

**Before the  
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION  
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005.  
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**Case No. 105 of 2012**

**Dated: 30 July 2013**

**CORAM: Shri. V. P. Raja, Chairman  
Smt. Chandra Iyengar, Member**

**In the matter of:**

**M/s. Lanco Teesta Hydro Power Pvt. Ltd. ... Petitioner**

**V/S**

**MSEDCL ...Respondent**

Advocate/ Representative for the Petitioner: Shri. J.J. Bhatt, (Sr. Adv.)  
Ramanuj Kumar, (Adv.)  
Shri. Gyan Bhadra Kumar

Advocate/ Representative for the Respondent: Ms. Deepa Chavan, (Adv).

**Daily Order**

Heard the Advocates / Representatives of Petitioner and Respondent.

The Petitioner has submitted an amended Petition and handed over additional copy of same to the Respondent in open court. Both Petitioner and Respondent have also submitted the replies to the six queries raised by the Commission in its daily Order of 2 July 2013.

After broad hearing on the big picture, following issues have arisen.

1. There is need for clarity as to whether the jurisdiction to decide such an issue will lie with CERC or MERC.
2. Around 2006, when the PPA was signed, the conscious option was exercised by MSEDCL and agreed too by Petitioner namely Lanco Teesta Hydro Power Pvt Ltd. to

go in for single part tariff based on the relevant CERC Tariff Regulations rather than for two Part tariff as envisaged in the relevant MERC Tariff Regulations. The basic difference between these two options comes from the fact that under the option of single part tariff no capacity charge is payable and the risk involved with fixed cost of the project are born by the project developer.

The Current Petition is based on the premise of the Petitioner that the risk that is encountered were far in excess of what could have been reasonably envisaged. Because of this, according to the Petitioner at the current tariff of Rs. 2.32 /unit, the net worth of the project proponent would get completely eroded in approx. four years after CoD.

Vide letter dated 28 June 2013, MSEDCL had stated that, they are keen to procure 500 MW power from Teesta Hydro Project from Sikkim as per the terms of the PPA. This means the issue between the two parties that remains now is the issue of viability of Tariff indicated in the PPA. This needs to be mutually discussed between the two parties, so that an agreed solution can be found to the commercial terms. Hence the Commission wishes to direct the two parties to sit together and make an attempt to settle the matter among themselves and thereafter obtain the approval at the level at which approvals were taken in the Year 2006.

**The next hearing in the matter is scheduled on Monday, 02 September at 11.00 AM.**

Sd/-

(Chandra Iyengar)  
Member

Sd/-

(V. P. Raja)  
Chairman