

Summary of the comments and suggestions received on Approach Paper on Terms and Conditions of Tariff Regulations for the tariff period 1.4.2014 to 31.3.2019

(Ref No. 20/2013/CERC/Fin(Vol-I)/Tariff Reg/CERC Date: 25th June'2013)

5.2.5 Transit & Handling Losses

The Comments are invited in regard to following issues, namely_

- a) *Suggestion/comments of stakeholder are solicited with supporting data to review existing norms of transit & handling losses.*

Sr. No.	Name of organization/ stakeholders	Comments/ Suggestions
A) Autonomous Bodies (JERCs/SERCs/Other Commissions)		
A.1	Rajasthan Electricity Regulatory Commission	<p>A review of these losses are required with the use of imported coal on account of</p> <ul style="list-style-type: none"> (i) Imported coal will require port handling and will have handling losses higher than normal coal transportation from collieries through Railways or belt conveyers. (ii) Imported coal has higher free moisture content and during transportation moisture contents gets alerted. An additional transit loss will have to be considered for moisture so lost based on moisture contents measurement. This loss will be given by:- <p>Coal content $CC=W_p*(1-M_p)$, Where W_p and M_p are weight and moisture content at port of Lading. $C_c=W_s*(1-M_s)$ weight and moisture content at site. So $W_p/W_s= (1-M_s)/(1-M_p)$ Additional Transit loss= $(W_p-W_s)/W = 1-(1-M_p)/(1-M_s) = (M_p-M_s)/(1-M_s)$.</p> <p>Thus for imported coal, in addition to handling losses (specified presently), additional port handling and transit loss due to change in moisture content from port of dispatch to PH bunker will be required to be considered. Further, factor considered for modifying SHR in case of lignite power stations (vide reg.26 (ii) (d) (1) should also be considered for imported coal as moisture contents exceeding 16.7% is free moisture.</p>
A.2	Madhya Pradesh Electricity Regulatory Commission (MPERC)	Definition of pit head and non-pit-head should be clarified/ defined in the Regulation
A.3	Uttar Pradesh Electricity Regulatory Commission	No need to review current provisions.

	(UPERC)	
B) Government Departments		
B.1	Govt. of Odisha	Existing should not be considered for 2014-19. It should be 0.2% and 0.8% as proposed.
B.2	Government of Punjab, Dept. of Power	Comments can be offered if actual data is available.
C) Central Sector (Generators/Transmission Cos./ NLDCs/RLDCs)		
C.1	Damodar Valley Corporation (DVC)	<p>CERC norm is very low in comparison to actual loss incurred during transit & handling of Coal. Power generating companies should not be penalized for the above and CERC may kindly enhance the limit of loss at least 1.5 to 2 %.</p> <p>Importation of coal & blending with indigenous coal at existing TPSs of DVC is also necessary to match the quality of coal with boiler designed value.</p> <p>Blending ratio for existing Unit may be considered 20% for existing units & 30-35%.for new Units.</p> <p>It is not practical to take prior consent of beneficiaries on daily basis for blending the imported coal with domestic coal. However, consent of beneficiaries for blending ratio may be obtained for New Units in quarterly/half yearly basis. In case beneficiaries do not provide consent, plant / machine can be considered as deemed available to the extent of normative blending ratio for the purpose of recovery of fixed charges. Additional Cost incurred for purchasing indigenous coal through MOU, e-auction & performance incentive payment to coal companies to run Units shall be recovered from beneficiaries.</p> <p>In case Coal rejects is used heat rate of Unit/station should be 1.5 time presently allowable heat rate and oil consumption should also be enhance to twice of existing norm.</p>
C.2	National Thermal Power Corporation (NTPC)	The existing norms of 0.2% for the pit head station and 0.8% for the non- pithead stations may be continued.
C.3	Neyveli Lignite Corporation	The existing norm of 0.2% for the pit head station may be maintained in the ensuing Tariff period also.
D) State Sector (Generators /Transmission Cos./Distribution Cos./SEBs/SLDCs)		
D.1	Madhya Pradesh Power Generation Co Ltd	For non-pit head stations the transit and handling losses should be linked to the distance of the power stations from coal mines..
D.2	Rajasthan Power Procurement Centre.	Comments can be offered if actual data is furnished.
D.3	Uttar Pradesh Power	Comments to be offered based on data submitted by CGU

