

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub : In the matter of directions to Respondent in the matter of supply of additional power at Industrial Tariff to Petitioner for upcoming units within SEZ and in the matter of extension of the Interim order till long term arrangement for procurement of power is made.

Petition No. 55 of 2010

ORDER

(Date of Hearing : 19th August, 2010)

(Date of Order : 30th August, 2010)

MPAKVN (I) Ltd.,
Free Press Complex, AB Road,
Indore

- Petitioner

V/s

Superintending Engineer (O&M),
M.P.Paschim Kshetra Vidyut Vitaran Co. Ltd.,
Indore.

- Respondent No.1

Chief Engineer (Power System),
M.P. Power Transmission Co. Ltd.
Jabalpur.

- Respondent No. 2

Shri Ajay Porwal, Consultant and Shri M. Jajoo, CA appeared on behalf of the Petitioner.

Shri S.K.Tahiliani, Addl. SE appeared on behalf of the Respondent No.1.

Shri R.C.Charkaborty, EE appeared on behalf of the Respondent No.2.

2. The petition is in the matter of directions to Respondent in the matter of supply of additional power at Industrial Tariff to Petitioner for upcoming units within SEZ and in the matter of extension of the Interim order till long term arrangement for procurement of power is made by the Petitioner. The Petitioner in his petition has made the following requests :

- (a) The order for release of 5000 KVA power by Respondent as per order dated 30.10.2009 may be extended till Petitioner is able to arrange long term power from NTPC/MP Tradeco through GoMP/Purchase of power under case 1 bidding.
- (b) As per directions of the Commission the additional 5000 KVA power procured by the Petitioner after 30.10.2009 order may be regularized and supplied till long term power arranged by the Petitioner.
- (c) Respondent No. 1 may be directed to supply additional 4000 KVA power over and above existing 10000 KVA. This power may also be made available to the Petitioner till it is able to arrange long term power.

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- (d) Since the SEZ is growing area, it may require more power in future say about 11000 KVA in next one year. Hence Respondent may be directed to supply additional power as and when the Petitioner approaches Respondent. This demand would be over and above 14000 KVA thus making total demand as 25000 KVA.
- (e) Since Petitioner is a deemed licensee, all its power demand, 25000 KVA may be fulfilled at 33 KV through multiple bay in terms of Clause 2.1(q) of the Supply Code. The Petitioner has already paid for 4 Nos. 33 KV bay to the Respondent No.1 and 2 for getting power for SEZ from time to time. It has even paid for 1 No. 132/33 KV, 20 MVA transformer and bay cost for getting quality power.
- (f) That the Petitioner may be allowed to claim the same tariff from SEZ units at which the Petitioner will procure power from Respondent No.1 till its ARR and retail tariff is fixed by the Commission.

3. The case was listed for hearing on 12.08.2010.

4. During the hearing on 12.08.2010, the Petitioner through his written submission had submitted that as a deemed Licensee it has obligation to procure power through competitive tariff bidding and accordingly it has already appointed a consultant for preparation of the tender document under Case 1 bidding guidelines and the same will be put up before the Commission by 20.08.2010. However, it is unlikely that long term power will be available to the petitioner before one to two years and till then it has to make medium term arrangement for sourcing power. It is already making efforts with the Government of India, Ministry of Power for extension as well as increase in power allocation from NTPC stations and also with the Government of Madhya Pradesh, Energy Department for allocation of power from MP Power Generating Company.

5. The representatives of Respondent No. 1 and Respondent No. 2 stated that the Petitioner is availing a contract demand of 10000 KVA (10 MVA) on 33 KV and now wants to avail an additional 4000 KVA (4 MVA) demand over and above the existing contract demand of 1000 KVA (10 MVA). Respondent No.2 further submitted that as per the Clause 3.4, Chapter III of MP Electricity Supply Code, 2004, contract demand above 10 MVA is to be made on 132 KV supply and stated that the Petitioner's contention that being a deemed Distribution Licensee, he may avail the supply at multiple points at 33 KV is not supported by any Regulation.

6. The Commission enquired from Respondent No.1 that when the earlier permission of 5 MVA had expired on 31.03.2010, how M.P.Paschim Kshetra Vidyut Vitaran Co. Ltd. (West Discom) continued to supply power to the Petitioner. The Commission further enquired that

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when the earlier interim arrangement was for supply of 5000 KVA (5 MVA), how the M.P.Paschim Kshetra Vidyut Vitaran Co. Ltd. enhanced this to 10 MVA. The Commission observed that there was a violation of the earlier Order both in respect of quantum of power as well as supply duration. It was noted by the Commission that Respondent No.1 has not offered any clarification in its reply on these aspects.

