

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

Coram*
Shri S.K.Chaturvedi, Member
Petition no. 118/2013
Date of Order 13.11.2013

In the matter of

Petition for approval of agreement for procurement of power by hiring of 5 MW Capacity DG between Electricity Department, Andaman & Nicobar Administration and M/s New Bharat Engineering, Navi Mumbai under section 86 (1) of Electricity Act, 2003.

And in the matter of

The Electricity Department, A&N Administration, Vidyut Bhawan, Port Blair-744101

Present for Petitioner

1. Shri M. Eappan, Asst. Engineer, ED- Andaman & Nicobar Islands.
2. Shri Yogesh Tiwari, J.E., ED- Andaman & Nicobar Islands.
3. Mrs. Ruchi Sindhvani, Advocate, ED- Andaman & Nicobar Islands.
4. Ms. Bandana Shukla, Advocate, ED- Andaman & Nicobar Islands.
5. Shri Arvind Tewari, Consultant, ED- Andaman & Nicobar Islands.

Order

ED -Andaman & Nicobar Administration – petitioner has filed the present petition under section 86 (1) of Electricity Act, 2003 for approval of agreement for procurement of power by hiring of 5 MW Capacity DG between Electricity Department, Andaman & Nicobar Administration and M/s New Bharat Engineering, Navi Mumbai.

The Commission held pre- admission hearing on 14.06.2013. The Commission on request of representative of the petitioner again scheduled pre- admission hearing on 22.07.2013.

The petitioner on 22.07.2013 filed an application for Condonation of delay in Petition for approval of agreement for procurement of power by hiring of 5 MW Capacity DG between Electricity Department, Andaman & Nicobar Administration and M/s New Bharat Engineering, Navi Mumbai under section 86 (1) of Electricity Act, 2003. The Commission held hearing on 22.07.2013 and on prayer of representative of the petitioner scheduled hearing on 22.08.2013.

The Commission on 21.08.2013 received an application/ petition from the petitioner stating that ED- A&N Administration is in process of preparation of draft affidavit cum- petition on the subject matter as per directions of the Commission in the order dated 22.07.2013. The preparation and finalization of affidavit and approval from competent authority may take more time. Therefore, it will be difficult for the petitioner to file affidavit and appear before the Commission on 22.08.2013. They prayed for 30 days time for preparing and submitting affidavit. They also prayed that the

petition be scheduled for hearing on 7.10.2013 date already scheduled for hearing in petition no. 77/2012.

The Commission on 23.09.2013 received an affidavit/ application dated 21.09.2013 from the petitioner for seeking amendment of the petition. The Commission on 24.09.2013 allowed the petition for amendment in the main petition and directed the petitioner to submit amended petition. The Commission on 3.10.2013 received request from the petitioner for seeking time for One Month for filing amended petition.

The representative of the petitioner on 7.10.2013 prayed for One Month time for filing amended petition. The Commission considered the request of the representative of the petitioner and acceded the same. The representative of the petitioner further submitted that ED- A&N has today filed two more petitions for approval of procurement of power by hiring DG sets. The Commission considered the submission and request of the representative of the petitioner and directed the petitioner to submit following information:-

1. How many DG sets are installed in territory of A&N Island by petitioner?
2. Proposal of installation of how many DG sets is under consideration of the petitioner?
3. How many DG sets are operational in territory of A&N Island?

The Commission directed the petitioner to submit the requisite information and amended petition on or before 8.11.2013.

The petitioner as per the order dated 7.10.2013 submitted amended petition on 11.11.2013. The petition runs as under:-

“Quote

1. The Petitioner herein i.e. Electricity Department of A&N Administration (herein after called Electricity Department or the petitioner) is a Government department engaged in the generation, transmission and distribution of electricity in the Andaman & Nicobar Islands. To meet its obligation for supply of electricity to its consumers, the petitioner sources energy from its own generating stations and by purchasing of power from other sources. In terms of section 62, 63 & 86 of the Electricity Act, 2003, Hon'ble Commission has the jurisdiction to approve the purchase of power from different sources.
2. The power requirement in Port Blair and South Andaman were met by three power houses viz. 20 MW from IPP Power House, Bambooflat, 12.5 MW from Chatham Power House and 8 MW from Phoenix Bay Power House.
3. The present peak demand of Port Blair & South Andaman was around 33 MW with monthly energy requirement of about 14 MUs. The peak demand is expected to increase @6% and the anticipated peak demand by the year 2015 is expected to be around 39 MW and monthly requirement is expected to be around 17 MUs.
 - (a) The de-rated capacity of Chatham Power House was 6.5 MW as the DG sets which were installed during 1990-1991 has outlived its useful life. The de-rated capacity of Phoenix Bay Power House is 6 MW. Thus the actual availability of power from the above three Power Houses is 27.5 MW only.

