

**JOINT ELECTRICITY REGULATORY COMMISSION
(FOR THE STATE OF GOA AND UNION TERRITORIES)
GURUGRAM**

CORAM

Shri Alok Tandon, Chairperson
Smt. Jyoti Prasad, Member (Law)

Petition No.: 154/2025

Date of Hearing: 30.10.2025

Date of Order: 02.12.2025

In the matter of:

Petition under Section 62 and Section 86 (1) (b) of the Electricity Act, 2003, read with Regulation 60 Joint Electricity Regulatory Commission (Conduct Of Business) Regulation 2009 seeking approval of Supplementary Power Purchase Agreement between NTPC Limited and Chandigarh Power Distribution Limited dated 14.08.2025.

And in the matter of:

1. **Chandigarh Power Distribution Limited**
SCO-33-35, 4th Floor, City Centre, Sector 34-A,
Chandigarh -160022, India.

.....Petitioner

And in the matter of:

2. **NTPC limited**
NTPC Bhawan, Scope Complex, 7 Institutional
Area, Lodhi Road, New Delhi – 110003, India

..... Respondent

Present: -

For the Petitioner

1. Ms. Prachi Jain, Head- Regulatory, CPDL
2. Mr. Dushyant Manocha, Advocate, CPDL
3. Ms. Kashish Chhabra, Advocate, CPDL



ORDER

1. The instant Petition has been filed by Petitioner on 03.09.2025 under Section 62 and Section 86(1) (b) and (e) of the Electricity Act, 2003 with following prayers:
 - a. Approve the Supplementary Power Purchase Agreement (“Supplementary PPA”) dated 14.08.2025 entered between the Petitioner and the Respondent, i.e. NTPC Limited (“NTPC”).
2. The Petitioner’s submissions in brief are as under:
 - a. The Petitioner is a distribution licensee in terms of Section 2(17) of the Electricity Act, 2003 having its area of supply in the Union Territory of Chandigarh.
 - b. The Petitioner in the present petition is seeking inter alia the approval of this Hon’ble Commission of the Supplementary Power Purchase Agreement (“Supplementary PPA”) dated 14.08.2025 entered into between the Petitioner and the Respondent, i.e. NTPC Limited (“NTPC”). The Supplementary PPA has been entered into between the parties in pursuance of the directives contained under the Chandigarh Electricity Reforms Scheme, 2025 (“Transfer Scheme”).
 - c. Prior to the coming into force of the Transfer Scheme, the Electricity Wing of the Engineering Department of the Administration of Union Territory of Chandigarh (“Electricity Department”) was carrying out the functions of purchasing, distribution and retail supply of electricity in the Union Territory of Chandigarh.
 - d. In order to discharge its functions of inter alia distribution of electricity, the Electricity Department entered into power purchase agreements with various generators, including NTPC.
 - e. That on 31.01.1994, the Electricity Department along with certain other Bulk Power customers, jointly entered into a Bulk Power Supply Agreement with NTPC (“BPSA”) for purchasing power from the following power stations of NTPC on terms and conditions set out therein:



Power Station	Capacity
Singrauli Super Thermal Power Station	2000 MW
Rihand Super Thermal Power Station Stage-1, Dadri	1000 MW
National Capital Thermal Power Station Stage-1	840 MW
Feroze Gandhi Uchahar Thermal Power Station Stage-1	420 MW
Anta Gas Power Station	419.33 MW
Auraiya Gas Power Station	663.36 MW
Dadri Gas Power Station	829.78 MW

- f. Subsequent thereto, the Electricity Department entered onto other power purchase agreements with NTPC to purchase power from the following power station:

Power Stations	Capacity	Date of signing the Power Purchase Agreement
Rihand-II	1000 MW	26.04.1999
Uchahar-II	420 MW	26.04.1999
Koldam	800 MW	22.04.2002
Unchahar-III	210 MW	29.11.2002
Kahalgaon-II	1500 MW	29.11.2002
Rihand-III	1320 MW	10.10.2008
Tanda-II	1320 MW	08.12.2010
Tapovan Vishnugarh	520 MW	08.12.2010
Singrauli-III	500 MW	08.12.2010
Lata Tapovan	171 MW	16.12.2010
Unchahar-IV	500 MW	08.05.2012

- g. Further, on 07.03.2013, the Electricity Department entered into a supplementary agreement for allocation to the Union Territory of Chandigarh power from NTPC's unallocated quota.