	Corporation Ltd. (UPPCL)	
D.4	GRIDCO	The transit and handling loss allowed to TTPS (being pit-head generating station) vide CERC order dated 08.06.2013, (as done in case of FSTPs) should not be considered for 2014-19. It should be 0.2% & 0.8% as proposed.
D.5	Orissa Power Generation Corporation Ltd.	Transit and handling losses should be linked to distance from fuel source (in km) rather than fixing it only for pithead and non pithead.
D.6	MP Power Management Company Ltd.	The existing norms were prescribed on very relaxed basis and the same are required to be further tightened to reduce the variable charges and financial burden on ultimate consumers. At present pit head stations are nowhere defined in regulations which allows ambiguity in allowance of transit and handling losses, therefore this needs to be addressed in new Regulations. Further distance component is very essential for allowance of transit and handling losses.
D.7	Maharashtra State Power Generation Co. Ltd.	The normative transit and handling losses provided under the existing Tariff Regulations may be disallowed.
D.8	Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)	The actual data may be provided for further comments/suggestions on the norms.
D.9	Tamil Nadu Generation and Distribution corporation limited (TANGEDCO)	Existing norms of Transit and Handling losses of 0.2% for pit head generating stations and 0.8% for non-pit head stations may be continued.
E) Private Sector (Generators/Transcos./Distribution Cos)		
E.1	Calcutta Electric Supply Corporation Limited (CESC Ltd.)	Transit loss may be applicable in case of Imported Coal at an enhanced rate. Almost all thermal power stations, irrespective of their location, have to use a significant quantity of imported coal today. Such imported coal is transported over a longer distance to inland power stations, resulting in a significant Transit & Handling Losses.
E.2	Jaiprakash Power Ventures Ltd.	The transit and handling losses should be revised upwards to atleast 2.5% keeping in view the following real time activities: <ul style="list-style-type: none"> • The transportation of coal happens through open wagon, • As soon as the goods are loaded on the wagon, it becomes owner risk and railways disown the responsibility on such good. There is no insurance cover available for the transit losses, • Goods are subject to pilferages at all halts, which is beyond the control of railways.
E.3	BSES Yamuna Power Limited	Comments shall be offered based on data submitted by CGU.
E.4	Association of Power Producers (APP)	<ul style="list-style-type: none"> • The transit and handling losses should be revised and should be linked to the distance between the fuel source and generating station. Further, the losses on account of such transfer are not under the control of the Generator. In case of high losses

		<p>for the reasons beyond the control of the Generator, they may be allowed to approach the Commission for approval of project specific transit and handling losses.</p> <ul style="list-style-type: none"> • Coal being procured includes a significant quantity of stones, boulders etc which is typically in the range of 1%-2%. The Generating Companies are not able to recover the cost of stones from the Beneficiaries and is a direct financial loss for the Companies. Treatment of stones in coal should be provided for in the regulations. • Further, transit and handling losses should be determined separately for: <ul style="list-style-type: none"> (a) Imported Coal Plants (b) Plants required to use washed coal as mandated by MoEF • CERC has not provided differential treatment with respect to transit and handling losses between domestic and imported coals. Imported coals are subjected to multiple loading and unloading, handling transit operations. Therefore, handling losses in coal should be increased.
E.5	Lanco	Special consideration should be given to the areas of heavy rainfall and accordingly allowances should be made either at handling loss level or the Station Heat Rate.
F) Other Organizations/Institutions/Banks/Investors		
F.1	Federation of Indian Chambers of Commerce and Industry (FICCI)	<p>Transit and handling losses for the following to be determined separately:</p> <ul style="list-style-type: none"> (a) Imported Coal Plants (b) Plants required to use washed coal as mandated by MoEF <p>Further, transit and handling losses needs upward revision and should be linked to the distance between the fuel source and generating station.</p> <p>Coal Handling Losses for Imported Coal Plants: CERC has not provided differential treatment with respect to transit and handling losses between domestic and imported coals. Imported coals are subjected to multiple loading and unloading, handling transit operations. Therefore, handling losses in coal should be increased.</p> <p>Note: In the case of normative Station Heat Rate (SHR), CERC has given differential treatment for boiler efficiency i.e., 89% for imported coal and 85% for domestic coal.</p>

G) Individual /Public Group/Any others		
G.1	R. B. Sharma	The normative transit and handling losses permitted under the existing Tariff Regulations may be disallowed.
G.2	Arun Kumar Dutta	The existing transit and handling losses needs to be raised to 0.1% and 0.5% respectively.
G.3	Shanti Prasad	<p>A review of these losses are required with the use of imported coal on account of</p> <p>(i) Imported coal will require port handling and will have handling losses higher than normal coal transportation from collieries through Railways or belt conveyers.</p> <p>(ii) Imported coal has higher free moisture content and during transportation moisture contents gets alerted. An additional transit loss will have to be considered for moisture so lost based on moisture contents measurement. This loss will be given by:-</p> <p>Coal content $CC=W_p*(1-M_p)$, Where W_p and M_p are weight and moisture content at port of Lading. $C_c=W_s*(1-M_s)$ weight and moisture content at site. So $W_p/W_s= (1-M_s)/(1-M_p)$ Additional Transit loss= $(W_p-W_s)/W = 1-(1-M_p)/(1-M_s) = (M_p-M_s)/(1-M_s)$.</p> <p>Thus for imported coal, in addition to handling losses (specified presently), additional port handling and transit loss due to change in moisture content from port of dispatch to PH bunker will be required. Further, factor considered for modifying SHR in case of lignite power stations (vide reg.26 (ii) (d) (1) should also be considered for imported coal as moisture contents exceeding 16.7% is free moisture.</p>