HIGH COURT OF ANDHRA PRADESH

MAIN CASE No:W.P.No.18071 of 2021

PROCEEDING SHEET

S1. No.	DATE	ORDER	OFFICE NOTE.
01	25.08.2021	AVSS, J	
		According to the petitioner, it is a	
		company incorporated under the Companies	
		Act, 2013 and is engaged in the business of	
		generation of wind energy at Burgula, Kurnool	
		District. It is submitted that APSPDCL-first	
		respondent herein applied for approval of PPA,	
		dated 12.02.2014, and the APERC-second	
		respondent herein accorded consent under	
		Section 21 (4) (b) of the A.P.Electricity Reform	
		Act, 1998 r/w Section 86 of the Electricity Act,	
		2003 <i>vide</i> letter bearing No.E-897/Dir-	
		Engg/JD(PPP)/D.No.975/2013-01, dated	
		03.12.2013, subject to the PPA being revised	
		in consistent with the observations made	
		thereunder.	
		According to the learned counsel for the	
		petitioner, Clauses ii & xiv are only the	
		cosmetic changes suggested by the APERC. By	
		way of a letter bearing No.CGM/Comml &	
		RA)/SE(IPC)/F.Mylrah/D.No.6192/13, dated	
		21.02.2014, first respondent herein submitted	
		the Final Power Purchase Agreement. The	
		penultimate and the last paragraphs of the	
		said letter read as under:	
		"Accordingly, Final Power	
		Purchase Agreement was entered with	

M/s Mylrah Vayu (Krishna) Private Limited on 12.02.2014 duly modifying the existing PPA as per the certain observations of Hon'ble APERC vide reference third cited and is submitted herewith for record. The copy of the PPA and modifications carried out to the existing PPA is enclosed as Annexure 'A'.

Further certain observations of APERC are noted by future guidance for incorporating in the upcoming PPA and certain observations of APERC for which changes are not required as per the opinion of APCPDCL like clarifications etc., are herewith enclosed as Annexure 'B' & 'C' respectively".

Thereafter, *vide* letter bearing No.E-897/Dir-Engg/JD(PPP)/D.No.623/2014-02, dated 11.06.2014, the APERC informed the first respondent in the following manner:

"Subsequently the matter was discussed by the Commission in a meeting scheduled on 03.05.2014 with APCPDCL and APPCC officials. The following are the decisions of the Commission:

- i) The time of 45 days given by the Commission vide letter, dated 03.12.2013 at reference 2nd cited for submitting the revised PPA, stands extended upto 12.02.2014 pursuant to the request of APCPDCL vide letter 3rd cited.
- ii) All other commitments/assurances given in the letter dated 21.02.2014, other than the issues explicitly dealt with herein, need to be adhered to by the DISCOMs.

- iii) The PPA dated 12.02.2014 is to be amended keeping in view the following observations of the Commission and the amendments to be submitted within 45 days from the date of issue of this letter failing which the consent already granted vide letter 2nd cited will be deemed to have been withdrawn.
 - a) "Interest at SBI's base rate plus one percent" may be applied instead of "Interest at existing nationalized bank rate (Prime Lending Rate)". Consequential changes may also be made.
 - b) Article 4: If NEDCAP cancellation is to be an event of default of the PPA, it should be specifically mentioned in Article 9 rather than under Article 4.
 - c) Necessary changes may be made recognizing change of jurisdiction from APCPDCL to APSPDCL, due to the bifurcation of States.

Vide letter bearing No.APSPDCL/ TPT/CGM/O&M/GM/IPC/EE/F325/D.No.142 1/20.dt.17.12.2020, dated 17.12.2020, the Chief General Manager of the first respondent herein requested the petitioner herein to depute their authorized representative to the corporate office of the APSPDCL to carry out the amendments to PPA, dated 12.02.2014, as directed by the second respondent vide letter dated 11.06.2014. Subsequently, by way of a No.APSPDCL/TPT/GM/IPC/ bearing letter F.325/D.No.42/21, dated 19.01.2021, Chief General Manager of APSPDCL-first respondent herein requested the second respondent to accord permission for executing amendments for the the PPA, dated 12.02.2014, while requesting the APERC to condone the delay in incorporating amendments.

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Now. of impugned way the Memo bearing No.APSPDCL/TPT/CGM /O&M/GM/IPC/EE/FMemo/D.No.758/21, dated 21.08.2021, the Chief General Manager requested of the first respondent Superintending Engineer/Operation, Kurnool to arrange to disconnect the generator at the interconnection and point to report compliance, while referring to communication said to have been received from the second respondent-APERC to the effect that the approval of PPA granted in favour of the petitioner herein stood withdrawn.

According to the learned counsel for the petitioner, the said action on the part of the respondent herein is a patent transgression of the Fundamental Rights guaranteed to the petitioner herein under Articles 14 and 19 (1) (g) of the Constitution of India and also a patent violation of the principles of natural justice. In elaboration, it is further contended by Sri Avinash Desai, learned counsel, that, without being preceded by notice and opportunity of hearing to the petitioner herein, the impugned action came to be resorted. It is

the further submission of the learned counsel that the obligation to secure the consent rests on the first respondent-DISCOM as per the provisions of Section 21 (4) (b) of the A.P.Electricity Reforms Act and for the fault, if any, on the part of the first respondent, petitioner herein, who invested Crores of money, cannot be penalized. At the request of the learned Standing Counsel, post on 26.08.2021 in the Motion List.

AVSS,J