

**..BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY
CO MMISSION, LUCKNOW.**

File NO.....

Case No.....

**IN THE MATTER OF An application for determination of tariff
for additional 200 MW Power consequent
to enhancement of capacity from 2x500
MW to 2x600 MW of Anpara'C' Project.**

**IN THE MATTER OF The Uttar Pradesh Power Corporation
Ltd., 14- Ashok Marg, Lucknow on behalf
of Paschimanchal Vidyut Vitran Nigam,
Poorvanchal Vitran Nigam, Madhyanchal
Vidyut Vitran Nigam and Dakshianchal
Vidyut Vitran Nigam.**

The Uttar Pradesh Electricity Regulatory Commission vide its order dated 13th August, 2008 in the matter of Anpara 'C' for " Seeking direction for quashing of award made in favour of (Lanco Anpara Power Private Ltd) for setting up 2x500 MW Anpara 'C' Project and invitation of bids for revised capacity of 2x600 MW or alternatively direction for reduction in tariff and supply of entire 1200 MW power to the State" has ordered that "the tariff for additional capacity which is pursuant to the Government decision that allows enhancement of capacity has to be determined by the Commission in an appropriate proceeding. The Petitioner will certainly in his capacity as a consumer be invited to participate and file the suggestions/objections on the methodology to be adopted for determination of tariff for the additional capacity. The Petition therefore to the extent it relates to tariff to additional capacity i.e prayer (b) of the petition is premature as no proceeding in relation to the same is pending before the Commission. Once UPPCL files a draft PPA for determination of tariff for additional capacity to be purchased by their subsidiary distribution companies, the Commission will initiate proceeding in terms as provided under UPERC (Conduct of Business) Regulations and shall hold appropriate public hearing. At this stage, the Commission does not see any reason why

the present petition should be allowed to continue and therefore accordingly disposed of in view of observations made above.

The Commission shall exercise its regulatory jurisdiction to ensure appropriate tariff for the additional capacity in accordance with the regulatory principles and precedents as enumerated in the Act and applicable regulations."

In the above order the Commission has clearly stated that the Commission has to determine appropriate tariff for additional capacity which is pursuant to the Government decision on the basis of a draft PPA to be filed by UPPCL. The background to this is as follows :

1. On the basis of competitive bidding process the 2x500 MW Anpara 'C' Project was allotted to M/s. Lanco Kondaplli Power Private Ltd. subsequently transferred to Lanco Anpara Power Project on 27.09.2006.
2. U.P. Electricity Regulatory Commission had vide its order dated 31.12.2007 in the matter of Adoption of tariff for 2x500 MW Anpara 'C' under section 63 of the Electricity Act, 03 has already ordered " Based on the facts placed on record, we are convinced that the tariff discovered in respect of M/s. Lanco Konda Palli

Power Pvt. Ltd is the result of the transparent bidding process carried out by the procurers in conformity with the Guidelines. Accordingly in terms of Section-63 of Act, Commission adopts tariff quoted by the M/s. Lanco Konda Palli Power Pvt. Ltd for supply of power from 2x500 MW Anpara 'C' Thermal Power Project to the procurers. The adopted tariff shall be charged in accordance with Schedule-8 of the PPA dated 12.11.2006. The PPA dated 12.11.2006 signed by the procurers with M/s. Lanco Anpara Power Private Ltd. is approved. The petition accordingly stands disposed".

It is further submitted that the Govt. of U.P. vide its order dated 24th July, 2007 had taken the decision:

"तापीय विद्युत परियोजनाओं की क्षमता में एक सीमा तक परिवर्तनीय प्राविधान के सम्बन्ध में मुझे यह कहने का निर्देश हुआ है कि तापीय विद्युत परियोजनाओं की प्रतिस्पर्धात्मक बिडिंग हेतु मशीनों की यूनिट साईज निर्धारित करने सम्बन्धी केन्द्रीय विद्युत प्राधिकरण, विद्युत मंत्रालय, भारत सरकार के पत्र संख्या 70/एसआर/टीपीआईए/2004/233 दिनांक 16/18 मार्च, 2005 द्वारा मशीनों का साईज तथा विचलन निम्नवत् निर्धारित किया गया है:-

| क्रम संख्या | यूनिट साइज(मे0वा0) | रेन्ज (मे0वा0) |
|----------------|--------------------|---------------------|
| 1— | 250 / 300 | 300 (\$) 20 प्रतिशत |
| 2— | 500 | 500 (\$) 20 प्रतिशत |
| 3— | 800 | 800 (\$) 20 प्रतिशत |

