

BEFORE THE HON'BLE ANDHRA PRADESH ELECTRICITY REGULATORY
COMMISSION :: 11-4-660, 4th Floor, Singareni Bhavan, Red Hills
Hyderabad – 500 004.

O.P.No. 42 of 2019

In the matter of: To reconsider the fixation of Variable Cost on pass through basis instead of variable rate of Rs. 2.91/ per unit cost in respect of M/s Srivathsa Power Projects Pvt Limited -Reg

Between:

M/s. Srivathsa Power Projects Private Ltd.,
Regd. Office: G-2, Concorde Apts.,
6-3-658, Somajiguda, Hyderabad- 500 082

...Applicant

AND

Eastern Power Distribution Company of Andhra Pradesh Ltd (APEPDCL)
P & T Colony, Seethammadhara
Visakhapatnam-530 020.

...Respondent

Application filed U/Sec.86(1) (b) of Electricity Act-2003 read with Clause (55) of APERC conduct of Business Regulations

The Petitioner respectfully submits as under:

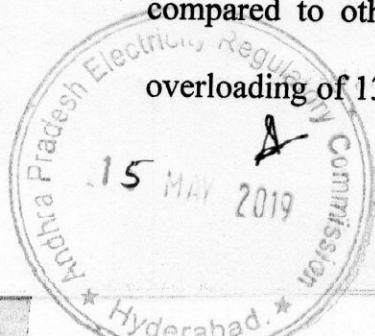
1. At the outset, that the applicant Company was accorded approval for setting up of mini power plant by the Government of Andhra Pradesh with the installed capacity of 17.202 MW with natural gas as fuel at Sivakodu Village, Razole Talaq, East Godavari District and initially had entered into a Power Purchase Agreement (PPA) dated 21.06.2004 with the Respondent duly approved by this Hon'ble Commission vide consent dated 04.08.2002. The said agreement was effective for 15 years from the date of commercial operation i.e. 01.04.2003 and expired on 31.03.2018. At present, the renewal of the agreement is still under process.

2. It is submitted that the Respondent approached this Hon'ble Commission seeking permission to purchase power from the Applicant as it was comparatively cheaper compared to other State/Central Sector plants and to avoid local load reliefs due to overloading of 132 KV local lines, it was proposed to continue to procure power from the

For Srivathsa Power Projects Limited

[Signature]

Managing Director



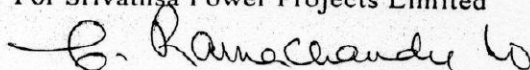
Applicant plant till the end of FY 2018-19. The tentative price of power from the applicant worked out at Rs. 3.393/Kwh.

3. I submit, that this Hon'ble Commission had ruled in its order dated 01.09.2018 in I.A. No. 23 of 2018 in O.P No. 60 & 61 of 2017 that "*considering that the agreed tariff is on the lower side and as the proposal is economical and is in the interest of the consumers, the applicant's (respondent herein) request to procure power from the respondent at Rs. 3.393/KWh being the tentative price (with interim fixed cost of Rs. 0.483/KWh and variable cost of gas price as pass through) is accepted.* In the result of the said order this Hon'ble Commission had permitted the respondent herein to procure the power from the applicant as per its direction for the financial year 2018-19.

4. While, so, the applicant was dismayed to go through the order on Tariff for Retail Sale of Electricity for the year 2019-20 passed by this Hon'ble commission dated 22.02.2019, fixing the variable cost with respect to the Applicant at Rs. 2.91/per kwh as against the actual variable cost pass through. Since, the gas price is fixed and controlled by MOPNG, the applicant has to follow the said rate fixed by the ministry. The rate fixed by the Hon'ble Commission is way below the said rate which would be detrimental to the Applicant. It is submitted that the very term variable cost denotes that the price under the said component would be dependent upon external factors, which would not be in the control of the applicant or the respondent. As such, fixing the price for variable cost would be detrimental to the applicant.

5. I submit that even at a variable rate (consists of natural gas and lubricant oils) of Rs. 3.50/kwh, per cost of energy from out the applicant is around Rs. 4.00/kwh (fixed +variable rates) and despite the applicant being one of the cheapest sources of power compared against many state/central sector plants, the impugned rate of 2.91 is not financially viable, given the circumstances of the changing values/rates in the said sector. It is also pertinent to mention at this juncture that the above mentioned PPA postulated that the variable cost is a pass through, so also the Order passed by Hon'ble Commission for the year 2018-2019.

For Srivathsa Power Projects Limited

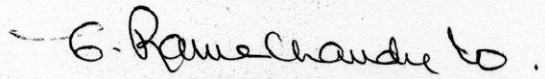


Managing Director

6. It is submitted that the Applicant is already reeling under financial pressures in the present scheme of things and any further variation in the prices/unit would only make the project itself unviable and as such, would not be in a position to sustain the unit. In the aforesaid circumstances, the Petitioner having no other option filed the present application praying this Hon'ble Commission to direct the Respondents to pay Variable Cost as a pass through corresponding to the increase/decrease in cost of fuel from time to time. This Petition has been filed for the limited purpose as prayed herein.

