

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Bhanu Bhushan, Member**
2. **Shri R. Krishnamoorthy, Member**

Petition No. 53/2008

In the matter of

Approval of provisional tariff for Mejia Thermal Power Generating Station Unit No. 5 (250 MW).

And in the matter of

Damodar Valley Corporation, Kolkata

... **Petitioner**

Vs

1. West Bengal State Electricity Distribution Co. Ltd, Kolkata
2. Jharkhand State Electricity Board, Ranchi
3. Madhya Pradesh Power Trading Company Ltd., Jabalpur

... **Respondents**

The following were present:

1. Shri M G Ramachandran, Advocate, DVC
2. Shri Anand K Ganesan, Advocate, DVC
3. Ms Swapna Seshadri, Advocate, DVC
4. Shri T K Gupta, DVC
5. Shri A Biswas, DVC
6. Shri P K Choudhuri, DVC
7. Shri D K Aich, DVC
8. Shri Dilip Singh, MPPTCL

**ORDER
(DATE OF HEARING : 7.8.2008)**

The petitioner, Damodar Valley Corporation, had filed the present petition on 16.4.2008 for approval of provisional tariff in respect of Mejia Thermal Power Generating Station (hereinafter referred to as "the generating station"), Unit No.5 (250 MW).

2. The petitioner had submitted that Unit 5 of the generating station achieved its commercial operation on 29.2.2008 and supply of electricity had commenced to the respondents. The respondents are stated to have agreed to purchase electricity generated from Unit-5 of the generating station at the rate of Rs.2.90/kWh provisionally, pending determination of regular tariff by the Commission. In this regard, the petitioner has placed on record the letters dated 6.3.2008 and 19.3.2008 from respondents Nos. 1 and 2 respectively.

3. The petitioner had also filed IA No.4/2008 seeking permission to raise bills on the respondents @ Rs.2.90/kWh pending approval of the provisional tariff by the Commission. The Commission in its order dated 30.4.2008 had disposed of the I.A. with the following directions:

“6. However, it is not clear from the present submissions how the supply of power to the respondents from Unit No.5 of Mejia TPS would be segregated from the rest of the energy supplied by the petitioner to the respondents. Unless the former is properly scheduled, metered and accounted, and segregating it from the latter, serious commercial and operational disputes could arise. The petitioner is, therefore, directed to immediately deliberate the matter in detail with the respondents, adopt the necessary measures, and file a complete description of the arrangement with the Commission.

7. In view of the agreement already reached between the petitioner and the respondents, we approve single part provisional tariff of Rs.2.90/kWh, as an interim measure, for sale of power from Unit 5 of the generating station, subject to adjustment after approval of final tariff by the Commission, but the same shall be effective only from the date proper arrangements are in place for the above segregation, scheduling, metering and energy accounting of the generation of Unit 5 of Mejia TPS and its supply to the respondents.”

4. In response to para 6 of the order dated 30.4.2008 *ibid*, the petitioner has filed an affidavit dated 2.8.2008 detailing the arrangement for scheduling, metering and energy

accounting pertaining to supply of power to the beneficiaries from Unit No.5 of the generating station. The relevant part of this affidavit is quoted below:

