

**JOINT ELECTRICITY REGULATORY COMMISSION  
FOR THE STATE OF GOA AND UNION TERRITORIES  
GURGAON**

**Quorum**

Shri M.K. Goel, Chairperson

**Petition No. 244/2017**

**Date of Admission: 29.11.2017**

**Date of Hearing: 21.12.2017**

**Date of Order: 19.01.2018**

**In the matter of:**

Petition for approval of Agreement for Procurement of Power by hiring DG Sets to deliver 10 MW power continuously to 33 KV grid of the Electricity Department, Andaman & Nicobar Administration at Port Blair between the Electricity Department, Andaman & Nicobar Administration and M/s Sudhir Ready Gensets Consortium, New Delhi.

**And in the matter of:**

The Electricity Department,  
Andaman & Nicobar Administration, Vidyut Bhavan,  
PORT BLAIR – 744 101.

**.... Petitioner**

**Vs.**

M/s Sudhir Ready Gensets Consortium,  
507, International Trade Tower, 5<sup>th</sup> Floor,  
Nehru Place,  
New Delhi – 110 019.

**.... Respondent**

**Present**

**For the Petitioner**

1. Shri U.K. Paul, Superintending Engineer, Electricity Department, A&N
2. Ms. Deepa Nair, Asstt. Engineer, Electricity Department, A&N

**For the Respondent**

None.

## ORDER

The Petitioner, Electricity Department of the Union Territory of Andaman & Nicobar Administration, has sought the Commission's approval of the Agreement for procurement of 10 MW power by hiring DG Sets to supply electric power round the clock at Port Blair from the lowest bidder, i.e. M/S Sudhir Ready Gensets Consortium, New Delhi at the rates submitted in the Petition.

The Petitioner submitted that the power requirement at Port Blair and adjoining South Andaman was met by 5 numbers of DG Sets and a Solar Plant. The power requirement during peak hours is approximately about 40 MW and 36 MW during summer and monsoon season respectively.

The Petitioner further submitted that the Chatham Power House commissioned during 1990-91 and the existing DG Sets have already outlived their useful life and are breaking down frequently. M/s Phoenix Bay Power House (5X1.2 MW DG Sets) installed immediately after Tsumani in 2004 is also being utilized upto its optimum loading and is prone to frequent failure. In addition M/s SPCL's two DG Sets are out of operation. The First Unit failed on 12.03.2012 which is stated to be beyond economic repairs and the second unit got damaged in the fire accident on 01.01.2016 which has also not been repaired. The remaining two running units are also highly unreliable as timely overhauling was not done by M/s SPCL.

The Petitioner further submitted that due to shortage of power in Port Blair and parts of South Andaman, the contract of the existing HPP-1 and HPP – II was further extended upto 31.10.2017 and 06.11.2017 respectively. In order to improve the present power situation and to avoid unscheduled load shedding in the event of failure of any DG Set and to meet its obligation to supply power round the clock it intends to procure 10 MW power by hiring of DG sets for a period of two years in lieu of the existing 10 MW HPP-II Power Plant.

Accordingly, a tender notice for Procurement of Power by hiring DG Sets to supply 10 MW power round the clock to 33 KV grid was issued on 04.02.2017 with due date on 20.03.2017 which was subsequently extended to 19.04.2017. The tender notice was published in various newspapers and was also uploaded on the A&N Administration website.

A pre bid meeting was held on 01.03.2017 in the Chamber of the Superintending Engineer after which some changes were incorporated in the existing clauses of the Tender documents. The Petitioner uploaded a Corrigendum on e-procurement website i.e. <http://eproc.andaman.gov.in> and also gave publicity through the Publicity Officer (IP&T), the Chief Editor, the Daily Telegrams, Port Blair, the Director General of Commercial Intelligence and Statistics, Council House, Kolkata, and the Manager, Hindu (Chennai edition).



In response to the above tender notice, the following three firms submitted their offer; and the technical bids were opened on the due date i.e. 19.04.2017:-

- i. M/s Tractor (I) Pvt. Ltd.
- ii. M/s Aggreko Energy Rental (I) Pvt. Ltd.
- iii. M/s Sudhir Ready Gensets Consortium, New Delhi.

The bids were analyzed by the Technical Evaluation Committee and a comparative technical statement was prepared. Thereafter, the price bid of the three technically qualified firms was opened on 28.04.2017 at 1530 hours and M/s Sudhir Ready Gensets Consortium, New Delhi emerged as the lowest bidder. Details of the contracted supply and cost are provided in the table below:-

NAME OF THE FIRM	PERIOD	DESCRIPTION	TARIFF RATES
M/s Sudhir Ready Gensets Consortium, New Delhi	02 years	Deliver 10 MW Power (Guaranteed minimum delivery of 5.95 MU Per month) at 33 KV round the clock basis inclusive of O&M charges, Lub, oil, taxes & duties etc. (excluding HSD required for running this plant which will be supplied by the Petitioner)	Fixed charges of Rs 1.17 Per unit

Hon'ble Lt. Governor, Andaman & Nicobar Island approved the rates offered by M/s Sudhir Ready Gensets Consortium, New Delhi for supply of 10 MW power round the clock through DG sets at Port Blair for a period of two years.

The Petitioner further submitted that due to sudden closure of M/s SPCL on 20.07.2017, Andaman & Nicobar Administration was constrained to execute the agreement between the Electricity Department and M/s Sudhir Ready Gensets Consortium, New Delhi without obtaining approval of the Power Purchase Agreement by the Commission and the Power Purchase Agreement was executed on 27.07.2017 to avoid any further delay in commissioning of the DG Sets.

The Commission has considered the agreement executed between the Electricity Department, A&N Administration and M/s Sudhir Ready Gensets Consortium, New Delhi for hiring of DG sets to supply 10 MW power round the clock at Port Blair for two years. It has also examined the relevant provisions of the Electricity Act, 2003 and Rules and Regulations made thereunder.

Section 63 of the Electricity Act, 2003 provides:

*....63. Determination of tariff by bidding process – “Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”.....*

The Commission has noted that the tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government. In view of the above, the Commission accords its approval under Section 63 of the Electricity Act, 2003 to the Agreement executed between the Electricity Department, A&N Administration and M/s Sudhir Ready Gensets Consortium, New Delhi for hiring of DG Sets to supply 10 MW power round the clock to 33 KV grid at Port Blair and adjoining South Andaman at a rate of Rs 1.17/ unit for the period of two years.

The Commission has also noted that the Petitioner has executed the Power Purchase Agreement with M/s Sudhir Ready Gensets Consortium, New Delhi on 27.07.2017 without prior approval of the Commission. Whereas as per guidelines issued by the Central Government and Section 63 of the Electricity Act, 2003, the Petitioner should have obtained the approval of the Commission before the execution of the Agreement. In view of the above, the Commission advises the Petitioner to obtain the prior approval of the Commission before execution of any Power Purchase Agreement in the future.

The Commission further took a serious note that the Petitioner has filed the Petition for approval of the Power Purchase Agreement with M/s Sudhir Ready Gensets Consortium, New Delhi approximately after three months from the date of execution of the Power Purchase Agreement. The Commission strongly feels that in such cases Petition for approval of the Power Purchase Agreement should have been filed immediately after execution of the Power Purchase Agreement to avoid the unnecessary delay in obtaining the Commission's approval.

Ordered accordingly.

Sd/-  
(M.K. GOEL)  
CHAIRPERSON