

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 82/MP/2016

Subject : Petition under Section 79 (1) (a) of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 for extension of Power Purchase Agreement dated 22.12.1995 with erstwhile Haryana State Electricity Board for 10 years beyond 31.12.2015.

Date of hearing : 15.6.2016

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member

Petitioner : NTPC Limited

Respondent : Haryana Power Purchas Centre Limited

Parties present : Shri Sitesh Mukherjee, Advocate, NTPC Limited
Ms. Akansha Tyagi, Advocate, NTPC Limited
Shri A. Basu Roy, NTPC Limited
Shri R.K. Sood, NTPC Limited
Shri Ajit Kumar Bishnoi, NTPC Limited
Shri S.K. Jain, NTPC Limited
Shri Nishant Gupta, NTPC Limited

Record of Proceedings

Learned counsel for the petitioner submitted that present petition has been filed seeking extension of PPA dated 22.12.1995 entered into with Haryana Power Purchase Centre for 10 years beyond 31.12.2015. Learned counsel further submitted as under:

- (a) On 22.12.1995, the petitioner entered into a Power Purchase Agreement ("PPA") with erstwhile Haryana State Electricity Board for sale of electricity from Faridabad Gas Power Station ("generating station") for a period of fifteen years.
- (b) The generating station had completed fifteen (15) years of operation on 31.12.2015.

(c) Subsequently, Haryana Electricity Regulatory Commission (HERC), vide its letter dated 29/31.12.2015, directed Haryana Power Purchase Centre to extend the PPA for a further period of six months i.e. 1.1.2016 to 31.6.2016. On 16.2.2016, the petitioner filed the petition before HERC seeking clarification and direction on the extension of the PPA. However, HERC vide order dated 30.3.2016 dismissed the petition on the ground of maintainability.

(d) As per Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (Tariff Regulation, 2014), the "useful life" of gas/liquid fuel based thermal generating station is 25 years from the date of commercial operation. Therefore, the PPA would automatically stand extended until such time as recovery of cost of power station is complete.

(e) Change of useful life from 15 years to 25 years has resulted into substantial benefit to the Respondent such as reduced tariff and the Respondent have duly accepted the change in tariff and had been duly accounted for in the Annual Revenue Requirements. Therefore, the respondent has implicitly accepted the change in life of the generating station.

2. After hearing the learned counsel for the petitioner, the Commission directed to issue notice to the respondent.

3. The Commission directed the petitioner to serve copy of the petition on the respondent immediately. The respondent was directed to file its reply, on affidavit, by 21.6.2016 with an advance copy to the petitioner, who may file its rejoinder, if any, on or before 24.6.2016.

4. The petition shall be listed for hearing on 28.6.2016.

By order of the Commission

**Sd/-
(T. Rout)
Chief (Law)**