- h. That on 08.10.2020, Ministry of Power, Government of India (“MOP”) vide Letter No. 42/04/2020-RE (E-253157) inter alia recommended corporatization of the Electricity Department, i.e. distribution of electricity and retail supply of power in the Union Territory of Chandigarh. Pursuant thereto, Petitioner was incorporated as a limited liability company with the registrar of companies on 24.04.2022 by the Administrator of the Union Territory of Chandigarh.
- i. That on 31.01.2025, the Engineering Department of the Chandigarh Administration, vide Notification No. G1/2025/120 notified the transfer scheme to inter alia transfer of the electricity functions together with the assets, liabilities, interests, rights, functions, proceedings and personnel of the Electricity Department to the Petitioner herein. The Issuance of the Transfer Scheme was followed by the issuance of Policy Directions by the Ld. Administrator of the Union Territory of Chandigarh on 07.02.2025.
- j. In terms of the Part F (ii) of the Transfer Scheme, as stipulated below:

“The Petitioner is obligated to honour all existing power purchase agreements (Hydro, Solar, Thermal, Nuclear, Wind, etc.) of EWEDC until their expiry/completion.”

A similar provision has been made under Schedule B (Assets, Proceedings and Liabilities Transferred to the Company) of the Transfer Scheme for reassigning of the said existing power purchase agreements.

- k. In light of the above mandate of the Transfer Scheme, the Petitioner and NTPC engaged into correspondence to effectuate the above change in the existing power purchase agreements of NTPC with the Electricity Department.
- l. The petitioner submitted that NTPC had formally requested execution of the Supplementary PPA, whereby the Petitioner would be substituted as the purchaser in place of the erstwhile electricity Department under respective existing PPAs. In the same communication, the Petitioner also conveyed its willingness to execute the Supplementary PPA with NTPC on 14.08.2025.



- m. In view thereof, the parties entered into the Supplementary PPA recognising the transfer of the existing power purchase agreements to the petitioner. In this regard, the following clause (a) of the Supplementary PPA may usefully be referred to:

“.....

a) **Recognition of Change:** *The parties acknowledge and agrees that the rights, duties, and obligations of the Electricity Department under the Power Purchase Agreements have been transferred to CPDL pursuant to the Transfer Scheme. Accordingly, CPDL is now the party to the Power Purchase Agreements in place of the Electricity Department.*”

- n. It is submitted that the Petitioner has inherited the earlier power purchase agreements with NTPC pursuant to the Transfer Scheme. It is further submitted that in line with the mandate of the Transfer Scheme, the petitioner has merely replaced the Electricity Department in the said power purchase agreements, keeping all other terms and conditions the same as before. Clause (c) of the Supplementary PPA supports this view and reads as under:

“...

c) **No other Amendments:** *Except as expressly provided in this agreement, all other terms and conditions of the Power Purchase Agreements shall remain unchanged and in full force and effect.*”

- o. The Petitioner further submits that the Petitioner has adopted and affirms the contents of the earlier power purchase agreements entered between NTPC and the Electricity Department and confirms to be bound by the same. In this regard, Clause (b) may usefully be referred to which reads as under:

“...

b) **Binding Effect:** *All the terms, conditions, covenants, and provisions of the Power Purchase Agreements shall remain intact and binding upon CPDL as they were on the Electricity Department. CPDL agrees to comply with and be bound by all the terms and conditions of the PPAs as if it were an original party thereto.*”

- p. In terms of the above facts and circumstances, the Chandigarh Power Distribution Limited and NTPC Limited are seeking approval of this Hon'ble Commission in terms of Section 62 and Section 86 (1)(b) of the Electricity Act 2003.

3. The petition was heard on 30.09.2025. The Commission after hearing admitted the Petition. The Commission directed the Respondent (NTPC Limited) to submit their reply on an affidavit within three weeks. The Respondent, NTPC's submission dated 10.10.2025 is as under:



