



Delhi Electricity Regulatory Commission
Viniyamak Bhawan, 'C' Block, Shivalik, Malviya Nagar, New Delhi – 17

No. F. 11(1173)/DERC/2014-15/

Petition No. 61/2014

In the matter of: Application seeking issuance of appropriate directives from the Hon'ble Commission in relation to demand raised by IPGCL & PPCL seeking directions to TPDDL for opening of Letter of Credit (LC).

1. Indraprastha Power Generation Co. Ltd.
Through its : Director (Tech.)
Himadri, Rajghat Power House
Office Complex
New Delhi 110 002

and

2. Pragati Power Corporation Ltd.
Through its : Director (Tech.)
Himadri, Rajghat Power House
Office Complex
New Delhi 110 002

....Petitioners

Vs.

Tata Power Delhi Distribution Ltd.
Through its **Managing Director**
Grid Sub Station Building
Hudson Lines, Kingsway Camp,
Delhi 110 009

.....Respondent

Coram:

Sh. P. D. Sudhakar, Chairperson,
Sh. J. P. Singh, Member &
Sh. B.P. Singh, Member

Appearance:

1. Mr. Vishal Anand, Adv. TPDDL
2. Mr. Rahul Kinra, Adv. TPDDL
3. Mr. Rajesh Chattarwal, IPGCL,PPCL
4. Mr. Amarjyoti , IPGCL,PPCL
5. Mr. Sumit Sachdev, TPDDL
6. Mr. J.K. Sinha, TPDDL
7. Mr. O.P. Singh, TPDDL
8. Mr. Anurag Bansal, TPDDL
9. Mr. Mithun Chakraborty, TPDDL
10. Ms. Nayantara, TPDDL

ORDER

(Date of Hearing: 27.11.2015)

(Date of Order: 18.12.2015)

1. The instant application has been filed by M/s IPGCL & PPCL against M/s TPDDL for enforcement of certain condition of PPA, in particularly regarding opening of Letter of Credit (LC).
2. The hearing was attended by both the parties.
3. The representative of the Petitioners submitted that there is only one dispute that since the month of April, 2014, the Respondent has not established/renewed Letter of Credit (LC) in favour of the Petitioners, as per the terms of approved PPA and the Respondent has also demanded to allow 0.1% additional rebate/incentive for providing LC, which shall be over and above prompt payment rebate.
4. The Representative of the Petitioner further submitted that Rebate is clearly provided in Clause 7.26 as per Regulation of Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations 2011 provides as under:-

7.26 For payment of bills of the generating company through a letter of credit on presentation, a rebate of 2% shall be allowed. If the payment is made by any other mode but within a period of one month of presentation of bills by the generating company, a rebate of 1% shall be allowed.

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5. He further submitted that IPGCL and PPCL have been allowing the rebate to the Respondent in terms of the above Regulation and the Respondent cannot act against the provisions of the Statutory Regulations. However, the Respondent has failed to fulfill the obligations of establishing the LC in terms of the provisions of PPAs as well as to open an escrow account as per the Clause 6.3.6 of the PPA.
6. The Counsel for the Respondent submitted that they are asking for an additional rebate of 0.1% to recoup the cost incurred on opening of LC as it results in adding to the power purchase cost and because the extant Regulations allow the distribution company to recover the net power purchase cost and therefore, there is nothing wrong in asking for 0.1% additional rebate for opening of LC.

7. The Commission observed that it would not be appropriate to go beyond the terms of PPA wherein there is no mention about 0.1% additional rebate for opening of LC. The respondent has to honor the terms and conditions of the PPA. Regarding recovery of net power purchase cost, the Respondent may make submissions in this regard in its ARR Petition.
8. With the above directions the petition is disposed off.
9. Ordered accordingly.

(B. P. Singh)
Member

(J.P. Singh)
Member

(P. D. Sudhakar)
Chairperson