

No. N/107/18

**BEFORE THE HON'BLE KARNATAKA ELECTRICITY REGULATORY COMMISSION
No.16C-1, Miller Tank Bed Area, Vasanth Nagar, Bengaluru -560 052**

Dated: 30th July 2019

Present:

Sri Shambhu Dayal Meena	.. Chairman
Sri H.M.Manjunatha	.. Member
Sri M.D.Ravi	.. Member

O.P.No. 50/2018

BETWEEN:

VRL Logistics Limited
Corporate Office Giriraj Annexe
Circuit House Road
Hubballi-580029
(Represented by Sri Vishwanath R Hegde, Advocate)

.....**PETITIONER**

AND:

Hubli Electricity Supply Company Limited
Corporate Office
Navanagar, P.B. Road
Hubballi-580025
(Represented by Sri Shahbaaz Hussain, Advocate)

.....**RESPONDENT**

ORDER

1. This is a petition under section 86(1) (f) of the Electricity Act, 2003 praying to direct the Respondent to pay Rs. 68,92,159/- towards interest on delayed payments of tariff invoices during the period from January 2016 to December 2016 and Rs. 5,00,000/- as compensation/damages for breach of contract.
2. The Petitioner, a Public Limited Company has installed 34 Wind Turbine Generators (WTGs) with a generation capacity of 42.5 MW at

Kappatgudda, Keluru Village in Mundaragi Taluk, Gadag district and has entered into six Power Purchase Agreements (PPAs) with the Respondent for sale of power.

3. It is stated by the Petitioner that it had regularly raised monthly invoices for the delivered energy and during the period from January 2016 to December 2016, the Respondent defaulted by not making payment of the invoices within the 15 days' period specified in Article 6.2 of the PPA and consequently became liable to pay interest as per Article 6.3 of the PPA. Hence, the Petitioner, in its letter dated 21.08.2017 claimed Rs. 68,92,159/- towards interest on delayed payments for the delay in payment of invoices from January 2016 to December 2016. As no action was taken by the Respondent to pay the interest, filed this petition.
4. Upon issuance of Notice, the Respondent, appeared through its Counsel and filed the Statement of Objections stating that the payment of some of the invoices of the Petitioner were delayed due to shortage of funds but the same was unintentional. As the delay was beyond its control and inadvertent, the Respondent has stated that it is not liable to pay the compensation claimed by the petitioner for breach of the contract. However, the Respondent has admitted that interest will be paid, as per the terms of the PPA and that as per its statement of accounts, Rs. 64,54,914/- is payable towards interest.
5. During the hearing of the petition on 23.07.2019, the Counsel for petitioner filed a memo, which reads as follows:

"The Petitioner in the above case submits that the Respondent has filed its statement of objections dated 25-04-2019 admitting its liability in a sum of Rs. 64,54,914/- to the Petitioner. The Petitioner is ready and willing to receive the said sum in full and final settlement of the claim of the petitioner in the above case. The petitioner prays that appropriate order may be passed directing

immediate payment of the amount in the interest of justice."

6. The Memo is taken on record and the following Order is passed:

The Respondent shall pay Rs. 64,54,914/- towards interest for delayed payment of tariff invoices during the period from January 2016 to December 2016 within a period of one month from the date of this Order, in full satisfaction of the claim made in this petition.

The Petition stands disposed of accordingly.

Sd/-

(SHAMBHU DAYAL MEENA)
CHAIRMAN

Sd/-

(H.M. MANJUNATHA)
MEMBER

Sd/-

(M.D. RAVI)
MEMBER