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ORDER

OF

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN CASE NO. PPA-81/16-17

IN RE APPLICATION FOR APPROVAL OF DRAFT AMENDMENT No. 4 TO KURICHHU POWER PURCHASE AGREEMENT (PPA) TO BE EXECUTED BY AND BETWEEN PTC INDIA LTD (PTC) & WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) & DAMODAR VALLEY CORPORATION (DVC) FOR PURCHASE OF 30MW POWER BY WBSEDCL FROM THE KURICHHU HYDRO ELECTRIC PROJECT OF BHUTAN AT THE TALA TARIFF AND SHALL REMAIN OPERATIVE TILL 31st MARCH 2027 SUBJECT TO REVISION FOR FURTHER PERIOD ON MUTUALLY AGREED BASIS.

PRESENT:

SRI R. N. SEN, CHAIRPERSON

SRI AMITAVA BISWAS, MEMBER

DATE: 14.02.2017



In RE application for approval of Draft Amendment No. 4 to Kurichhu Power Purchase Agreement (PPA) to be executed by and between PTC India Ltd (PTC) & West Bengal State Electricity Distribution Company Limited (WBSEDCL) & Damodar Valley Corporation (DVC) for purchase of 30 MW power by WBSEDCL from the Kurichhu Hydro Electric Project of Bhutan at the Tala tariff and shall remain operative till 31st March 2027 subject to revision for further period on mutually agreed basis.

Noting by Office or Advocate	Sl. No.	Date	Office notes, reports orders or proceedings with signature
		14.02.2017	<p style="text-align: center;"><u>ORDER</u></p> <p>1.0 This is in regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for approval of the draft of the agreement (Amendment No 4) to be executed between PTC India Ltd (PTC), Damodar Valley Corporation (DVC) and WBSEDCL regarding amendment to the Power Purchase Agreement entered into on 02.08.2002 between them. WBSEDCL has submitted the application in terms of regulation 7.4.1 of the West Bengal electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (in short 'Tariff Regulations')</p> <p>2.0 In their application WBSEDCL has stated that PTC and Bulk Power Customer (s) (WBSEDCL and DVC) entered into a Power Purchase Agreement (in short 'PPA') on 02.08.2002 for purchase of surplus power from Kurichhu Project Authority (KPA) in Bhutan as per the allocation made by the Government of India from time to time to the Bulk Power Customer (s). The PPA dated 02.08.2002 has subsequently been amended vide Amendment No - 1 dated 14.08.2009, Amendment No - 2 dated 21.12.2011 and Amendment No - 3 dated 22.12.2012. WBSEDCL is purchasing the power at a tariff applicable for Tala Hydro Electric Project (including PTC margin).</p> <p>3.0 It is also stated that the PPA dated 02.08.2002 is valid for a period of 15 years i.e. till 30.09.2017.</p> <p>4.0 It is further stated that PTC and Bulk Power Customer (s) (WBSEDCL & DVC) have agreed to extend the validity of the power purchase</p>



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In RE application for approval of Draft Amendment No. 4 to Kurichhu Power Purchase Agreement (PPA) to be executed by and between PTC India Ltd (PTC) & West Bengal State Electricity Distribution Company Limited (WBSEDCL) & Damodar Valley Corporation (DVC) for purchase of 30 MW power by WBSEDCL from the Kurichhu Hydro Electric Project of Bhutan at the Tala tariff and shall remain operative till 31st March 2027 subject to revision for further period on mutually agreed basis.

			<p>agreement along with its amendments upto 31.03.2027 based on mutually agreed terms and conditions through an agreement viz Amendment No 4, the draft of which has been submitted along with their application.</p> <p>5.0 Regarding the need for procurement of such power WBSEDCL has stated the followings:</p> <ul style="list-style-type: none">a) That, power from Kurichhu is already being utilized to meet the continuous increase in requirement of power in the WBSEDCL area. Further, WBSEDCL is anticipating growth of consumers in its jurisdiction. As a result, demand of power would further increase. Kurichhu power would be helpful to reduce the demand – supply gap beyond 30.09.2017 immediately as it is already in running condition;b) That it is a long term solution to supply uninterrupted power to the prospective consumers of WBSEDCL and to improve reliability and also for economic purchase;c) That this is clean energy and environment friendly;d) Also that, it will help to mitigate the peak shortage as far as possible. <p>6.0 Regarding financial implication, WBSEDCL has stated that 30 MW power will be purchased by WBSEDCL from Kurichhu Hydro Electric Project (HEP) through PTC at a tariff applicable for Tala Hydro Electric Project which is at present Rs. 2.03/kwh (including PTC margin). The expected energy from the Kurichhu Hydro Electric Project is 20MU/annum and annual financial involvement is Rs. 4.06 crore.</p> <p>7.0 WBSEDCL has prayed for approval of the draft of the agreement Amendment No. 4 to the PPA dated 02.08.2002 to be executed by and between PTC and WBSEDCL and DVC to continue with</p>
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In RE application for approval of Draft Amendment No. 4 to Kurichhu Power Purchase Agreement (PPA) to be executed by and between PTC India Ltd (PTC) & West Bengal State Electricity Distribution Company Limited (WBSEDCL) & Damodar Valley Corporation (DVC) for purchase of 30 MW power by WBSEDCL from the Kurichhu Hydro Electric Project of Bhutan at the Tala tariff and shall remain operative till 31st March 2027 subject to revision for further period on mutually agreed basis.

			<p>purchase of 30 MW power by WBSEDCL from Kurichhu HEP of Bhutan at the tariff applicable for Tala HEP upto 31.03.2027 subject to revision of further period on mutually agreed basis in terms of regulation 7.4.1 of the Tariff Regulations.</p> <p>8.0 The Commission after careful consideration of the facts submitted by the WBSEDCL and going through the content of the draft Amendment No. 4 to the PPA dated 02.08.2002 and its subsequent amendments has decided that WBSEDCL has the liberty to execute the agreement as per the draft submitted by them.</p> <p>9.0 The petition is thus disposed of. Let a copy of this order be served upon to WBSEDCL.</p> <p style="text-align: center;">Sd/- (AMITAVA BISWAS) MEMBER</p> <p>Dated : 14.02.2017</p> <p style="text-align: center;">Sd/- (R. N. SEN) CHAIRPERSON</p>
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