

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub: Providing supply as per specified minimum daily supply hours.

ORDER

Date of order 09.11.2010

| | |
|------------------------------------|-----------------|
| M.P. Madhya K.V.V.C. Ltd., Bhopal | Respondent No.1 |
| M.P. Paschim K.V.V.C. Ltd., Indore | Respondent No.2 |
| M.P. Poorv K.V.V.C. Ltd., Jabalpur | Respondent No.3 |

During the course of public hearings held in connection with the petitions filed by the Distribution Licensees of the State for determination of ARR and Tariff for the year 2010-11, it was brought to the notice of the Commission that the Distribution Companies were not following the directions of the Commission in respect of providing the supply for minimum hours as indicated in the Tariff Order for the FY 2009-10. The Distribution Licensees of the State were required to maintain minimum average hours of supply during the year as given below:-

| | | |
|--------------------------------|---|--------------|
| (a) Commissionary Head Quarter | - | 22.00 hours. |
| (b) District Head Quarter | - | 19.00 hours |
| (c) Tehsil Head Quarter | - | 14.00 hours |
| (d) Rural Areas | - | 12.00 hours |

(Out of which 3 phase supply for at least 6 hours).

2. The Commission had taken it into cognizance and registered an Suo-Moto Petition in the matter. Accordingly, the notices were issued to the Distribution Licensees of the State, directing them to submit the following information:-

- i. Date-wise details from 1st April 09, onwards till the end of March 2010 indicating supply hours provided to Commissionary HQs, District HQs, Tehsil HQs and Single phase supply to rural areas and three phase supply to rural areas. These details are to be submitted only for the dates on which

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the supply has not been provided as per the specified minimum supply hours mentioned in para 5 above. Detailed reasons for not being able to provide the specified level of supply shall also be submitted.

- ii. Basis of determining/arriving at the data of supply hours for above categories be submitted. It may be clearly mentioned that whether this information is based on supply from grid substation or also include local outages in distribution.
 - iii. The Commission would also like to know the efforts that were made to arrange adequate supply to meet the obligation up to the specified level and why such efforts were not successful.
 - iv. Details of banking of power with other utilities vis-à-vis load shedding done in various areas be submitted date-wise period from 1st April 09 to 31st March 2010. If in case banking of power has been done simultaneously with the load shedding in the State, such details be provided separately also and reasons for same may be explained.
 - v. Details of sale of power other than intra distribution utility sale/exchange/adjustment in the MP State vis-à-vis the load shedding done, be submitted date-wise for the period from 1st April 09 to 31st March 2010 indicating the quantum of power sold and its rate. In case the sale of power and the load shedding has been done simultaneously, than the reasons be explained as to why the sale was resorted to in-spite of shortage of power in the State and forcing the consumers to face the power cut.
3. In response, the Distribution Companies submitted the following information:-
- (I) The average supply hours during the year 2009-10 are given in the following table:-

| S. No. | Particulars | Direction of the Commission | Average supply hours | | |
|--|---------------------------|-----------------------------|----------------------|-------|---------|
| | | | East | West | Central |
| 1. | Commissionary Headquarter | 22.00 hours | 22.46 | 23.00 | 23.01 |
| 2. | District Headquarter | 19.100 hours | 20.32 | 20.47 | 21.03 |
| 3. | Tehsil Headquarter | 14.00 hours | 15.18 | 15.52 | 15.54 |
| 4. | Rural Areas | 12.00 hours* | 12.00 | 11.51 | 12.36 |
| *Out of which minimum 6 hours 3 phase supply to be maintained. | | | | | |
| | 3 phase | 6.00 hours | 7.28 | - | - |

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- (II) The Distribution Companies had submitted that the availability of electricity was less particularly in the months of June 2009, Aug. 2009, Jan. 2010, Feb. 2010 and March 2010 due to the reasons beyond their control. Following reasons were attributed to shortage in supply by the Discoms:-
- i. Grid condition.
 - ii. Shortage of power due to outages of generating lines of M.P. Genco and Central Generating Stations.
 - iii. Low monsoon / deficient monsoon resulting in low hydel availability.
 - iv. Climatic Conditions
- (III) The West Discom had further indicated that the low availability was due to specific reasons of –
- i. Low generation in Satpura Thermal Power Station between May to July, 2009.
 - ii. Delayed and inadequate rains in 2009 resulting in low water level at Gandhisagar, Bansagar and Bargi Thermal Power Stations.
 - iii. Less filling of reservoir upto 260 meters of FRL 262 meters in ISP.
 - iv. Continuance of high demand in the area of West Discom due to availability of ground water in the month of March, 2009 also.
- (IV) With regard to directive indicated in the Paragraph 2(ii) above, the three Distribution Companies of State had indicated that the supply hours as indicated above were based on the supply hours of 33 kV feeders grouped under CHQ, DHQ, THQ and Rural groups and actually fed through grid Sub-Stations.
- (V) With regard to directive indicated at Paragraph 2(iii) above, the three Distribution Companies stated that they had made all efforts to arrange the adequate supply to meet the obligation to supply the electricity to the consumers up to the specified level each day, but limiting the overdrawal from the grid as per discipline specified in Grid Code. The other option for arranging the power through short term purchase could not be exercised comprehensively due to the capping imposed on power purchase rate and uncertainty in the thermal availability.
- (VI) With regard to the directives given at Paragraphs 2(iv) and 2(v) in respect of furnishing the details of banking with other utilities vis-à-vis load shedding done in various areas of the Discoms during the period, the three Distribution Companies of the State submitted date-wise, month-wise details of sale of power and power banking as obtained from SLDC.