- a). The Respondent states that it had entered into various PPAs (Power Purchase Agreements) with the Electricity Wing of Engineering Department of the Administration of Union Territory of Chandigarh ("Electricity Department"). Thereafter, subsequent to the coming into force of the Chandigarh Electricity Reforms Transfer Scheme, 2025 ("Transfer Scheme") with effect from 01.02.2025, the Petitioner (CPDL) has taken over the control and management of the erstwhile Electricity Department including the power purchase agreements of the Electricity Department.
- b) In view thereof, the Supplementary Power Purchase Agreement has been entered into between the Petitioner and NTPC formally recognising the Petitioner as a party to the aforesaid existing PPAs.
- c). In light of the above, the Respondent stated that it has no objection and accords its consent to the Petition filed by the Petitioner seeking approval of the Supplementary PPA executed between NTPC and the Petitioner for effectuating the change brought about by the Transfer Scheme. It is clarified that except formally recognising the Petitioner as a party to the PPAs detailed in the Supplementary PPAs, all other terms and conditions of the earlier PPAs remain the same.
- d). The Respondent, further submits that the Petitioner (i.e. CPDL) vide its letter dated 24.06.2025, has committed to sign the Escrow agreement by March 2026 and till such time to open 210% LC by September 2025 to meet the requirement of Payment Security Mechanism as per PPAs signed with EWEDC to which CPDL is now a party after Transfer Scheme since 01.02.2025. However, as per CPDL's another letter dated 03.10.2025, CPDL has opened 125% LC and has committed to open 210% LC by 15.11.2025. In view thereof, the timelines as per above i.e opening of 210% LC by 15.11.2025 and signing of Escrow agreement with NTPC by March 2026 must be adhered to by CPDL.
- e). Therefore, the Respondent prays before this Hon'ble Commission to allow the present Petition and consequently, approve the Supplementary PPA dated 14.08.2025 executed between the Petitioner and the Respondent and direct the



Petitioner to adhere to the above timelines as committed by CPDL as per above letters dated 24.06.2025 and 03.10.2025.

Analysis and Decision

4. It is observed that BPSA (Bulk Power Supply Agreement) was executed between EWEDC (erstwhile Distribution Company) and NTPC on 31.01.1994 for purchase of power from various power stations of NTPC. Subsequently, EWEDC entered into other power purchase agreements with NTPC to purchase power from different stations. The details of BPSA executed between erstwhile EWEDC and NTPC have been set out in para 3 (c) & (d) of the petition and copy of the agreements have been annexed in the instant petition. Thereafter on 07.03.2013, the EWEDC entered into a supplementary agreement for allocation of power to the Union Territory of Chandigarh from NTPC's unallocated quota of Government of India where there is no firm allocation at the time of signing agreement from existing generating stations.
5. On 31.01.2025, the Administrator, Union Territory, Chandigarh, vide Notification No. G1/2025/120 notified the transfer scheme inter alia transfer of the electricity functions together with the assets, liabilities, interests, rights, functions, proceedings and personnel of the Electricity Department to the CPDL. The Issuance of the Transfer Scheme was followed by the issuance of Policy Directions by the Administrator of the Union Territory of Chandigarh on 07.02.2025.
6. Further, Schedule "B" of the Transfer Scheme specifies that the company shall be vested with and shall comprise of Assets, Liabilities and Proceedings concerning electricity distribution and retail supply activities of EWEDC forming part of the opening Balance Sheet and the same shall consist of:

"

II. Power Purchase Agreements/Transmission Agreements:

- a. *All existing PPAs as on Transfer Date.*
- b. *Transmission Service Agreements/Wheeling Agreements/Bulk Power Transmission Agreements and other agreements with transmission licensees/CTU/STU etc as on Transfer Date."*



7. Further the Part F (ii) of the aforesaid Transfer Scheme mandated the Petitioner to honour all existing Power Purchase Agreements of EWEDC until their expiry/completion, which is reproduced below:

“.....

The Company is obligated to honour all existing Power Purchase Agreements (Hydro, Solar, Thermal, Nuclear, Wind, etc.) of EWEDC until their expiry/completion...”

8. In view of above mandate of the Transfer Scheme, the Petitioner and NTPC entered into a Supplementary Power Purchase Agreement on 14.08.2025, whereby the Petitioner has been substituted as the purchaser in place of the erstwhile EWEDC under respective existing PPAs. Except the above changes all other terms and conditions of the existing agreements are unaltered. The Respondent also conveyed its willingness to execute the Supplementary PPA and accordingly both parties have signed the Supplementary PPA on 14.08.2025 with the existing terms and conditions.
9. Considering the above, the Commission approves the Supplementary Power Purchase Agreement (“Supplementary PPA”) dated 14.08.2025 entered between the Petitioner and the Respondent, i.e. NTPC Limited (“NTPC”).
10. The instant petition is disposed of accordingly.

Sd/-
Jyoti Prasad
Member (Law)

Sd/-
Alok Tandon
Chairperson

Certified Copy

(S.D. Sharma)
Secretary I/c



Place: Gurugram, Haryana
Date: 02,December,2025.