

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
BHOPAL**

Subject: In the matter of reallocation of Transmission capacity for FY 2013-14 to FY 2015-16 and revision of Transmission Charges on account of enhancement of allocated Transmission Capacity from NTPC to MPAKVN for SEZ Complex at Pithampur Distt. Dhar.

Petition No. 33/2013

ORDER

(Date of Order: 21st October, 2013)

M.P. Power Transmission Company Ltd., Jabalpur

Petitioner

V/s

- | | | |
|---|---|--------------------|
| 1. M.P. Audyogik Kendra Vikas Nigam, Indore (SEZ, Pithampur)
2. M.P. Poorv Kshetra Vidyut Vitaran Company Ltd, Jabalpur
3. M.P. Madhya Kshetra Vidyut Vitaran Company Ltd, Bhopal
4. M.P. Paschim Kshetra Vidyut Vitaran Company Ltd, Indore | } | Respondents |
|---|---|--------------------|

Shri V.K. Tewari, C.E. (CRA), Shri V. Dsouza, E.E. (CRA), Shri D. Chakraborty, E.E. (CRA) and Shri R.C. Chakraborty, E.E. (Plg & Dsn) appeared on behalf of the petitioner.

2 M. P. Power Transmission Co. Ltd., Jabalpur (MPPTCL) filed the subject petition for review of Transmission Charges for FY 2013-14 to FY 2015-16 determined vide Commission's Multi Year Tariff (MYT) Order dated 2nd April 2013 for the aforesaid control period. MPPTCL filed this petition due to enhancement in allocation of power from NTPC Stations to M.P. Audyogik Kendra Vikas Nigam (MPAKVN), Indore for SEZ Complex Pithampur, Distt Dhar by Ministry of Power, Government of India.

3. The petitioner broadly submitted the following:

- (i) At present, MPPTCL is having four Long Term Transmission Customers i.e. three Discoms and MPAKVN (SEZ Campus, Pithampur, Distt. Dhar). The total Transmission Capacity of MPPTCL is allocated to the aforesaid Long Term Transmission Customers.
- (ii) Vide Order dated 2nd April, 2013 in Petition No. 6 of 2013, the Commission determined the Annual Revenue Requirement (ARR)/Annual Fixed Cost of MPPTCL for FY 2013-14 to FY 2015-16. The Annual Fixed Cost determined in the aforesaid order was apportioned amongst the Long Term Transmission Customers in the ratio of their Allocated Transmission Capacity.
- (iii) In the above mentioned MYT Order, the Transmission Charges for Long Term Transmission Customers and Short Term Open Access Customers were determined on the basis of Annual Fixed Cost/ ARR and the Transmission System Capacity considered in the aforesaid Order.

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Similarly, the Transmission Charges per unit for Non-conventional Energy based customers were also determined in the same order.

- (iv) MPAKVN informed the petitioner that the allocation of power from NTPC for SEZ Pithampur premises has been enhanced from 12 MW to 18 MW for FY 2013-14. It was also confirmed by MPAKVN to MPPTCL that the enhanced power allocation will continue in line with the previous trend and it will not be reduced. Therefore, MPAKVN approached the petitioner for enhancement of the contracted capacity on long term basis from 12 MW to 18 MW through a supplementary agreement.
- (v) MPAKVN is already drawing the enhanced 18 MW power by paying proportionate additional charges under the existing agreement. Therefore, the enhanced 18 MW power can be accommodated from the existing supply arrangements.
- (vi) On account of the above enhancement in contracted capacity from 12 MW to 18 MW, the total Annual Fixed Cost (AFC)/ARR of MPPTCL for FY 2013-14 to FY 2015-16 as determined in Commission's MYT Order dated 2nd April 2013 will remain unchanged. However, the allocation of Transmission Charges among Long Term Transmission Customers shall be revised.
- (vii) With the above contention, the petitioner prayed the following:
- i. To enhance the transmission capacity allotted to MPAKVN from 12 MW to 18 MW for the control period FY 2013-14 to FY 2015-16.*
 - ii. To revise the Transmission charges to be recovered from the Long Term users of the Transmission System for the control period FY 2013-14 to FY 2015-16, as per Para-8 of this Petition.*
 - iii. To direct MPAKVN to pay for revised bills commensurate with 18 MW contracted capacity from April 2013 onwards.*
 - iv. To direct MPAKVN to substitute and replace the existing agreement to enhance Transmission allocated capacity from 12 MW to 18 MW with MPPTCL for Long Term Open Access of 25 years w.e.f. 1.4.2013."*

