

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. 8/MP/2014
with I.A. No. 6/2014**

Subject : Evolving a mechanism for grant of an appropriate adjustment/ compensation to offset financial/ commercial impact of change in law during Construction and Operating period.

Date of hearing : 17.4.2014

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member

Petitioner : Emco Energy Limited

Respondents : Maharashtra State Electricity Distribution Co. Limited and another

Parties present : Shri Amit Kapoor, Advocate for petitioner
Shri Gaurav Dudeja, Advocate for petitioner
Shri Harish Priyani, EEL

Record of Proceedings

Learned counsel for the petitioner submitted that the present petition has been filed under section 79 of the Electricity Act, 2003 for compensation on account of change in law during the construction period and operating period which have led to increase in capital cost and cost in the revenue, respectively.

2. Learned counsel for the petitioner further submitted as under:

(a) The petitioner has set up a 600 MW thermal power plant in the State of Maharashtra.

(b) The petitioner has a composite scheme for generation and sale of electricity with distribution companies in the States of Maharashtra, Dadra and Nagar Haveli and Tamil Nadu.

(c) The petitioner has a Power Purchase Agreement dated 17.3.2010 for supply of 200 MW power to MSEDCL, PPA dated 21.3.2013 for supply of 200 MW power to Power Department, DNH and PPA dated 27.11.2013 for supply of 150 MW to TANGEDCO.

(d) The petitioner has given notice to the respondents in terms of the PPA regarding 'change in law' which have impacted the capital cost during the construction period and revenue during the operating period. However, respondents have refused to acknowledge the 'change in law' events and to compensate the petitioner for the same.

(e) CERC is the Appropriate Commission to adjudicate on the present dispute in terms of section 79 (1) b) read with Section 79 (1) (f) of the Electricity Act, 2003 as the petitioner has a composite scheme for generation and supply of power to more than one State.

(f) The issues involved in the present petition are similar to Petition Nos. 155/MP/2012 and 160/GT/2012 and requested to issue notice to the respondents

3. In response to the Commission's query as to whether the petitioner had approached MERC after MSEDCL rejected its claim under 'change in law', the petitioner replied in the negative.

4. After hearing the learned counsel, the Commission directed to issue notice to the respondents.

5. The Commission directed the petitioner to serve copy of the petition on the respondents by 25.4.2014. The respondents were directed to file their replies by 16.5.2014 with an advance copy to the petitioner, who may file its rejoinder, if any, on or before 28.5.2014.

6. The petition shall be listed for hearing on 5.6.2014 on admissibility of the petition.

**By order of the Commission
Sd/-**

**(T. Rout)
Chief (Law)**