

**IN THE JHARKHAND STATE ELECTRICITY REGULATORY
COMMISSION AT RANCHI**

Case No. 17 of 2025

Jharkhand Bijli Vitran Nigam Limited (JBVNL).....Petitioner

CORAM: HON'BLE MR. MAHENDRA PRASAD, MEMBER (LAW)
HON'BLE MR. ATUL KUMAR, MEMBER (TECHNICAL)

For the Petitioner : Mr. Ravishankar Kumar, Sr. Manager (PP),
JBVNL

Date – 11th July, 2025

1. The instant Petition has been filed by the Petitioner-Jharkhand Bijli Vitran Nigam Limited (JBVNL) under section 86(1)(b) of the Electricity Act 2003 for approval of Power Purchase Agreement between JBVNL and PTC India Limited for the purchase of 9.437 MW of power from Mangdechhu Hydro Power station (MHP) in Bhutan.
2. The Prayers of the petitioner-JBVNL are as under: -
 - (i) To admit the Petition for approval of PPA between JBVNL and PTC for 9.436 MW power or as amended from Mangdechhu HPS in Bhutan as per allocation order issued by ERPC.
 - (ii) To pass such other order(s) as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

The factual matrix of the case as submitted by the petitioner may be appreciated in the following manner:

Submission of the Petitioner

3. The representative of the petitioner submitted that Government of India (GoI) and Royal Government of Bhutan by the agreement dated 30.04.2010 have inter alia agreed to sell the surplus power available from the Mangdechhu to the Government of India and the GoI agreed to purchase all the surplus power from MHP. The aforesaid agreement was signed on 23.04.2019 between GoI and the Royal Government of Bhutan, in which the tariff has been determined for purchasing of power for 35 years @ INR 4.12-6.35 per unit along with trading

margin charge of PTC @0.07 paisa per unit.

4. It was submitted that GoI has designated PTC India Limited as a Nodal Agency for transfer of power generated by Mangdechhu HPS.
5. It was apprised that ERPC vide letter No. 1456 dated 15.02.2023 has intimated that reallocation of power of Central Generating Stations of Eastern Region and Bhutan HPS upon allocation of unallocated power among ER beneficiaries from Eastern Region has been done as per the directives of CEA and Ministry of Power. In the aforesaid letter, it was mentioned that beneficiaries are required to sign/extend PPA and enter into commercial arrangements/maintain LC with the allocated power.
6. It was pointed out that JBVNL was availing 4.504 MW i.e. 0.625506% from Mangdechhu HPS since February 2023 and after that the allocation for Jharkhand w.e.f. 01.07.2024 from Mangdechhu HPS to 1.310664% (9.437 MW).
7. It was submitted that PTC India Limited is currently raising Bill for Supply of power from Mangdechhu HPS to JBVNL at a rate of Rs. 4.61 per kWh including trading margin of Rs. 0.07 /kWh.
8. It was also submitted that an agreement dated 30.08.2019 was executed between PTC India Limited and North Bihar distribution Company Limited, South Bihar Power Distribution Company Limited, West Bengal State Electricity Limited, GRIDCO Limited & Assam Power Distribution Company Limited for procurement of power from Mangdechhu HPS.
9. The representative of the petitioner submitted that the present PPA along with the tariff is on the same terms and conditions and tariff as scheduled between PTC and North Bihar Power Distribution Company Limited, South Bihar Power Distribution Company Limited, West Bengal State Electricity Limited, GRIDCO Limited & Assam Power Distribution Company Limited. He further stated that the tariff for the entire energy at the Delivery Point shall be Rs. 4.12 per kWh with effect from the date of commercial operation of generating unit(s) of Mangdechhu HPS as per REA issued by ERPC and the tariff discovered shall be increased by 10% every five years (6th, 11th, and 16th years from the date of commercial operation of project). Thereafter, the tariff will be increased at 5% for every subsequent five years (21st, 26th & 31st years from the date of commercial operation of project).
10. The representative of the petitioner JBVNL further submitted that in addition to the above mentioned tariff, PTC shall be charging a transaction/trading margin of 7 paise/kWh from the bulk power customer(s).

Commission’s Observations and findings

- 11. The Commission has considered the submissions made by the petitioner and perused the materials available on records.
- 12. Under section 86(1)(b) of the Electricity Act, 2003, the State Commission has the responsibility to regulate the electricity purchase and procurement process of distribution licensees. The relevant Section of the Electricity Act, 2003 reads as under:-

“Section 86 Function of State Commission:- (1) The State Commission shall discharge the following functions, namely:-

(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;

.....

- 13. It is evident from the above that under section 86(1)(b) of the Act, the distribution licensee is obligated to get the Power Purchase Agreement, approved by the Commission.
- 14. It is observed that re-allocation of power for Mangdechhu HEP was done as per the directives of CEA and Ministry of Power. After the reallocation, JBVNL got 9.437 MW power at a rate of 4.12 per unit.
- 15. The Commission also observes that the applicable tariff shall be increased by 10% every five years from the date of commercial operation of project and thereafter the tariff will be increased at 5% for every subsequent five years. Additionally, PTC shall be charging a transaction/trading margin of 7 paise/kWh.

C O N C L U S I O N

- 16. Considering the facts and circumstances of the case as discussed herein above, the prayer of the petitioners are hereby allowed. The Commission hereby approves the PPA for procurement of 9.437 MW of power from Mangdechhu Hydro Power station (MHP) in Bhutan.
- 17. The petition stands disposed off, accordingly.

Sd/-
Member (Tech.)

Sd/-
Member (Law)