(b) 03 out of 04 DG Sets of 20 MW IPP Power House were over due for 48,000 hours major overhauling and could lead to breakdown at any point of time.

4. Due to shortage of actual availability of power from the above Power Houses, (the main reason being not taking up the timely overhauling of D.G Sets of 20 MW IPP resulting in frequent failure of their D.G Sets), the Electricity Department, A&N Administration had to resort to rotational load shedding of 2-3 hours in peak hours and one hour during off peak hours. This caused inconvenience to general public especially during the time of board examinations. All the efforts to increase power availability from existing Power Houses failed and there was no other alternative to meet the power shortage.
5. In order to improve the power situation and to meet its obligation keeping the consumer need as paramount, the petitioner decided to hire 5 MW DG capacity for a period of 3 years. The present & anticipated peak demand and monthly energy requirement of Port Blair & South Andaman for the above period is tabulated below:

Present & Anticipated Power position of Port Blair & South Andaman

	Peak Demand (MW)	Monthly Energy Requirement(MUs)
Present	33	14
Anticipated* (by 2015)	39	17

** expected to increase @6% per Annum.*

6. Accordingly, a tender notice for supply of rental DG sets to deliver 5 MW continuous electric power was issued on 09.02.2011. Copy of the tender document is attached vide **Annexure-1** and tender notice published in the news papers are attached as **Annexure-2**.
7. In response to the above said Tender Notice, the following 6 firms submitted their offer and the technical bids were opened on the due date i.e. 28.04.2011.
- (i) M/s Perennial Technologies Pvt. Ltd, Pune
 - (ii) M/s Aggreko Energy Rental Pvt. Ltd, Pune
 - (iii) M/s Sunny Diesel Sales & Service, Port Blair
 - (iv) M/s Tractors India Pvt. Ltd, Kolkata
 - (v) M/s New Bharat Engineering Works, Navi Mumbai
 - (vi) M/s Sahil Power Systems, Delhi

The technical Bids were evaluated and five firms mentioned at sl. No. i to v were found technically qualified and the firm at sl. No. vi was found unqualified.

8. The price bid of the technically qualified five firms were opened on 12.07.2011 and M/s New Bharat Engineering Works, Navi Mumbai was the lowest bidder and was selected for supply of rental DG sets to deliver 5 MW continuous electric power. Details of contracted supply & cost are provided in the table

below. The Copy of comparative/evaluation statement of the technical & financial bid is attached vide **Annexure -3.**

Name of the Firm	Capacity of Plant	Supply of Power	Rates/Charges
M/s New Bharat Engineering works, Navi Mumbai	5 MW	3.35 MUs per month	Fixed hiring charges of Rs. 46,08,000/- per month for supplying 3.35 MUs from 5 MW hired DG Capacity inclusive of cost of Lube oil. The HSD required for running the plant is supplied by the petitioner. The Per unit fixed charges including Lube oil works out to be Rs. 1.37.

9. The Standing Finance Committee approved the hiring of 5 MW DG capacity on 05.07.2011. The approval of A&N Administration for acceptance of lowest bidder was accorded on 25.08.2011. Copy of the approval of the Standing Finance Committee and A&N Administration for acceptance of lowest bidder is attached vide **Annexure-4.**
10. That a comparison of generation cost of departmental DG sets, IPP and the hiring power house operating in South Andaman is being submitted herein after.