- “5. DVC has its own Load Dispatch Center at its operational Head Quarter at Maithon which functions as SLDC and Load Dispatch Center of DVC (hereinafter referred to as `CLD, DVC’). Every Power plant of DVC in a consolidated manner alongwith Mejia Unit no.5 is being coordinated with nodal Load Dispatch Center for its scheduling, metering, energy accounting and UI accounting.
6. Beneficiaries’ shares for Mejia Unit No. 5 are being specified in percentage of ex-bus generation availability.
7. By 9 A.M. everyday the generating station declares the station-wise ex-powerplant MW [ex-pp MW] and Mwh capabilities foreseen for the next day i.e. (from 00-00 hrs to 24-00 hrs of the following day).
8. CLD, DVC, thereafter, conveys the ex-bus entitlement for the next day to concerned SLDC (such as SLDC of West Bengal, Jharkhand State etc.) by 10-00 hrs commensurate with the respective Beneficiary’s share.
9. Unless standing instruction has been given for round-the-clock scheduling of 100% entitlement, the concerned SLDCs will have to give their requisitions for the next day by 1400 hrs to CLD, DVC.
10. CLD, DVC informs the ERLDC and the other concerned RLDCs, the export schedules for the next day by 1500 hrs.
11. The above export schedule distinctly for U#5 is being compiled with the composite schedules of DVC by ERLDC as also issued by ERLDC/RLDCs at 1800 hrs. However, export schedule of MTPS- Unit#5 in proportionate with the share of respective beneficiaries shall be indicated by ERLDC separately along with the above composite schedule for ease of energy accounting with beneficiaries.
12. Any revisions will be advised to the concerned RLDCs by CLD, DVC latest by 22-00 hrs. Revisions thereafter will be accepted by the RLDCs only in a contingency.
13. CLD, DVC has been functioning in a transparent manner, and is responsible for
 - i) daily scheduling of existing generating units of DVC.

- ii) ensuring that there is no gaming in availability declaration by DVC stations
- iii) impartial allocation of plant availability to the beneficiaries
- iv) correct metering and energy accounting
- v) keeping a watch on generating stations for deviations from schedule.

The above dealing are fully documented.

14. The beneficiaries shall have to reconcile with CLD, DVC, being the nodal agency and presume its impartial operation. If they have any reservation in the matter, the same should be discussed and required safeguards be taken unanimously.
15. The transmission losses (estimated) in DVC system based on preceding six (6) months will be taken into consideration for scheduling Ex-PP power from generating stations. The above methodology will be clearly mentioned in the bilateral agreement with all the beneficiaries.
16. As regards segregation of power from Mejia Unit No. 5 in relation to other generating units, it is respectfully submitted that DVC has installed ABT compatible meters for measuring and energy accounting of electricity generated from Mejia Unit No. 5 and, therefore due account is maintained of the total energy generated from Mejia Unit No. 5.
17. The allocation of power from Mejia Unit No. 5 is to WBSEDCL and JSEB and to MP Power Trading Company Limited (MPPTCL) in the proportion of 20:40:40 respectively. Accordingly, the energy accounting will be done for the purpose of measuring supply of electricity from Mejia Unit no. 5 in the above proportion.
18. DVC submits that as regards UI mechanism pertaining to Mejia Unit No. 5 the same shall be done as per regulation of the Hon'ble Commission applicable to all generating stations.
19. Accordingly, the claim of DVC for UI Charges will be in accordance with the regulation including cap of UI charges specified in the regulation by the Hon'ble Commission. DVC will be accounting for UI charges in its function as a generating company and therefore will be governed by the regulations of the Hon'ble Commission.
20. In the facts and circumstances mentioned above, the beneficiaries of Mejia Unit No. 5 will get electricity based on the allocation made to them i.e. 20% to WBSEDCL, 40% to JSEB and 40% to MPPTCL in accordance with

scheduling and dispatch as per the IEGC Code. The beneficiaries will thereafter not be concerned with generation at Mejia Unit No. 5 as well as UI energy accounted for Mejia Unit No. 5.

21. DVC reiterates that scheduling and dispatch procedure as stipulated in Cl.6.5 in Indian Electricity Grid Code (effective from 01.04.06) (to be read with Provisions on `Scheduling' in CERC Notification dated 26.3.04) will be followed in principle by CLD, DVC particularly in regard to
- i) in case of forced outage of the unit (Para-12).
 - ii) In the event of bottleneck, evacuation of power due to any constraint in DVC network etc.(Para-13 & 14).
 - iii) Revision of declared capability by generating unit of DVC/revision of schedules in the interest of better system operation (Para 15 & 16).
 - iv) Checking/verification for final schedule for a period of five days (Para-20)
 - v) Entitlements, requisitions and schedules to be rounded off to the nearest decimal (Para-21).
22. Two nos. ABT compatible meter in line with the specification of PGCIL have been procured and installed for Mejia Unit No. 5 and 6, connected at the 220KV side of generator transformer on 28-7-08. The identical meters are being procured for installation in all other units and will be connected accordingly.”

