



Chhattisgarh State Electricity Regulatory Commission

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Petition No. 19/2009(M)

Chhattisgarh State Power Distribution Co. Ltd. **Petitioner**
V/s
Jindal Power Ltd **Respondent**

Order dated 04.04.2009

“Shri A.K.Garg, SE (O&M), O/o CE (O&M), CSPDCL, Raipur for petitioner. Shri Pradeep Tondon, Vice President, Shri V.C. Vishwakarma, Asstt. Vice President and Shri R.C.Gupta, Chief Power Controller for respondent.

2. The facts of this case are that the then Chhattisgarh State Electricity Board (CSEB), the successor to which is the present petitioner Chhattisgarh State Power agreed between the parties that 230 MW power would be supplied by the respondent through the lines of Jindal Steel & Power Company, of which JPL is a subsidiary, and the balance 70 MW through JPL’s dedicated 400 KV transmission line to PGCIL’s 400 KV sub-station at Kumhari, temporarily. Since the licensee had to use the Distribution Company (CSPDCL), entered into an agreement with Jindal Power Limited (JPL) on 23.3.2007, for purchase of 300 MW of power on certain terms and conditions (herein after the original PPA). The CSEB was to avail this power through its dedicated 2x220 KV line. However, since CSEB’s transmission line was not ready, it was generating company’s dedicated transmission line for availing this power, it was agreed to procure this power through open access and not to insist on other conditions such as load factor as in the original PPA. The then CSEB, and subsequently CSPDCL, availed 70 MW power from the respondent without any supplementary PPA. After the lapse of almost a year, the petitioner has now submitted a draft supplementary PPA for purchase of power, already been affected during the term of original PPA, which has since expired.

3. We have gone through the draft PPA and heard the parties. While the draft PPA was submitted to this Commission, it was expected that the draft would be as per the agreement between the two parties. It would appear that there was, in fact, a meeting held on 18.4.2008 between the then CSEB and the respondent company regarding availing power through 400 KV dedicated transmission line of JPL to Kumhari. A copy of the proceedings of the meetings has been submitted to the Commission by the respondent company. The petitioner does not deny the existence of the document. The draft agreement apparently has been prepared on the lines of the discussions in the meeting. The only point of difference between the two parties in so far as the present draft agreement is concerned, is the payment of UI charges. As per clause 2.2 of the draft PPA the liability of UI charges on this account shall be borne by the respondent company. The respondent does not agree to this condition and states that he had raised this issue in the meeting and it was then agreed that the matter would be put up to the Board for a decision. This was on 18.4.2008 and thereafter no decision has been conveyed to the respondent

company. The UI liability has now, however, been included as that of the respondent company. This is the only contentious issue in the draft PPA. Otherwise the PPA appears to be in order.

4. As has already been mentioned, this PPA is only for ex post facto approval. It has already been given effect to on the conditions agreed between the two parties and now incorporated in the PPA except for the matter regarding UI charges. Both the parties agree that they would like to settle the matter regarding the liability of the UI charges separately. Accordingly the proposed PPA is approved subject to deletion of provision regarding UI charges at clause 2.2. The parties may decide about the liability of UI charges separately.

5. The Commission's approval of the PPA may be conveyed to the parties and the case closed."

Sd/-
Member

Sd/-
Chairman