



ASSAM ELECTRICITY REGULATORY COMMISSION

FILE NO. AERC. 667/2018

Petition No 3/2018

ORDER SHEET

26.03.2018

Before the Assam Electricity Regulatory Commission
ASEB Campus, Dwarandhar,
G. S. Road, Sixth Mile, Guwahati – 781 022

CORAM

Shri Subhash Chandra Das, Chairperson
Shri Dipak Chakravarty, Member

Assam Power Distribution Company Ltd. (APDCL) _____ Petitioner

Date of Hearing: 26.03.2018

Representative for Respondent:

Mr. P K Bhuyan, CGM (Com)
Mr. R Choudhury, DGM (TRC)
Mr. A Boro, AGM (TRC)
Mr. Nilmadhav Deb, AM (F & A)

In the matter of

Misc Petition filed by Assam Power Distribution Company Ltd. (APDCL) regarding extension of the Power Purchase Agreement between OTPC & APDCL for continuation of supply of 65 MW Merchant Power from OTPC to APDCL (Petition No 3/2018)

ORDER

26.03.2018

1. APDCL filed a Misc. Petition for extension of the Power Purchase Agreement between OTPC & APDCL for continuation of supply of 65 MW Merchant Power from OTPC to APDCL (Petition No 3/2018) for another 3 years on 09.02.2018.
2. A preliminary Hearing was held on 28.02.2018 and vide Order dated 28.02.2018, APDCL was directed for submitting analysis on the requirements of the 65 MW power as well as the justification of the price.
3. APDCL made written submission related to analysis on the requirements of the 65 MW power and justification of the price on 12.03.2018. After scrutiny of the submission made by APDCL, the following points are observed:
 - a. APDCL has submitted that during FY 2017-18, there was a Peak deficit in the range of 190 MW to 461 MW. The same is expected to go up further considering electrification drive and increase in latent demand of existing consumers' vis-à-vis delay in commissioning of certain upcoming projects. Therefore, there will still remain some gap after purchase of power from Long Term sources.
 - b. With regard to price of power, APDCL submitted that, for OTPC, as per the CERC approved Tariff, the Fixed Charge at 100% NAPAF is Rs 2.145/kwh and the Energy Charge is Rs. 1.393/kwh. Thereby, the total Tariff is around ~ Rs. 3.54/kwh. APDCL further submitted that, the proposed Tariff is a single part tariff and hence, there is no scope for escalation related to fixed charge or variable charge.
 - c. As per the proposal of OTPC, in case power from OTPC is unavailable, OTPC will arrange power from other sources at the same rate. Further, due date of payment of weekly bill in the present arrangement is 10 days from the date of issuance of bill.
 - d. In the meanwhile, APDCL will float tender for purchase of 50 MW power on Medium Term basis. In case the rate of power discovered in the tender is lower than the rate proposed by OTPC and with better operational option, APDCL have the option of terminating the arrangement with 3 months notice. APDCL highlighted that Medium Term bidding will require

a period of 2/3 months at least.

- e. In the written submission, APDCL also highlighted recent Medium Term bidding conducted by certain utilities across the country. It is observed that, the price discovered is higher and none of the bidding materialized.
4. During the final Hearing on the matter on 26.03.2018, APDCL re-iterated the written submissions.
5. On scrutiny of the detail analysis submitted by APDCL, the Commission orders the following:
 - a. The proposed purchase of 65 MW power from OTPC at Rs 3.54/kwh for FY 2018-19 to FY 2020-21 is hereby approved.
 - b. However, in case the price discovered vide the Medium Term bidding is lower than Rs 3.54/kwh, OTPC will require to match the price.
 - c. APDCL will negotiate with OTPC for reduction in price further before executing the agreement. The outcome of the negotiation will be forwarded to the Commission.

With the above observations and directions, the Petition No. 03/2018 is hereby disposed off.

Sd/-
(Dipak Chakravarty)
Member,
AERC

Sd/-
(Subhash Chandra Das)
Chairperson,
AERC