



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



Observations of the Commission:

- 5.1 The Ministry of Power vide letter no. 8/1/2003-NHPC (Vol II) dated 20.12.2012 has allocated 100% share of power from TLDP III i.e., 132 MW to West Bengal viz. WBSEDCL being the State Government Enterprise.
- 5.2 The Power Purchase Agreement between WBSEDCL and NHPC has already been approved by the Commission vide order dated 30.07.2013 in Case NO. PPA-30/10 – 11 following due process.
- 5.3 The tariff of NHPC TLDP III, being a Government of India enterprise, is regulated by CERC under section 79 (a) of the Act.
- 5.4 In the instant petition, it is stated that WBSEDCL has expressed its difficulty to increase the rate of tariff on account of revised project cost and accordingly both WBSEDCL and NHPC under the supplementary agreement mutually agreed to a single part tariff being lower than the normative tariff determined by CERC with the following conditions:
 - (i) Year wise tariff schedule from 01.04.2019 to 18.05.2053 has been agreed with the first-year tariff stated to be Rs. 4.48 / kWh and a levelized tariff of Rs. 5.41 / kWh for the balance useful life of the plant.
 - (ii) The tariff shall be paid for 'generating ex-bus' of TLDP III plant. NHPC TLDP III shall be treated as 'must-run' power station and any reduction in schedule approved by SLDC in comparison to the schedule given by NHPC shall be considered as deemed generation and shall be paid at the tariff specified in the tariff schedule.
 - (iii) No further cost on account of additional capitalization, shortfall of generation and arbitration, etc. shall be paid by WBSEDCL. Only variation in existing statutory levies as well as any new statutory levy introduced will be claimed/ adjusted by the affected party.
- 5.5 Subsequent to the supplementary agreement, NHPC has approached before CERC for approval of charging lower tariff for the period from 01.04.2019 to 18.05.2053, in deviation



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from the norms specified in CERC Tariff Regulations 2019 in respect of TLDP III, under regulation 66 and regulation 77.

- 5.6 CERC in its order dated 13.04.2022 has approved the proposed lower mutually agreed tariff only for the period from 01.04.2019 to 31.03.2024 in terms of regulation 66 (2) and 66 (3) of the CERC Tariff Regulations 2019. CERC, in its order, observed that for the period beyond 31.03.2024, NHPC is required to seek approval to charge mutually agreed tariff at the time of truing up of the tariff along with the tariff petition in terms of applicable tariff regulations for the next tariff period.
- 5.7 Accordingly, CERC in its order has approved the tariff mutually agreed by WBSEDCL and NHPC for the period 2019 – 24 being lower than the tariff determined under the provision of the CERC Tariff Regulations 2019, as below:

In Rs / kWh				
2019-20	2020-21	2021-22	2022-23	2023-24
4.48	4.75	5.03	5.30	5.57

Order:

- 6.0 The Commission, after careful consideration of the above facts, gives the following order:
- The Supplementary Agreement dated 14.09.2020 executed by and between WBSEDCL and NHPC for purchase of entire power (132 MW) from Teesta Low Dam III Power Station by WBSEDCL 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 is approved by the Commission.
 - The tariff of such purchase of power shall be mutually agreed tariff approved by CERC in its order dated 13.04.2022 for the period from 01.04.2019 to 31.03.2024. as given in paragraph 5.7 above.



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- (iii) For the period beyond 31.03.2024, NHPC is required to seek approval to charge mutually agreed tariff at the time of truing up of the tariff along with the tariff petition in terms of applicable tariff regulations for the next tariff period.
- (iv) WBSEDCL shall Amend the tariff schedule of the supplementary agreement dated 14.09.2020 in line with the observations of the CERC dated 13.04.2022 and submit the same before the Commission for record.
- (v) For subsequent period beyond 31.03.2024, WBSEDCL shall amend the tariff schedule as and when approved by CERC and submit the same before the Commission for record.

7.0 The petition is thus disposed of.

8.0 A copy of the order shall be posted in the website of the Commission.

9.0 WBSEDCL shall download the copy of the order from the website of the Commission and act on it. Certified copy of the order, if applied for, be given to the parties on completion of formalities laid down in the West Bengal Electricity Regulatory Commission (Conduct of Business) Regulations, 2013, as amended and on submission of necessary fees.

Sd/-

**(PULAK KUMAR TEWARI)
MEMBER**

Sd/-

**(SUTIRTHA BHATTACHARYA)
CHAIRPERSON**

Dated: 15.06.2022

**Sd/-
SECRETARY**