2. विद्युत मंत्रालय, भारत सरकार के परिपत्र सं0-3/7/2006-डीवीसी दिनांक 5.2.2007 के द्वारा पुनः यह आदेशित किया गया है कि सभी राज्य सरकारें/केन्द्र शासित क्षेत्र/विद्युत संस्थान उपर्युक्त आदेश का कड़ाई से अनुपालन करें।”

3. उपर्युक्त परिप्रेक्ष्य में शासन द्वारा सम्यक विचारोपरान्त यह निर्णय लिया गया है कि:-

“भारत सरकार द्वारा दिये गये दिशा निर्देशों के अनुसार भविष्य की योजनाओं के साथ साथ पूर्व में अनुबन्धित परियोजनाओं को भी क्षमता में विचलन का लाभ प्रदान किया जाय।”

Based on the decision of the Government M/s. Lanco Anpara Power Private Ltd (Lanco) vide its letter dated 11.08.2007 had applied that " We would like to enhance the project capacity by stipulated limit of 20% and accordingly set up a 2x600 MW Thermal Power Project. Kindly accord your consent for us to enhance the project capacity by 20% from 1000 MW to 1200 MW at the earliest and implement the project as per schedule".

The estimated demand and supply of power in the State is given below:

Requirement of Energy :-

1. The Commercial Operation from the Anpara 'C' is scheduled as
below

i) first unit March, 2011.

ii) Second unit July, 2011

2. The estimated demand and availability of power is as below:

(MW)

| Estimates | 08-09 | 09-10 | 10-11 | 11-12 | 12-13 | 13-14 | 14-15 | 15-16 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Demand as per EPS | 10017 | 11188 | 12995 | 13947 | 15207 | 16433 | 17596 | 18668 |
| Capacity available | 10851 | 11871 | 14757 | 16298 | 21288 | 22597 | 22946 | 24685 |
| Expected availability | 7595 | 8310 | 10330 | 11409 | 14901 | 15818 | 16062 | 17279 |
| Shortage of Power | 2422 | 2878 | 2665 | 2538 | 306 | 615 | 1534 | 1389 |

During the year 2005-06 the per capita consumption in Uttar Pradesh was 208.65 units as against all India average of 428.57 unit due to poor

availability of electricity in the State. Although concrete steps have been taken for capacity addition but the state will face power shortage till 2016-17 which is likely to continue in further years. In view of the crises the additional power of 200 MW is proposed for purchase so that the consumers may be benefited.

In view of the shortage of power envisaged in the forthcoming years and based on the above application of M/s. Lanco, the Energy Task force under the chairmanship of Chief Secretary had taken the following decision on 12.08.2007.

“ इनर्जी टास्क फोर्स द्वारा उपरोक्त विषयक पूर्व परिचालित प्रस्ताव पर विचारोपरान्त यह नोट किया गया कि मा० मंत्रिपरिषद द्वारा दिनांक 19.07.2007 को जो निर्णय लिया गया है उसमें 500 मे०वा० क्षमता की मशीनों में 20 प्रतिशत धनात्मक विचलन अनुमन्य किया गया है तथा इस निर्णय का लाभ पूर्व में स्वीकृत परियोजनाओं को भी अनुमन्य किया गया है। अतः लैन्को अनपरा पावर प्राइवेट लिमिटेड को क्षमता वृद्धि की अनुमति इस शर्त के साथ प्रदान कर दी जाय कि सभी वैधानिक स्वीकृतियाँ पुनरीक्षित क्षमता के अनुसार प्राप्त करने का दायित्व मैसर्स लैन्को अनपरा पावर प्राइवेट लि० का होगा तथा वे वित्तीय एवं तकनीकी परिवर्तनों पर उत्तर प्रदेश विद्युत नियामक आयोग का भी अनुमोदन प्राप्त करेंगे। इसके अतिरिक्त क्षमता वृद्धि के फलस्वरूप परियोजना को पूर्ण करने की तिथि भी आगे नहीं बढ़ाई जायेगी तथा परियोजना को वर्तमान में आवंटित जल में ही परियोजना लगाई