4. Motion hearing in the matter was held on 9th July, 2013. During the motion hearing, the petitioner filed copies of letters issued by Ministry of Power, Government of India and Central Electricity Authority (Western Region Power Committee) respectively for special allocation of

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18 MW power from NTPC Stations to SEZ Pithampur. The petition was admitted and the petitioner was directed to serve copy of the petition alongwith the above mentioned documents on all the respondents in the matter. The respondents were also directed to file their response on the petition if any, on or before 16th August, 2013.

5. During the next hearing held on 24th August, 2013, it was informed by the petitioner that the copy of petition has been served on all the respondents in the matter. No response was filed by the respondent Distribution Companies in the matter.

6. The public notice was published in English and Hindi newspaper on 13th and 14th September, 2013, respectively. The public hearing in the matter was held on 8th October, 2013. Shri R.S. Khatri, SE (Commercial), MPPKVVCL (West Discom) and Shri Rajeev Bais, Company Secretary, MPAKVN appeared in the public hearing on behalf of the Respondent No.1 but they offered no comments

7. During the public hearing, MPPTCL filed a copy of Second Supplementary Bulk Power Agreement (BPTA) entered into by it with M/s. M.P. Audhyogik Kendra Vikas Nigam Ltd. on 5th October, 2013 for transmission of 18 MW power from NTPC (received at M.P. periphery) to SEZ premises.

8. The operational part of the above mentioned supplementary agreement is reproduced as under:

“(a) The Contracted Transmission capacity between the MPAKVN and MPPTCL stand enhanced to 18 MW (Eighteen Mega Watts) w.e.f. 01.04.2013, and MPAKVN agree to pay Transmission charges for this capacity of 18 MW at the Rates, Terms & Conditions as may be determined by the MPERC from time to time.

(b) Sub Clause 2.1 (i & ii) of the said agreement dated 29.01.2005, which was substituted by Sub Clause 2.1 of the 1st Supplementary Agreement dated 11th Oct 2010 is again substituted by the following clause;

i. The 18 MW power shall be fed through double circuit 33 KV line existing between 220 KV Pithampur Sub-station and SEZ premises. Any modification in metering equipments etc. shall be at the cost of MPAKVN.

ii. In case of capacity enhancement beyond 18 MW in future the supply arrangements shall be decided afresh by the MPPTCL, and shall be completed on the cost payable by the

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MPAKVN. The supply voltage in that case shall be 132 KV or above as per the Contracted capacity.

(c) The MPAKVN shall revise the payment security instrument's amount for enhanced transmission capacity bills, as asked by the MPPTCL within a month of execution of this supplementary agreement.

(d) In the said agreement dated 29.01.2005 in place of Clause 5.0 'Control on Reactive Energy, the following clause shall be substituted;

Control of Reactive Energy –

The MPAKVN shall adopt all possible measures to provide compensation for Reactive Energy at their end. For drawal of Reactive Energy, the Reactive Energy charges will be as decided by the MPERC from time to time.

(e) In the said agreement dated 29.01.2005 for Clause 15.0 "Effective Date and Duration of this Agreement" the following clause shall be substituted namely;

Effective Date and Duration of Agreement –

The Agreement shall be deemed to have come into force with effect from the date of signing of said agreement dated 29.01.2005 for all purposes and intents and shall remain in force till 31st March, 2030 subject to revision that may be agreed by the parties provided that this Agreement may be mutually extended, renewed or replaced by another Agreement on such terms and for such further period as the parties may mutually agree. In case, MPAKVN continue to avail Transmission services from MPPTCL even after expiry of the Agreement period without further renewal or formal extension thereof, then all the provisions of this Agreement shall continue to operate till this Agreement is formally renewed, extended or replaced and the MPAKVN shall continue to pay the Transmission charges and Allied charges as approved by MPERC from time to time even after 31st March 2030. However, after 31.03.2030, either party can terminate this agreement, giving one month notice to other party.

This Second Supplementary Agreement shall be a part of said agreement executed on dated 29th January 2005 between MPSEB & MPAKVN, Indore and First Supplementary Agreement executed on 11.10.2010 between MPPTCL and MPAKVN, Indore."

