

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub: In the matter of approval of additional cost recovery on account of supplementary bills raised by the generators during FY2012-13

Order

Date of order: 25.04.2018

- 1 **M.P. Power Management Co. Ltd, Jabalpur (MPPMCL) : Petitioners**
- 2 **M.P. Madhya KVVCL ,Bhopal (Central Discom)**
- 3 **M.P. Poorv KVVCL, Jabalpur (East Discom)**
- 4 **M.P. Paschim KVVCL, Indore (West Discom)**

1. The petitioners have jointly filed the subject petition seeking approval of additional cost recovery on account of supplementary bills raised by the Generators for period prior to FY 2012-13 which was deferred by the Commission during the true up exercise of FY 2012-13 as well as Review Petition filed therein. Subsequently, the petitioners have jointly filed another Petition (P.No.34) in the subject matter which was disposed of by the Commission vide its order dated 28.09.2017 with directions to file a fresh petition in view of the fact that the same was filed by the petitioners without verifying the records /data and also by erroneously considering the superseded orders of the Commission and ignoring the compliance orders those were subsequently issued pursuant to the Hon'ble APTEL's judgment with revised working in the matter.
2. In the instant petition , the petitioners inter-alia have prayed to consider and approve the claim of Rs 999.85 Crore for MP State as per the table below:

Sr. No	Particulars	State	East	Central	West
		Amount in Rs Crore			
1	MPSEB Period ((FY 2000-01 to FY 2004-05)	(1.27)	(0.49)	(0.39)	(0.38)
2	Post MPSEB Period (FY 2005-06 to FY 2011-12)	1001.12	283.36	354.20	363.56
	Total claim	999.85	282.87	353.81	363.18

The petitioners have also requested the Commission that the instant petition has been filed by keeping in abeyance the power purchase cost of Rs. 16.71 Cr. & Rs 216.93 Cr. of M/s Torrent Power for respective years FY 2010-11 & FY 2011-12. These costs will be claimed in the True-up of FY 2013-14 as and when the Commission considers the same.

3. The instant petition has been filed subsequent to the Commission's observations contained in the Commission's orders for true up of ARR for FY 2012-13 passed on 17/03/2016 and also in the order passed on 13/01/2017 in the review petition filed on the aforementioned order of 17th March 2016 with regard to establishment of prudence of the supplementary bills of Rs. 1102.67 Crore of the past years' power purchase by the Commission.

4. The scrutiny of the petition has revealed that the instant claim pertains to the bills submitted by the petitioners belong to the period from FY 2000-01 to FY 2011-12 i.e. MPSEB period claims (FY 2000-01 to FY 2004-05) and Company period claims (FY 2005-06 to FY 2011-12) of the order of Rs. (-) 1.27 Crore and Rs. 1103.94 Crore respectively total amounting to Rs. 1102.67 Crore. The Commission's True-up Orders of past years have already attained the finality and the amount of Rs. 1102.67 Crore has figured in the audited accounts for FY 2012-13, therefore, it would be appropriate to consider these supplementary bills of the past years in the true up for FY 2012-13. Since in the past years' true up orders the power purchase cost of a year was admitted on the basis of the actual metered sale, normative un-metered sale and normative losses of that year; the year wise claims of the power purchase cost have been worked out accordingly.

5. With regard to the claims filed by the petitioners pertaining to the financial years 2005-06, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12, it has been noted that petitioners' claims for these years are conforming to the methodology adopted by the Commission for respective years' true ups and there has not been any variation in amount claimed by the petitioners from the same as worked out by the Commission. Hence, these claims have been admitted as filed. However, for FY 2006-07 against the bills Rs. 15.09 Crore the petitioners have claimed Rs. 16.24 Crore. For FY 2006-07 power purchase cost was finalized on the basis of the pooled cost of the power purchase i.e. considering fixed cost and variable cost together for deriving the average rate of the power purchase and multiply the same to the admitted quantum of the power purchase requirement. Accordingly, for FY 2006-07 the revised amount of the claim would be Rs. 13.89 Crore only. The gist of the filing and reworking is given below:

Amount in Rs. Crore

Financial Year	Bill Amount	Claimed Amount	Re-worked Amount
2005-06	7.03	7.03	7.03
2006-07	15.09	16.24	13.89
2007-08	26.48	22.70	22.69
2008-09	348.72	303.74	303.74
2009-10	97.45	93.28	93.29
2010-11	37.33	37.20	37.20
2011-12	571.83	520.93	520.92
Prior Period (Before June 2005)	-1.26	-1.27	-1.26
Total	1102.67	999.85	997.51

6. However, the amount of Rs. 997.51 Crore thus worked out as against the claim of Rs. 999.85 Crore includes:

(i) Rs. 13.89 Crore for FY 2006-07:-

The true up order for FY 2006-07 was issued by the Commission on 16th June 2009 which was challenged before APTEL (Appeal 145 of 2009). APTEL pronounced the judgment on 19/05/2010 and against this judgment the Commission had filed a review petition RP 10 of 2010. APTEL delivered the judgment on 4th March 2011. Accordingly,

the Commission issued the compliance order on 22/09/2012. The distribution companies filed appeal before APTEL (Appeal 258 of 2012) against the Commission's order dated 22/09/2012. APTEL passed the judgment in the matter on 29/05/2014 and accordingly vide order dated 25/10/2016 the Commission issued the second compliance order in the matter. In the mean time on the judgments of the APTEL, Govt. of MP and the distribution companies filed Civil Appeals before Hon'ble Supreme Court (No. CA 7094 of 2011 and CA 4851 of 2011 respectively). Hon'ble Supreme Court vide judgment dated 29/09/2015 dismissed both the appeals. Therefore, the issue has already been finally settled by Hon'ble Supreme Court and during the above process the petitioners had never raised the issue of supplementary bills which was already in their cognizance as the audited accounts for FY 2012-13 was available with the petitioners by the end of the year 2013. In this situation since the matter has attained the finality through the judgment of the Hon'ble Supreme Court, the consideration of claim of Rs. 13.89 Crore for FY 2006-07 would not be appropriate and hence not admitted by the Commission.

(ii) Rs. (-)1.26 Crore for the period prior to 01/06/2005:

Since this amount pertains to the period prior to the formation of the independent companies wherein the retail supply tariff orders were issued for MP State Electricity Board and since there had not been any tariff regulations in vogue, the true up was not carried out. Hence, prudence of such claims has not been established.

7. In view of the foregoing the Commission has found it prudent to admit the amount of Rs. 984.88 Crore {997.51 – 13.89 – (-1.26)} against the claim of Rs. 999.85 Crore. The distribution company wise breakup of the amount is given in the annexure to this order. The Commission would include this amount in its forthcoming ARR & Retail Supply tariff Order for FY2018-19 for recovery of cost.

8. The petition is thus disposed of.

(Anil Kumar Jha)
Member

(Mukul Dhariwal)
Member

(Dr. Dev Raj Birdi)
Chairman