For the reasons stated above, the Petitioner humbly prays that this Hon'ble Commission may be pleased to direct the Respondents to pay Variable Cost on pass through basis corresponding to the increase/decrease in cost of fuel from time to time for the exported units from the generating station of the petitioner and pass such other order or orders as this Hon'ble Commission may deem fit and proper in the interest of justice.

For Srivathsa Power Projects Limited


Managing Director

Hyderabad

06.05.2019

for M/S SRIVATHSA POWER PROJECTS PVT LIMITED

EXTRACTS OF THE MINUTES OF THE MEETING (03/2018-19) OF THE BOARD OF DIRECTORS OF M/S.SRIVATHSAPOWER PROJECTS PRIVATE LIMITED HELD ON THURSDAY THE 30th NOVEMBER, 2018 AT 11.30 A.M AT THE REGISTERED OFFICE OF THE COMPANY AT G-2, CONCORDE APARTMENTS, 6-3-658, SOMAJIGUDA, HYDERABAD 500 082.

Re-appointment of Sri C.Ramachandra Rao, as Managing Director and fixing of remuneration.

Board noted that the tenure of Sri C. Ramachandra Rao, Managing Director of the company will expire on 30.11.2018. After considering the growth plans and future projections of the company, it is proposed to reappoint Sri C. Ramachandra Rao as Managing Director of the Company for further period of 2 Years with effect from 01.12.2018 with remuneration of Rs.75,000/- pm., the Board after due discussion concluded to re appoint Sri C. Ramachandra Rao, as managing director of the company under section 196 of the companies Act, 2013. Hence the following resolution has been passed.

"RESOLVED THAT pursuant to Sec.196 of the Companies Act, 2013 and all other applicable provisions and relevant Rules applicable, if any, of the said Act including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the consent of the Board be and is hereby accorded for the reappointment of Sri C. Ramachandra Rao, as Managing Director of the Company for further period of 2 Years with effect from 01.12.2018 with remuneration of Rs.75,000/- pm."

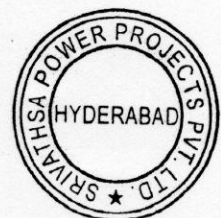
"RESOLVED FURTHER THAT the duties of **Managing Director** shall be the overall supervision of the company, regularly reporting to Board on the activities and perform all other duties that the Board may delegate to him from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to file necessary forms with the Registrar of Companies and to take such steps expedient or desirable to give effect to this resolution."

**//CERTIFIED TRUE COPY//
FOR SRIVATHSA POWER PROJECTS PRIVATE LIMITED**

C. Ramachandra Rao

**C.RAMACHANDRA RAO
MANAGING DIRECTOR
(DIN:00026010)**



BEFORE THE HON'BLE ANDHRA PRADESH ELECTRICITY REGULATORY
COMMISSION :: 11-4-660, 4th Floor, Singareni Bhavan, Red Hills
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In the matter of M/S SRIVATHSA POWER PROJECTS PRIVATE LIMITED

**AFFIDAVIT OF APPLICANT VERIFYING THE APPLICATION ACCOMPANYING
FILING AS PER TERMS AND CONDITIONS OF TARIFF FOR WHEELING AND
RETAILS SALE OF ELECTRICITY.**

I C.Ramachandra Rao S/o. Late. C.V.Ramana Rao aged 67 years, Occ: Managing Director of M/s Srivathsa Power Projects Private Limited, R/o. Hyderabad do solemnly and state as follows:.

1. I am the Managing Director of the applicant and as such I am well acquainted with the facts of the case. I am authoised vide board resolution dated 30th November, 2018 to represent the company in the above said matter.

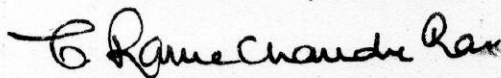
2. That the accompanying application has been drafted under my instructions and contents of the same are true and correct to the best of my knowledge and as verified from the records, and information and advice. Nothing material has been concealed there from.

I submit that for the reasons, and facts sated in the appended application, this applicant prays that the Hon'ble Commission may be pleased to :

a) direct the Respondents to pay Variable Cost on pass through basis corresponding to the increase/decrease in cost of fuel from time to time for the exported units from the generating station of the petitioner and

b) pass such other order or orders as this Hon'ble Commission may deem fit and proper in the interest of justice.

For Srivathsa Power Projects Pvt. Ltd.



Managing Director

VERIFICATION

I, the above named deponent solemnly affirm that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from. On this the ____ day of May, 2019 at Hyderabad.

For V. Bhaskara Rao & Co.
Company Secretaries

V. B.

Solemnly affirm and signed before me

V. Bhaskara Rao

Proprietor

F.C.S.No.5939, C.P.No.4182

For Srivathsa Power Projects Pvt. Ltd.

G. Ramesh Chandra Rao

Deponent

Managing Director