7. The Commission further enquired from Respondent No. 1 that how the request for supply of total 14 MVA by the Petitioner would be met by the West Discom without affecting other categories of consumers. They were also asked to confirm that the minimum supply hours specified in the tariff order for different areas would be maintained even after allowing power supply to the Petitioner. The representative of the Respondent No.1 sought one week's time to furnish the desired information.

8. The Commission directed the Petitioner to take speedy actions for procurement of long-term power at the earliest pending disposal of this petition. The Commission further directed the Respondent No.1 to furnish its reply by 18.08.2010 on the issues mentioned above. The Commission also directed Respondent No.1 to clarify by 18.08.2010 as to how and under what circumstances the Petitioner was allowed to continue to avail 5 MVA power which was further enhanced to 10 MVA without seeking approval of the Commission. The next date of hearing was fixed on 19.08.2010.

9. During the hearing on 19.08.2010, the representative of Respondent No.1 submitted that the additional power of 3000 KVA and 2000 KVA over and above 5000 KVA permitted by the Commission was sanctioned in view of emergent need of power in SEZ without seeking approval of the Commission. During the hearing, the Commission enquired from the Respondent No.1 as to whether additional power to the extent of 4000 KVA over and above 10000 KVA can be supplied without adversely affecting power supply to other consumers of the West Discom. The representative of the Respondent No. 1 submitted that the additional power can only be supplied to the SEZ after curtailing the power supply to the other consumers of West Discom, if allowed by the Commission. He has further submitted that the Petitioner has already been requested to make their own arrangement for meeting the additional demand in SEZ either from their captive

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generation or arranging allocation of additional power from the Govt. of India / Govt. of MP. The Energy Department, Govt. of MP vide letter No. 6108 dated 02.08.2010 has also requested the Petitioner to make their own arrangements.

10. On hearing both the Petitioner and the Respondent, the Commission felt that the Respondent No. 1 has not analyzed the issues properly and could not submit the basis of their contention that additional 4 MVA supply may entail some incremental load shedding. As regards arranging power requirement of SEZ, the Commission was of the view that the Petitioner has not taken appropriate actions as required by the Govt. of India/Govt. of MP for installation of captive power plant so as to meet the demand of the SEZ or to make alternate independent arrangement to meet their long term needs of power. The Commission, therefore, directs the Petitioner to take immediate action for installation of captive power plant or approach the Govt. of India/Govt. of MP for arranging long term allocation of power for SEZ or tie-up long term arrangement from other sources so that the industrial consumers of SEZ are not adversely affected by power shortage. However, in order to meet the current enhanced need of SEZ beyond what is allocated to them from NTPC Power Stations, the Commission, keeping in view the situation and also keeping in view the overall interests of SEZ consumers in particular and the State as a whole, further decides as under :

- (a) The supply of 10 MVA power by Respondent No.1 to the Petitioner without the Commission's approval is regularized. The Respondent No.1 as well as the Petitioner are however directed to ensure full compliance of the Commission's directions and not to create such situation in future.
- (b) Supply of a total 14 MVA consisting of existing 10 MVA and additional 4 MVA is allowed to be availed by the Petitioner from Respondent No. 1 till 31st March, 2011. This is being allowed ad-interim keeping in view the exigency of the situation. This supply will be made at 33 KV using multiple feeders. It shall be ensured by all the parties that there is no overloading of feeders or other security issues. This arrangement has been made keeping in view the status of the Petitioner as a deemed Distribution Licensee and not as a consumer.

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- (c) The Commission is not inclined to accept the Petitioner's request to allow additional power in future beyond 14 MVA being allowed now. The Petitioner may approach the Commission with a specific request with full justification, if the situation so warrants.
- (d) The bulk supply tariff to be charged by the Respondent No.1 from the Petitioner shall be same as HV-3 Industrial – 33 KV supply tariff. Further, the Petitioner is allowed to charge the same tariff from his SEZ consumers at which the Petitioner will procure power from Respondent No.1 till its ARR and retail tariff is fixed by the Commission.
- (e) The Petitioner shall approach the Commission within one month with their plans of meeting their present as well as future power requirements without depending on Respondent No.1.
- (f) Since the additional power now being allowed is only 4 MVA, it should not have any impact on power supply to the consumers of Respondent No.1. However, if the situation so warrants, they may procure the corresponding power additionally following the provisions of the regulations.

11. With the above directions, Petition No. 55/2010 stands disposed off.

Ordered accordingly,

(C.S.Sharma)
Member (Eco.)

(K.K.Garg)
Member (Engg.)