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4. Further, as the details of energy banking and energy exchange were not furnished, the Distribution Companies were again directed specifically to furnish the details of energy banking and energy exchange along with the copies of agreement executed for the purpose. In response, the three Distribution Companies submitted details for the whole State of energy banking and exchange for the year 2009-10 along with the copies of LOI/letters issued to various Traders. The information furnished by the Distribution Companies is indicated as below:-

- I. The monthly abstracts of energy banking and exchange during the year is given below –

| S.No. | Month | Total Import | Total Export | Net |
|-------|--------------|----------------|-----------------|---------------|
| 1 | April 09 | 12.576 | -72.546 | -59.970 |
| 2 | May 09 | 25.301 | -78.664 | -53.363 |
| 3 | June 09 | 63.434 | -84.065 | -20.630 |
| 4 | July 09 | 0.000 | -201.941 | -201.941 |
| 5 | Aug. 09 | 0.000 | -244.907 | -244.907 |
| 6 | Sept. 09 | 10.800 | -230.001 | -219.201 |
| 7 | Oct. 09 | 86.407 | -35.319 | 51.088 |
| 8 | Nov. 09 | -3.150 | 220.899 | 217.749 |
| 9 | Dec. 09 | 0.000 | 278.126 | 278.126 |
| 10 | Jan. 10 | -0.185 | 170.160 | 169.975 |
| 11 | Feb. 10 | 0.000 | 123.860 | 123.860 |
| 12 | March 10 | -5.400 | 52.301 | 46.901 |
| | Total | 189.783 | -102.097 | 87.687 |

- II. The list of LOIs/letters issued for energy banking/exchange for the Power Transaction for the period from April 09 to March 10 indicates the source of the power and the name of the trader through which the energy banking/exchange arrangements were executed (total 89 nos.).
- III. The copies of the LOIs and the letters issued for energy banking and exchange to different traders indicates that –
- The trading margin of 4 paise per Kwh was given to traders.
 - The trading margin and other charges such as open access charges etc. were to be born by the importing utilities.
 - There was a provision of monitory settlements of energy for excess/less drawl of returnable energy through a rate given in the letter/LOI separately for each transaction.

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d. The letters/LOI also indicate the condition with regard to period of supply, timing of supply, quantum of supply (in MW and MUs as well), delivery point, scheduling, energy accounting, force major, etc.

5. The scrutiny of information filed by Discoms revealed that :-

(i) As per the provision of Tariff Order for FY 2009-10, i.e., to ensure minimum average supply hours during the year, the Discoms claimed to have maintained to a large extent the average supply hours as per the information obtained from State Load Dispatch Centre by the Discoms. The Table given below indicates the information furnished:-

| S. No. | Particulars | Direction of the Commission | Average supply hours | | |
|--|---------------------------|-----------------------------|----------------------|-------|---------|
| | | | East | West | Central |
| 1. | Commissionary Headquarter | 22.00 hours | 22.46 | 23.00 | 23.01 |
| 2. | District Headquarter | 19.100 hours | 20.32 | 20.47 | 21.03 |
| 3. | Tehsil Headquarter | 14.00 hours | 15.18 | 15.52 | 15.54 |
| 4. | Rural Areas | 12.00 hours* | 12.00 | 11.51 | 12.36 |
| *Out of which minimum 6 hours 3 phase supply to be maintained. | | | | | |
| | 3 phase | 6.00 hours | 7.28 | - | - |

(ii) The supply hours were badly affected in rural areas in June & Aug., 2009 & Jan., Feb. & Mar., 2010 for the reasons beyond their control such as low generation, grid conditions, climatic changes etc.

(iii) The supply hours as indicated above were as per records of SLDC and effect of local load shedding was not taken into account.

(iv) There was no sale during the months of acute shortage i.e. June & Aug., 2009 & Jan., Feb. & Mar., 2010. Only the agreed quantum of returnable energy was returned during the shortage period.

(v) Discoms followed the instruction of State Load Dispatch Centre to control the overdrawal at State Level for meeting the obligation of supplying the power to consumers.

(vi) During the year 2009-10 under the head of energy banking and exchange, total import was of 189.783 MU and export was 102.097 MU, thus leaving a net difference of 87.687 MUs.

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(vii) About 89 Nos. of LOI were issued for energy banking and exchange in FY 2009-2010, wherein:-

- The trading margin of 4 paise per Kwh.
- All charges including trading margin has to be borne by importing utilities.
- The excess/less drawl of returnable energy was to be addressed through a rate indicated in each LOI separately, depending upon the time of exchange of energy.

6. The Commission has considered the issues involved with regard to Commission's Order on average minimum supply hours and the compliance reported thereon by the Distribution Companies and is of the opinion that there was no wilful non-compliance of the directions in the Tariff Order.

The Commission, therefore, decides to close the petition.

Ordered accordingly.

(C.S. Sharma)
Member (Economics)

(K.K. Garg)
Member (Engineering)

(Rakesh Sahni)
Chairman