



Madhya Pradesh Electricity Regulatory Commission

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28th October 2005

In the matter of Additional Short-term Power Purchase for Financial Year 2004-05

Order
Petition No. P-123/04
(Clubbed with P-90/04, 91/04 and 110/04)

Shri A.B. Bajpai, Adl. SE (O/o CE (Commercial) appears on behalf of MPSEB.

2. The subject petitions have been filed by the Board for seeking approval of the Commission on purchase of additional short-term power during the year 2004-05.

3. The Board had filed the following petitions before the Commission for seeking the approval on the short-term power purchases of the Board:

Sl. No.	Petition No.	Subject	Date of Submission	Seeking Approval For
1	P 90/2004	Purchase of Adl. Power from Power Trading Corporation	26-07-2004	Ex-Post Facto approval
2	P 91/2004	Purchase of Adl. Power from NPTC Vidyut Vyapar Nigam Ltd.	26-07-2004	Ex-Post Facto approval
3	P -110/2004	Purchase of Adl. Power from NPTC Vidyut Vyapar Nigam Ltd.	18-10-2004	Ex-Post Facto approval
4	P 123/2004	Purchase of Adl. Power Through Tender	13-10-2004	Additional Power Purchase for October 2004 to March 2005.

As all the four petitions were similar in nature i.e. for seeking the Commission's approval on short-term power purchase during the year 2004-05, the Commission decided to club them with Petition No.123. The Commission heard the petitions on 02/11/2004, 15/03/2005 and 22/06/2005. During the course of the hearing on 22/06/2005, the Board informed the Commission that the Board had exceeded the quantum of power purchased and the amount allowed for power purchase in the year 2004-05 from the allowed figures of Tariff Order of 10/12/2004. Therefore, the Commission directed the Board to file a detailed statement comprising the approved figures in Commission's Tariff Order of 10/12/2004 on sale, losses, total availability from own generating stations, central sector generating stations, bilateral purchases, Indira Sagar and Saradar Sarovar Hydel projects and through short-term power purchases vis-à-vis the actual figures of sale, losses and availability from all the sources.

4. The next hearing held on 06/09/2005 wherein the Board through its written submission of 05/09/2005 submitted the statements indicating the comparison between the figures in terms of million units as allowed by the Commission in its Tariff Order for FY 2005 vis-à-vis the actual figures of energy available through different sources. The Board had not given the comparison of amount of power purchase as allowed by the Commission in the Tariff Order of 10/12/2004 and the amount as actually spent by the Board. The Commission directed the Board to file in addition to the aforementioned information, for the year 2004-05 the month wise figures of demand of power, actual generation of Board generators i.e. energy available from own generating stations, energy available from central sector generators, bilateral purchases, Indira Sagar Hydel Project, Sardar Sarovar Hydel Project, through Unscheduled Interchange (UI) and the short fall of energy which was met through the additional short term power purchases. The petition was slated for hearing on 25/10/2005.

5. During the course of the hearing on 25/10/2005 the Board submitted the month wise details of demand, availability from all the sources and Board's commitment for payment against the power purchases done by the Board in the year 2004-05, but the Board's commitment towards the bilateral power purchase had not been indicated. Therefore, The Commission directed the representative of the Board to file the complete information on 28/10/2005.

6. During the course of the hearing on 28/10/2005 the Board completed the information. The abstract of the information submitted by the Board is given below:

Energy Balance for the FY 2004-05.

Sl. No.	Particulars	As per Tariff Order	As per Actual
		of 10/12/2004	In Million Units
		In Million Units	

1	Sale		
a.	LT Sale	10898.00	10990.00
b.	HT Sale	5987.00	6176.00
c.	Total Sale	16885.00	17166.00
2	Availability		
a.	From State Generating Stations	14977.00	14419.70
b.	From Central Sector	10990.00	11904.21
c.	Bilateral Power Purchase	47.50	643.52
d.	NHDC	1384.00	1463.84
(i)	Indira Sagar Hydel Project		1318.24
(ii)	Sardar Sarovar Hydel Project		145.61
e.	Unscheduled Interchange (UI)	300.00	783.46
f.	Others (Captive/Wind)	12.00	0.00
	Total Availability (W/O ST)	27710.50	29214.73
3	Short Term Purchase	667.95	1409.72
4	Total Availability	28378.45	30624.45
5	Losses	11493.45	13458.45
6	Losses in Percentage	40.50%	43.95%

Financial Commitments of Board for the FY 2004-05.

Sl. No.	Particulars	As per Tariff Order of	As per Actual
		10/12/2004	In Rs. Crore
		In Rs. Crore	In Rs. Crore
1	Central Sector Generating Stations	1840.25	1933.49
2	Bilateral Power Purchase	2.14	34.85
3	Indira Sagar Hydel Project	187.91	177.31
4	Sardar Sarovar Hydel Project		29.85
5	Unscheduled Interchange (UI)	76.32	261.94
6	Additional Short Term Purchases	187.97	352.98
7	Wind / Captive	2.70	0.00
8	Total	2297.29	2790.42
9	Transmission Charges	126.11	Figures include Tr. Charges
10	Grand Total	2423.40	2790.42

7. The Commission has observed that the Board could not control the losses. Against the figure of 40.5% of losses as given by the Commission in the Tariff Order of 10/12/2004, the Board had incurred the losses of 43.95% and due to this reason the Board had to make additional short term power purchases over and above the quantum allowed by the Commission in its tariff order of 10/12/2004. The Board had also incurred additional expenditure over and above the Commission had allowed in the Tariff Order of 10/12/2004 of the order of Rs. 367.02 Crore. The Commission has also noted that the Board has sold additional 281 MUs to different categories of the consumers at the average rate of R.3.40 per unit, thus the Board would have earned the additional revenue of about Rs.96.00 Crore.

8. The Commission has no objection in additional purchase of power to meet the requirement of consumers and therefore, the actions taken by the Licensee i.e. erstwhile Board during 2004-05 is approved on ex-post-facto basis with the condition that the T&D losses will not be allowed at a level higher than what had been approved in Tariff Order of 10/12/2004 i.e. 40.5%. On the basis of increased quantum of sale and considering the loss level of 40.5%, the Commission would consider purchase of 28851 MUs instead of 28318.45 MUs approved in its order dated 10/12/2004 to be legitimate. The cost of the additional purchase of 473 MUs on merit order will be allowed while truing up the figures of 2004-05. On the increased sale of energy the Board have earned the additional revenue and this should be taken into account while truing up of figures of ARR.

9. With the decision as above, the Commission decides to close the petition.

Sd/-
(R.Natarajan)
Member (Econ.)

Sd/-
(D.Roybardhan)
(P.K.Mehrotra)
Member (Engg.)

Sd/-
Chairman