

DELHI ELECTRICITY REGULATORY COMMISSION

Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 110017

F.11 (4)/DERC/2002-03

In the matter of:

Power Purchase Agreement between Pragati Power Corporation Limited and Delhi Transco Limited for purchase of power from Pragati Power Plant (Capacity 330 MW).

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Power Purchase Agreement between Indraprastha Power Generation Company Ltd. and Delhi Transco Limited for purchase of power from Indraprastha Power Generation Company Ltd. (Capacity 664.5 MW).

AND

Between :

Delhi Transco Limited
Shakti Sadan, Kotla Road,
New Delhi-110002.

...Applicant

And

Pragati Power Corporation Limited
Himadri, Raghat Power House Complex,
New Delhi-110002.

.....to whom notice is given

Indraprastha Power Generation Company Ltd. to whom notice is given
Himadri, Raghat Power House Complex,
New Delhi-110002.

Coram :

**Sh. Berjinder Singh, Chairman, Sh. K. Venugopal, Member &
Sh. R. Krishnamoorthy, Member.**

Date of Order : 29th March 2007

ORDER

1. The Commission initially received a petition from the DVB, seeking approval for the Power Purchase Agreements for purchase of power from Pragati Power Corporation Limited in the year 2002. The then petitioner DVB submitted in their petition that the PPCL was setting up a gas based power plant of 330 MW capacity which was proposed to be allocated to DVB. So in accordance with the above, the Petitioner i.e. the then DVB submitted the present petition alongwith the proposed PPA for the approval of the Commission.

2. Thereafter, another petition was filed by the Delhi Transco Ltd, in December 2003, wherein DTL sought for the approval of the PPA proposed to be executed between PPCL and DTL for purchase of power from the Pragati Power

Plant. The Petitioner submitted that the PPCL had offered the total capacity of 330 MW Pragati Power Plant to be allocated to DTL for a period of 15 years from the scheduled date of commercial operation of the last unit.

3. The Commission also received a petition from DTL for approval of the PPA proposed to be executed with IPGCL.

4. The Commission brought out a public notice on October 30, 2004 on these petitions and invited responses from consumers and stakeholders in accordance with the provision of the DERC Comprehensive (Conduct of Business) Regulations, 2001. Accordingly, responses were received from the stakeholders including the BRPL and BYPL also. The BRPL and BYPL had requested that PPCL and GENCO should provide their audited accounts for the past three Financial Years as PPAs were proposed to be assigned to the Discoms after FY 2006-07.

5. In another response, which was received from the Delhi Generation Power Karamchari Sanghthan, it was submitted that PLF of RPH, GT and IP stations is shown an increasing trend in the FY 2003-04, 2004-05 and 2005-06. The stakeholders submitted that it was not possible to have PLF which was increasing over time. They requested the Commission to take proper consideration of this fact and accordingly take action.

6. With regard to operating parameters for variable charges the stakeholders submitted that the heat rate and secondary fuel consumption of RPH and IP stations are showing a deteriorating trend in FY 2003-04, 2004-05, 2005-06. According to them, improvement in these factors are not possible given the vintage of the plants. Stakeholders, in their response, also submitted that different parameters which were rated in calculating efficiency of the powerhouses were very low than expected.

7. The parameters with regard to generation have already been stipulated in the Generation Tariff Orders for the year 2006-07 after having a public hearing on that issue.

8. Since from FY 2007-08 onwards, the Multi Year Tariff is going to be implemented in respect of Generation, Transmission and Distribution, the same would be applicable to PPCL and IPGCL also, who are parties to the present Power Purchase Agreement. It would, therefore, require suitable modification of the Power Purchase Agreement as per any new Law, change in Law or Regulations. However, to expedite the execution of the proposed Power

Purchase Agreement between the Companies at this stage, it would be appropriate to approve the Power Purchase Agreement, with the direction to the parties to incorporate the technical parameters and other terms & conditions as stipulated in the Tariff Order for the year 2006-07, in respect of the Generating Companies, where a Public hearing has already been conducted by the Commission. It is further directed that as soon as the Multi Year Tariff Regulations for Generation is approved by the Commission, the terms and conditions of the present Power Purchase Agreement would stand automatically substituted with the technical parameters and terms and conditions as determined by the Commission in the new Regulations.

9. Ordered accordingly.

(K. Venugopal)
MEMBER

(R. Krishnamoorthy)
MEMBER

(Berjinder Singh)
CHAIRMAN