

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

Quorum

Shri S.K.Chaturvedi, Chairperson

Petition No. 156/2014

Date of Order 05.01.2015

In the matter of

Petition under Regulation 60 (c) of JERC (Conduct of Business) Regulations, 2009 for approval of Power Purchase Agreement to be entered into by Electricity Department, Govt. of Puducherry with M/s Kudankulam Nuclear Power Project, (KKNPP) NPCIL.

And in the matter of

Electricity Department- Puducherry

.....Petitioner

Present for petitioner

Sh. K.K. Singh, Joint Resident Commissioner, Govt. of Puducherry

Order

The petitioner, ED- Puducherry has filed the present petition under Regulation 60 (c) of JERC (Conduct of Business) Regulations, 2009 for approval of Power Purchase Agreement to be entered into by Electricity Department, Govt. of Puducherry with M/s Kudankulam Nuclear Power Project, (KKNPP) NPCIL.

In brief, the case of the petitioner is that there is no major power generation in the Union Territory of Puducherry. The requirement of power is met from the allocation of power from the Central Generating Stations, Puducherry Power Corporation Limited and purchase from neighboring State Electricity Boards. The allocation from various Central Generating Stations is around 388 MW to meet the demand of Puducherry and Yanam regions. Around 50 MW of Power from Tamilnadu and 32.5 MW from Puducherry Power Corporation Limited are availed for Karaikal region. Around 5 MW is availed from Kerala State Electricity Board to meet the power demand of Mahe region. The maximum power demand reached during the year 2013-14 is around 465 MW for the whole of UT of Puducherry.

The petitioner in their additional submissions stated that the expected demand of UT-Puducherry during the year 2015-16 is 465 MW. The allocation from various Central Generating Stations is around 388 MW, neighboring State Electricity Boards is around 55 MW and Puducherry Power Corporation Limited is 30 MW. However, normal availability from CGS is only 330 MW considering 85% on account of coal shortage, periodical maintenance, un-expected outages etc.

Govt. of India (GOI) had allocated 67 MW power viz 31 MW from 1st Unit and 36 MW power from 2nd Unit from the Kudankulam Nuclear Power Project (2 X 1000 MW) in the year 2004. On commissioning of activities of the first unit, M/s NPCIL has circulated the draft PPA to be executed by ED- Puducherry, in March, 2013. After detailed discussions with the officials of M/s NPCIL and after due vetting by the law department of the Govt. of Puducherry, the approval of the Govt. was accorded vide O.M. No. 21013/ID(P)/2012/P1/Dt/20.01.2014 for the execution of the PPA.

The UT of Puducherry has been drawing 31 MW of infirm power from the 1st Unit of KKNPP from 22.07.2014. Now ED- Puducherry is paying the energy charges alone @ of Rs. 1.2237 per unit to NPCIL for the infirm power purchased from the Unit-1 of KKNPP. The work in respect of Unit-2 is in progress.

The petitioner submitted following justification for availing power from Kudankulan Power Plant:-

- I. Even though, the total allocation of 388 MW of power made available from various Central Generating Stations to the UT of Puducherry, the actual/ annual availability is only in the range of 80 to 85% of the

- allocation. In view of the above, the load shedding is also being carried out depending on the availability of power and also to maintain the grid discipline.
- II. The peak demand reached during the year 2013-14 was around 465 MW for the whole of the UT-Puducherry and the peak demand reached during the year 2013-14 for the Puducherry and Yanam region was 387 MW.
 - III. It is submitted that at the time of commercial operation of the Vallur and Simhadri plants where the quantum of allocation was finalized by the GOI, the additional allocation of 388 MW is maintained by reducing the unallocated quantum of power made from some of the CGS.
 - IV. It is further submitted that as far as Karaikal region is concerned, the requirement of power is met by purchasing from both PPCL and TANGEDCO. However, TANGEDCO is not in a position to meet the additional requirement of Karaikal region.
 - V. In order to meet the load growth in Karaikal region, ED-Puducherry had already proposed to bring the drawal of Karaikal region under the Regional Energy Accounting of Southern Region. CEA has approved the proposal for erection of a new 230 KV line to Karaikal from Neyveli as a regional system strengthening scheme. The work of establishment of 230/110 KV Sub Station at Karaikal was entrusted to Power Grid. The preliminary work has already commenced.
 - VI. Similar action has already been taken to bring the Mahe region under Regional Energy Accounting. In the next two years, there is no scope for the UT of Puducherry to receive any additional power allocation from the CGS under execution. As such the power proposed to be procured from the KKNPP is required to meet the requirement of Karaikal and Mahe regions.

The representative of the petitioner submitted that the charges for supply of energy shall be as per the tariff notification issued by DAE, Govt. of India from time to time in accordance with Section 22 (1) (b) of the Atomic Energy Act, 1962 as amended from time to time.

The petition was received on 24.09.2014 with fee of Rs. 10,000/- only. The petitioner was directed to pay the remaining fee. The petitioner paid the remaining fee of Rs. 6,60,000/-. The petition was admitted on 04.12.2014 and numbered as petition no. 156/2014.

The Commission fixed hearing in Commission's Headquarters on 20.01.2015. The Commission on receipt of a letter of request from the petitioner to pre-pone the hearing has heard the representative of the petitioner on 05.01.2015 at Commission's Headquarters. The petitioner also submitted additional submissions.

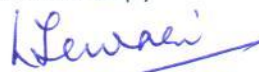
The Commission heard the representative of the petitioner at length and has gone through the petition, additional submissions, accompanying documents and Power Purchase Agreement (PPA) to be entered into between the Electricity Department, Govt. of Puducherry and Nuclear Power Corporation of India Ltd. for Kudankulam Atomic Power Station unit nos. 1 & 2 carefully and thoroughly.

The Commission found the petition and the Power Purchase Agreement to be entered into and signed between the Electricity Department, Govt. of Puducherry and M/s Nuclear Power Corporation of India Ltd. for Kudankulam Atomic Power Station unit nos. 1 & 2 is in conformity with Section 86 (1) (b) of Electricity Act, 2003 and JERC (Conduct of Business) Regulations, 2009. Therefore, the Commission approves the Power Purchase Agreement.

Dated 05.01.2015

Sd/-
(S.K.Chaturvedi)
Chairperson

Certified Copy



(Keerti Tewari)

Secretary
Keerti Tewari

Secretary
Joint Electricity Regulatory Commission
For the State of Puducherry