of the said distribution licensee till further instruction from GOUP or the concerned distribution licensee. The petitioner has stated that these PPAs have been framed by modifying model PPA provided under Regulation 27 (2) of "Uttar Pradesh Electricity Regulatory Commission (Terms & Conditions for Power Supply and Fixation of Tariff for sale of Power from Captive Generating Plants, Co-generation, Renewable Sources of Energy and other Non Conventional Sources of Energy based Plants to a Distribution Licensee) Regulations-2005.

(2) The Petitioners have made following changes in PPAs:

1. Under para 3 of the 'premise', UPPCL is to sign and execute the agreement on behalf of Discoms till further intimation by GOUP/ concerned Discom.
2. In Clause 14.8, Executive Engineers Transmission and T & C Division shall take joint meter reading with the representative of generating plant.
3. Under Clause 23, Executive Engineer / Deputy General Manager / GM (Transmission) has been nominated for dispute resolution.
4. Nodal agency is, for the purpose of the agreement, Executive Engineer of transmission division under clause 29.
5. Under clause 32, Executive Engineer Transmission Div. has been nominated for the purpose of the notices.

(3) Commission holds the view that the changes made in the said PPAs are similar to the changes made in the PPA dated 14.6.2006 signed with M/s Bajaj Hindustan in which the petitioner (UPPCL) was directed to submit following on affidavit (vide order dated 29.9.2006),

- i. Objects of UP Power Transmission Corporation Ltd. and UP Power Corporation Ltd. in Memorandum and Articles of Association' are consistent with the provisions of the Electricity Act, 2003 and have independent Boards of Directors.
- ii. UP Power Transmission Corporation Ltd. is a State Transmission Utility duly notified by the State Govt. under the Act, 2003.
- iii. UP Power Corporation Ltd. –

- (a) is a holding company of four distribution companies formed under Transfer Scheme 2003 within the meaning of section 4 of the Companies At, 1956,
- (b) has function of distribution and supply of electricity through subsidiaries, and
- (c) shall have inherent trading function in its capacity of a distribution licensee dissimilar to that of an 'electricity trader' as covered under section 2(71) read with section 52 of the Act, 2003.

The intention in query at (i) above is that no Director of the Transmission Licensee(STU) can be a Director in the Board of a Distribution and /or Trading Licensee under the scheme of the Electricity Act 2003.

- (4) The Commission accords approval to the PPAs as mentioned in Annexure 1 to this order , except for para 3 of the premise and clauses 14.8, 23, 29 and 32 which shall be considered after UPPCL make submissions in case of M/s Bajaj Hindustan LTD. (Petition Nos. 356/06 to 363/06).

(R. D. Gupta)
Member

(P. N. Pathak)
Member

(Vijoy Kumar)
Chairman

Date: 2.11.2006
Lucknow:

Annexure - 1

Petition No.	Generating Company	Distribution licensee	Date of Agreement	Power purchase (MW)	Connectivity with the Grid	Month of commissioning
379/06	Rana Sugars Ltd Karimganj , Distt-Rampur	Pas.V VNL	3.8.06	15 MW in season and 20 MW during off-season	132 KV line connected to 132 KV s/s Billari, Rampur	Jan. 07
380/06	Rana Sugars Ltd Belwara, Moradabad	Pas.V VNL	3.8.06	15 MW in season and 20 MW during off-season	132 KV line connected to 132 KV s/s Thakurdwara, Moradabad	Dec.06
383/06	Gularia Sugar Mills, Gularia, Lakhimpur Khiri	MVVNL	17.8.06	20 MW	132 KV line connected to 132 KV s/s, Lakhimpur	Oct,07
387/06	Kumbhi Chini Mill Kumbhi, Lakhimpur Khiri	MVVNL	26.8.06	11 MW	132 KV line connected to 132 KV s/s, Mohamdi, Lkahlumpur Kheeri	March,07
391/06	L H V Sugar Ltd., Gadaura, Maharajganj	Pu.VVNL	11.9.06	17 MW	132 KV line connected to 132 KV s/s, Maharajganj	June,07
395/06	Balrampur Chini Mills, Babhnan, Gonda	Pu.VVNL	26.9.06	5MW	132 KV line connected to 132 KV s/s, Hariya, Gonda	Nov., 06
R-683 / 06	Dhampur Sugar Mills Ltd. Dhampur Distt. Bijnor	Pas.V VNL	7.8.06	50 MW (Existing 30 MW + proposed 20 Mw additional)	132 KV line connected to 132 KV s/s, Dhampur	