5. Heard the learned counsel for the petitioner. The learned counsel confirmed that scheduling of power from Unit 5 of the generating station was being done as per the directions of the Commission in para 6 of the order dated 30.4.2008. He clarified that allocation of power to respondents Nos. 1 and 2 was 20% and 40% of the unit capacity respectively and the balance 40% is being sold to Madhya Pradesh Power Trading Corporation Limited (MPPTCL).

6. The Commission has accepted the above submission of the petitioner, except that there would be no cap of UI rate (as has been specified by the Commission for thermal power generating stations under its jurisdiction) in the present case, since any UI accounting shall be internal to the petitioner's own system, and would be of no concern or consequence to the respondents.

7. The representative of MPPTCL who was present during the hearing submitted that MPPTCL had entered into Power Purchase Agreement with the petitioner for purchase of 40% of the unit capacity, and hence it should be impleaded as a respondent.

8. The learned counsel for the petitioner clarified that MPPTCL being a trading company had not been impleaded as a respondent since the tariff under Section 62 (1)(a) of the Electricity Act 2003, permits determination of tariff for supply of power by a generating company to a distribution licensee only. As the petitioner has already stated on affidavit that 40% of capacity of Unit 5 of the generating station has been allocated to MPPTCL, the observations in this order are, therefore, equally applicable to MPPTCL. MPPTCL may, therefore, be deemed to have been impleaded in this petition as a respondent. Accordingly, it is treated as party respondent.

9. Since the Commission has already approved single part provisional tariff of Rs.2.90/kWh in the order dated 30.4.2008 *ibid*, we confirm the same as the provisional tariff for sale of power from Unit 5 of the generating station, subject to the adjustment after approval of final tariff by the Commission. This is particularly so, when neither of the

original respondents (on whose behalf none was present) has filed any objection to the provisional tariff claimed by the petitioner, based on agreement. It is also pertinent that approval of provisional tariff will not adversely impact any party since it will give way to the regular tariff to be approved in due course of time.

10. The learned counsel for the petitioner explained that there were practical difficulties in filing of the petition for approval of regular tariff for Unit 5 of the generating station since Unit 6 with which Unit 5 is to share certain common facilities was still under construction. He further submitted that audited accounts by C & AG would only be available by the end of the year only, thereby causing delay in making of application for approval of regular tariff.

11. We are not convinced with the explanation of the petitioner in this regard. Since the actual capital expenditure on common facilities can be apportioned among the different Units of the generating station, there should not be any difficulty for the petitioner to work out the capital expenditure of Unit 5 of the generating station on the date of its commercial operation. The petitioner should file actual expenditure details of Unit 5 within 30 days of the date of commercial operation of Unit 6. The petitioner is further directed to maintain separate accounts for Unit 5 and Unit 6 by ringfencing with the accounts of Units 1 to 4 and submit the reconciliation of accounts between (a) Units 1 to 4 and Units 5 & 6, and (b) between Unit 5 and Unit 6 separately, along with the petition for determination of regular tariff. We accordingly direct the petitioner to file fresh petition for approval of regular tariff latest by 31.10.2008, impleading all beneficiaries of those generating units.

12. Petition No. 53/2008 is disposed of.

Sd/-
(R. KRISHNAMOORTHY)
MEMBER

New Delhi, dated the 22nd August, 2008

Sd/-
(BHANU BHUSHAN)
MEMBER