Power Plants at South Andaman		Cost per unit With Aux.
ED, A&N Admn. *	Chatham Power House	18.24
	Phoenix Bay Power House	16.60
IPP (SPCL)	As per Invoice	17.16
	As per PPA	16.48
HPP	5 MW (New Bharat Engineering)	16.95
	10 MW (Sudhir Ready Genset consortium)	16.80
* - Excluding establishment, operation and maintenance charges		

11. The agreement for a period of 03 years was executed on 13.12.2011 between the Electricity Department, A&N Administration and M/s New Bharat Engineering, Navi Mumbai for Hiring of 5 MW DG Capacity. Copy of the agreement is attached vide **Annexure-5.**
12. The Hon'ble Commission in the order dated 07.10.2013 directed the petitioner to submit the following information:-
- (i) How many DG sets are installed in the Territory of A&N Island by petitioner?
A total of **170 DG sets** are installed in A&N Island by Government & Private sector detailed in **Annexure - 6.**
- (ii) Proposal of installation of how many DG sets is under consideration of the petitioner?

The petitioner has proposed to install the following DG capacity in different islands as detailed below:-

Sl.No	Location / District	MW	Remarks
(a)	Mayabunder, North & Middle Andaman	2.00	By Hiring Power Plants from Private Sector.
(b)	Kadamtala, North & Middle Andaman	1.00	
(c)	Long Island, North & Middle Andaman	0.75	Govt. Sector
(d)	Neil Island, South Andaman	1.25	
(e)	Havelock, South Andaman	3.00	
(f)	Port Blair, South Andaman	15.00	

(iii) How many DG sets are operational in Territory of A&N Island?

The DG sets listed in Annexure-6 are operational except for the following:-

Sl.No	Power Plant	Capacity non-operational
(a)	20 MW IPP, Bambooflat (SPCL)	5.0 MW
(b)	5 MW Hiring Power Plant (New Bharat Engg.)	3.0 MW
(c)	15 MW Chatham Power House (ED)	2.5 MW

13. It is regretfully admitted that the approval of the Hon'ble Commission could not be obtained at appropriate time due to exigency for hiring of DG sets to deliver 5 MW continuous electric power to reduce/eliminate the ongoing power crisis in and around Port Blair due to frequent failure of D.G. Sets at 20 MW IPP.
14. In view of the above it is prayed that the Hon'ble Commission may kindly condone the lapse and accept the submission.

Prayer:

In view of the above, the petitioner respectfully prays that Hon'ble Commission may:

- Approve the agreement for procurement of power by hiring of 5 MW DG Capacity from the lowest bidder i.e. M/s New Bharat Engineering Works, Plot No. D-30/10, TTC MIDC, Turbhe, Navi Mumbai – 400 705 at the rates as submitted in the petition.
- Condone any inadvertent delay/ omissions/ errors/ shortcomings and EDA&N may please be permitted to add/ change/ modify/ alter this filing and make further submission as may be required at a future date.
- Pass such further and other orders, as the Hon'ble Commission may deem fit and proper, keeping in view the facts and circumstances of the case.

Unquote

The Commission on 13.11.2013 heard the representative of the petitioner. The Commission has gone through the amended petition and accompanied documents and found the petition in line with JERC (Conduct of Business) Regulations, 2009. Therefore the Commission admits the petition.

The Commission heard the representative of the petitioner at length and has gone through the petition and provisions of sections 63 and 86 (1) (b) of EA, 2003 and JERC (Terms and Condition for determination of tariff) Regulations, 2009 carefully and thoroughly.

The Commission found the amended petition and the agreement in line with the sections 63 and 86 (1) (b) of EA, 2003 and JERC (Terms and Condition for determination of tariff) Regulations, 2009. Therefore, the Commission condones delay in filing the petition and approves the agreement.

Sd/-

(S.K.Chaturvedi)

Member

13.11.2013

Chairperson (Vacant)

- * Post of the Chairperson is vacant. As per proviso of Regulation 9 (II) of JERC (Conduct of Business) Regulations, 2009 for review of its own orders "Coram is all Members". Whereas according to provisions of Section 93 of the Electricity Act, 2003 no act or proceedings of the appropriate Commission shall be questioned or invalidated merely on the ground of existence of any vacancy or defect in the Constitution of the appropriate Commission. So the Member only constitute a valid quorum.

Certified Copy


(Anish Garg) 14.11.13

Director (F&L)