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9. Based on the above mentioned facts and the documents placed on records, the Transmission Charges for Long Term Transmission Customers/ Short Term Customers/ Non-conventional Energy Sources based Generating Units connected on 132 KV or above voltage as determined in Paragraphs 3.131(Table 84), 3.129 (Table 82) and 3.134 (Table 86) of Commission's MYT Order dated 2nd April 2013 are revised as under:

Table 84 -

S. No.	Customers	FY 2013-14		FY 2014-15		FY 2015-16	
		Capacity MW	Amount (₹ in Cr.)	Capacity MW	Amount (₹ in Cr.)	Capacity MW	Amount (₹ in Cr.)
1	MP Poorva Kshetra VVCL Jabalpur	3141.41	489.72	3883.61	514.49	4339.08	535.66
2	MP Madhya Kshetra CCVL Jabalpur	3346.21	521.65	4136.79	548.03	4621.95	570.58
3	MP Paschim Kshetra VVCL Indore	4030.38	628.31	4982.61	660.08	5566.97	687.25
4	MP AKVN SEZ – Pithampur	18.00	2.81	18.00	2.38	18.00	2.22
Total -		10536	1642.49	13021.01	1724.99	14546	1795.72

Table 82 – Long Term Customers/ Short Term Customers -

S No	PARTICULARS	FY 2013-14	FY 2014-15	FY 2015-16
1	Annual Fixed Cost in ₹Crores	1642.49	1724.99	1795.72
2	Transmission System Capacity (MW)	10536	13021.01	14546
3	Transmission Charges for Long Term Customers ₹ Lacs per MW per Annum	15.59	13.25	12.35
4	Transmission Charges for Long Term Customers ₹ per MW per Day	4271.04	3629.52	3372.98
5	Short Term Rates (25% of above) ₹ per MW per Day	1067.76	907.38	843.25
6	Short Term Rates for 6 hour block ₹ per MW	266.94	226.84	210.81
7	Short Term Rates for more than 6 hour to 12 hour in one block - ₹ per MW	533.88	453.69	421.62
8	Short Term Rates for more than 12 hour upto 24 hour in ₹ per MW	1067.76	907.38	843.25
9	Units expected to be transmitted in a year (MU)	56437	62543	69310
10	Short Term Open Access Rates in ₹ per MWH (from S No 1/ S No 9)*0.25	72.76	68.95	64.77

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Table 86 - Non Conventional Energy Based Customers

S. No.	Particulars	Unit	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Annual Fixed Cost as per Tariff	₹ Crores	1526.19	1642.49	1724.99	1795.72
2	Transmission System capacity	MW	10200.6	10536	13021	14546
3	Transmission charges per MW per Annum	₹ Lacs / MW	14.96	15.59	13.25	12.35
4	Capacity of Non-conventional Energy based Plants	MW	16	158	316	501
5	Total Pooled Capacity	MW	10216.6	10694	13337	15047
6	Pooled Cost Addition	₹ Crores	0	0	0	0
7	Total Pooled Cost	₹Crores	1526.39	1642.49	1724.99	1795.72
8	Energy expected to be transmitted	MU	44328	56437	62543	69310
9	Energy generated by Non-conventional Energy based Plant at 20% CUF with MW capacity	MU	28.03	277	554	878
10	Total Energy Handled	MU	44356	56714.29	63097	70188
11	Transmission Charges per Unit	₹ / Unit	0.344 (Say 0.34)	0.290 (Say 0.29)	0.273 (Say 0.27)	0.256 (Say 0.26)

10. It is observed from the documents filed by the petitioner that the enhanced allocation of 18 MW power from unallocated power of NTPC stations of Western Region is effective from 1st April'2013. Therefore, the revision of Transmission Charges in this Order shall be applicable w.e.f. 1st April' 2013. The difference in Transmission Charges as a result of this Order shall be passed on to the Long Term Transmission Customers in FY 2013-14 in equal monthly installments. All other conditions in Commission's MYT Order dated 02.04.2013 shall remain unchanged.

Ordered accordingly.

sd/-

(Alok Gupta)
Member

sd/-

(A.B.Bajpai)
Member

sd/-

(Rakesh Sahni)
Chairman

