

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION  
BHOPAL**

**Dated : 15<sup>th</sup> Sept. 2009**

**Sub :- In the matter of proposal of M P Power Generating Company Ltd. for approval for recovery of cost of supply of infirm power from 210 MW Amarkantak Thermal Power Station.**

**Petition No. 41/2009**

**ORDER**  
**(Dated, 15<sup>th</sup> Sept., 2009)**

**PETITIONER M.P. Power Generating Company Ltd, Rampur, Jabalpur.**

**RESPONDENT 1. M.P. Power Trading Company Ltd., Rampur, Jabalpur**

**2. M.P. Poorv Kshetra Vidyut Vitaran Company Ltd.,  
Jabalpur**

**3. MP Madhya Kshetra Vidyut Vitaran Company Ltd.,  
Bhopal**

**4. MP Paschim Kshetra Vidyut Vitaran Company Ltd.,  
Indore**

**5. M.P. Power Transmission Co. Ltd. Jabalpur.**

**6. M.P. State Electricity Board, Rampur, Jabalpur.**

The M.P. Power Generating Co. Ltd. (hereinafter referred to as MPPGCL) had filed the subject petition vide letter dated 24<sup>th</sup> June 2009 for approval of cost of supply of infirm power from its newly synchronized 1x210 MW Unit No.(V) at Amarkantak Thermal Power Station, Chachai. The petitioner has requested the Commission to allow to recover the cost of infirm power as the plant had already been synchronized on 16<sup>th</sup> June 2008. MPPGCL had not deposited the processing fee with the petition. The Commission vide letters No.1648 dated 31<sup>st</sup> July, 2009 and 1810 dated 25<sup>th</sup> August, 2009 directed MPPGCL to deposit the requisite fee in the matter. Since the petitioner has deposited the processing fee on 5<sup>th</sup> September, 2009, the Commission has admitted the petition.

2 The petitioner in its petition has mentioned that the ATPS Extension Unit 5 (210 MW), has been formally synchronized on 16<sup>th</sup> June, 2008. The unit has started generating infirm power w.e.f. 14<sup>th</sup> March, 2009.

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3 Since the ATPS units No. 5 (210 MW) under subject has started generating infirm power from 14<sup>th</sup> March 2009 and the control period of MPERC (Terms & Conditions of Generation Tariff) Regulation, 2005 came to an end on 31<sup>st</sup> March, 2009 and Regulations for new control period have come in force. Therefore, the tariff of infirm power supplied from 14<sup>th</sup> March, 2009 shall be governed by both the Regulations for the respective period of their applicability. MPERC (Terms & Conditions for determination of Generation Tariff) Regulation 2005 was silent on the methodology for deciding rate for supply of infirm power by the generating unit. However, clause 2.4 of the said Regulations provided as under :-

*“The Commission while framing these regulations has been guided by the principles and methodology specified by the Central Commission (CERC) in its order effective from 1.04.2004. . . . .”*

Further, clause 3.8 of the Regulations is also relevant and the same is reproduced below :-

*“Any revenue other than the recovery of fuel cost earned by the generating company from sale of infirm power shall be taken as reduction in capital cost and shall not be treated as revenue.”*

4 In view of the above, it is decided that the recovery of infirm power charges is to be made as per the Regulation/Amendments/Clarification issued by the CERC up to 31<sup>st</sup> March, 2009 and thereafter on the basis of MPERC ( Terms & Conditions of determination of Generation Tariff) Regulation 2009 for the new control period. The specific provisions of the concerned Regulations are reproduced below :-

(i) The amended Regulation 19 notified by CERC and applicable w.e.f. 7<sup>th</sup> January, 2008 provide that :-

*“Sale of Infirm Power :Infirm power shall be accounted as unscheduled interchange and paid from the Regional/State UI pool account at the applicable frequency linked UI rate/any revenues earned by the generating company from the sale of infirm power shall be applied for reduction in capital cost and shall not be treated as revenue”.*

(ii) The CERC vide its clarification issued on 14<sup>th</sup> January, 2009 on the amendments made effective from 7<sup>th</sup> January, 2008 had further clarified that

*“the UI rate for sale of infirm power from coal, lignite and gas fired generating stations has been capped at paise 406 per kWh.”*

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(iii) Regulation 19 of Madhya Pradesh Electricity Regulatory Commission ( Terms and Conditions for determination of Generation Tariff ) Regulations, 2009 (RG-26 (1) of 2009) for the new control period FY09-10 to FY11-12 provides that,  
*“The infirm power shall be accounted as unscheduled interchange (UI) and paid from the Regional/State UI pool account at the applicable frequency linked UI rate”*

*“Provided that any revenue earned by the Generating Company from sale of infirm power after accounting for the fuel expenses shall be applied for reduction in capital cost”.*

5 In view of all the Regulations mentioned above, the Commission directs MPPGCL to raise the bills for infirm power from 14<sup>th</sup> March, 2009 till 31<sup>st</sup> March, 2009 and from 1<sup>st</sup> April, 2009 till COD as per the Regulations as applicable for the concerned period.

6 The petitioner shall file the petition for determination of tariff for firm power based on the MPERC (Terms and Conditions for determination of Generation Tariff) Regulations, 2009.

7 With the above directions, this petition is disposed off.

Sd/-  
**(C. S. Sharma)**  
**Member (Economics)**

Sd/-  
**(K. K. Garg)**  
**Member (Engineering)**

Sd/-  
**(Dr. J. L. Bose)**  
**Chairman**