जाये एवं अतिरिक्त वन भूमि की आवश्यकता भी न रहे। परियोजना की अतिरिक्त क्षमता से 200 मेगावाट अतिरिक्त ऊर्जा प्रदेश को प्राप्त हो सकेगी।”

In the above decision of Energy Task Force it is very clearly stated that the Government of Uttar Pradesh had envisaged that additional 200 MW power shall be available to the State of U.P.

Subsequently the Government of Uttar Pradesh has issued an order dated 20th August, 2007, regarding capacity of Anpara 'C' Project from 2x500 MW to 2x600 MW vide which the following directions were given:

“उपर्युक्त प्रस्ताव पर सम्यक विचारोपरान्त अनपरा “सी” परियोजना में 2x500 मेगावाट क्षमता की मशीनों के बजाय 2x600 मेगावाट क्षमता की मशीने लगाये जाने की सहमति इस शर्त के साथ प्रदान की जाती है कि सभी वैधानिक स्वीकृतियों पुनरीक्षित क्षमता के अनुसार प्राप्त करने का दायित्व मै0 लैन्को अनपरा पावर प्राइवेट लि0 का होगा तथा वे वित्तीय एवं तकनीकी परिवर्तनों पर उत्तर प्रदेश विद्युत नियामक आयोग का भी अनुमोदन प्राप्त करेंगे। इसके अतिरिक्त क्षमता वृद्धि के फलस्वरूप परियोजना को पूर्ण करने की तिथि भी आगे नहीं बढ़ाई जायेगी तथा परियोजना को वर्तमान में आवंटित जल में ही परियोजना लगाई जायें एवं अतिरिक्त वन भूमि की आवश्यकता भी न रहे”।

Hence on the behalf of the State owned Distribution Companies the entire additional 200 MW power is proposed to be purchased in the following proportions:

1. Paschimanchal Vidyut Vitran Nigam Ltd. 30% (60 MW)
2. Poorvanchal Vidyut Vitran Nigam Ltd. 30% (60 MW)
3. Madhyanchal Vidyut Vitran Nigam Ltd. 20% (40 MW)
4. Dakshinanchal Vidyut Vitran Nigam Ltd. 20% (40 MW)

This is in the same ratio as has been approved by the U.P.E.R.C. in 2x500 MW PPA of Anpara 'C'.

The general conditions of the PPA executed by the aforesaid Distribution Companies has already been approved by the Commission vide its order dated 31.12.2007 and it is submitted that the same may be approved for purchase of additional 200 MW of power from M/s. Lanco Anpara Power Private Ltd on the basis of G.O. no.356/24-ऊ०नि०नि०प्र०/2007 dated 20th August, 2007 subject to determination of tariff by the UPERC granting maximum benefit to the consumers of the State. Copy of PPA executed on 12.11.2006 is attached herewith.

Hence it is prayed that;

1. The tariff be determined by the Commission. While fixing the tariff, the maximum benefit to the consumers of the State may be granted so that the benefits of the Government Policy accrue on long term basis to the Consumers of the State.
2. M/s. Lanco Anpara Power Private Ltd be directed to submit the necessary technical and financial changes as per provision of the G.O. dated 20.08.2007 for approval of the Commission to determine the tariff and execution of PPA accordingly.
3. The Commission may Pass orders/issue directions as deemed fit.

Deponent

VERIFICATION

I, Som Nath Dubey son of Late Shri Narain Dubey Aged 59, the deponent solemnly affirm that the contents of this Affidavit are true to the best of my knowledge and no part of it is false or nothing material has been concealed there from and misleading material included therein.

Dated

Deponent