



**ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION
IN CASE NO. PPA- 30/10 – 11 (II)**

IN REGARD TO THE APPLICATION SUBMITTED BY WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR APPROVAL OF SUPPLEMENTARY AGREEMENT EXECUTED ON 14.09.2020 TO THE POWER PURCHASE AGREEMENT DATED 12.03.2003 (PRINCIPAL AGREEMENT) EXECUTED BY AND BETWEEN NHPC LIMITED AND WBSEDCL FOR PURCHASE OF ENTIRE POWER FROM 132 MW TEESTA LOW DAM – III POWER STATION OF NHPC LIMITED AT DARJEELING, WEST BENGAL FOR THE PERIOD FROM 01.04.2019 TO 18.05.2053 (I.E., BALANCE USEFUL PERIOD OF PLANT) IN TERMS OF REGULATION 7.4.1 OF THE WEST BENGAL ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS OF TARIFF) REGULATIONS, 2011 AS AMENDED

PRESENT:

**SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI PULAK KUMAR TEWARI, MEMBER**

DATE: 15.06.2022



In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for approval of Supplementary Agreement executed on 14.09.2020 to the Power Purchase Agreement dated 12.03.2003 (Principal Agreement) executed by and between NHPC Limited and WBSEDCL for purchase of entire power from 132 MW Teesta Low Dam – III Power Station of NHPC Limited at Darjeeling, West Bengal for the period from 01.04.2019 to 18.05.2053 (i.e., balance useful period of plant) in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



Facts in brief:

- 1.0 The West Bengal State Electricity Distribution Company Limited (WBSEDCL) submitted an application vide letter dated 11.11.2020 for approval of Supplementary Agreement executed on 14.09.2020 to the Power Purchase Agreement dated 12.03.2003 (Principal Agreement) executed by and between NHPC Limited and WBSEDCL for purchase of entire power from 132 MW Teesta Low Dam III Power Station of NHPC Limited at Darjeeling, West Bengal for the period from 01.04.2019 to 18.05.2053 (i.e., balance useful period of the plant) in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended from time to time (in short 'Tariff Regulations'). Further, WBSEDCL vide letters dated 11.02.2021, 23.08.2021 and 25.10.2021 has submitted additional information on their application. The Commission admitted the application along with additional submissions in Case No. PPA – 30/10-11 (II).
- 2.0 The application of WBSEDCL read with the Supplementary Agreement dated 14.09.2020 and additional information inter-alia state the following:
 - 2.1 WBSEDCL and NHPC Limited has entered into a Power Purchase Agreement (PPA) on 12.03.2003 for purchase of entire 132 MW power from TLDP III of NHPC as per allocation of Government of India (GOI) with a contract period of 5 years from the date of commercial operation of the first unit of the plant. The PPA was approved by the Commission on 30.07.2013 in Case No. PPA – 30/10 – 11.
 - 2.2 Now, through a supplementary agreement, WBSEDCL and NHPC agreed to extend the PPA upto 18.05.2053 (i.e., balance useful life of the plant) at mutually agreed single part tariff lower than the normative tariff determined by CERC.
 - 2.3 In the supplementary agreement, both the parties agreed to a year wise tariff schedule from 01.04.2019 to 18.05.2053. The first-year tariff is stated to be Rs. 4.48/kWh and a levelized tariff of Rs. 5.41/kWh for the balance useful life which is lower than the normative tariff of Rs. 5.90/kWh determined by CERC for 2018 – 19.



In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for approval of Supplementary Agreement executed on 14.09.2020 to the Power Purchase Agreement dated 12.03.2003 (Principal Agreement) executed by and between NHPC Limited and WBSEDCL for purchase of entire power from 132 MW Teesta Low Dam – III Power Station of NHPC Limited at Darjeeling, West Bengal for the period from 01.04.2019 to 18.05.2053 (i.e., balance useful period of plant) in terms of regulation 7.4.1 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended



- 2.4 WBSEDCL vide letter dated 25.10.2021 submitted that no further cost on account of additional capitalization, shortfall of generation, true-up for tariff and arbitration cost, etc. will be payable by WBSEDCL. Only variation in existing statutory levies as well as any new statutory levy introduced will be claimed / adjusted by the affected party. Regarding fulfillment of legal requirement on the applicability of mutually agreed single part tariff for the entire contract period. WBSEDCL also submitted that NHPC has approached the Central Electricity Regulatory Commission (CERC) for approval of the same.
- 2.5 WBSEDCL further stated that NHPC has agreed to refund the excess amount estimated as Rs. 157.12 Crores paid by WBSEDCL for energy supplied from 01.04.2019 to 31.08.2020.
- 2.6 In view of above, WBSEDCL has prayed before the Commission to approve the following:
- (i) Accord in-principal clearance to give effect the mutually agreed tariff as per supplementary agreement so that WBSEDCL get a refund of excess power cost of TLDP III from NHPC.
 - (ii) Accord approval of the supplementary agreement for purchase of entire power from 132 MW TLDP III of NHPC on issuance of order by CERC.
- 3.0 The Commission had directed WBSEDCL to publish the gist of their application as approved by the Commission in terms of paragraph 8.12 of Tariff Order dated 04.07.2018 of WBSEDCL. WBSEDCL, accordingly had published the gist of the petition in (i) the "Bartaman", (ii) the "The Telegraph", (iii) the "Ananda Bazar Patrika" and (iv) the "Millennium Post" on 06.05.2021 inviting suggestions and objections on their petition to be submitted within 14 (fourteen) days of publication of the gist. No suggestion and objection were received by the Commission within the stipulated time-period.
- 4.0 Subsequently, WBSEDCL vide letter dated 28.04.2022 has submitted that the Central Electricity Regulatory Commission has approved the tariff mutually agreed by the parties for the period 2019 – 24 vide order dated 13.04.2022 in Petition No. 702/GT/2020 and forwarded a copy of the order.