

TAMIL NADU ELECTRICITY REGULATORY COMMISSION
(Constituted under Section 82 (1) of the Electricity Act 2003
Central Act 36 of 2003)

PRESENT:-

Thiru.K.Venugopal Member
and
Thiru.S.Nagalsamy Member

M.P. No.42 of 2012
and
I.A. No. 1 of 2012
in
M.P.No.42 of 2012

Tamil Nadu Generation and Distribution
Corporation Limited
144, Anna Salai
Chennai – 600 002.

..... Petitioner
(Rep. by Thiru K.Seshadri, CE/CPP
TANGEDCO)

Vs

Nil Respondent

Date of hearing : 31-12-2012

Date of order : 31-12-2012

M.P.No.42 of 2012 along with I.A.No.1 of 2012 in M.P.No.42 of 2012 came up before the Commission on 31-12-2012 for admission. The Commission after perusing the M.P.No.42 of 2012 and I.A. No.1 of 2012 and the connected records of the case and after hearing Thiru K.Seshadri, Chief Engineer (PPP), TANGEDCO passed the following order:-

ORDER

1. Prayer in M.P.No.42 of 2012:-

The prayer of the Petitioner in M.P.No.42 of 2012 is as follows:-

- a. To approve the plan for the procurement of short term power to the tune of 1000 MW (8760 Mus) for the year 2013-2014 from June 2013 to May 2014.

- b. To float a short term tender for the purchase of 1000 MW RTC power from inter and intra state generators / traders for a period i.e. from June 2013 to May 2014 by incorporating the following deviations.
 - (i) Provision to raise monthly bill instead of raising bill on weekly basis or at the end of the contract period for the energy scheduled.
 - (ii) Provision to pay the payment directly by TANGEDCO and to keep the L.C. as back up for non-payment of bill within due date as against the payment through L.C. provision in the MOP guidelines.

- c. If the open access is granted between 85% to 100% of contracted power for a particular period, the seller will have to schedule minimum 85% of contracted power during that period in energy terms.

In case, open access is granted less than 85% of contracted quantum in a particular period the seller (trader or utility) shall ensure scheduling of entire quantum of approved open access during that periods in energy terms.

- d. EMD may be waived for the transaction by Government utilities.

- e. For both inter-state and intra-state Tamil Nadu, periphery shall be the delivery point.

- f. Contract performance guarantee may be waived for the transaction by Government utilities.
- g. Successful bidder shall be allowed to supply 10% over and above the approved contracted quantum.

2. Prayer in I.A.No.1 of 2012 in M.P.No.42 of 2012 :-

The prayer in I.A.No.1 of 2012 in M.P.No.42 of 2012 is to approve and ratify the proposal submitted in para 7.0.

In the said para 7, the Petitioner submitted the following proposal for approval and ratification namely,

- a. To consider bids for a quantum of 4372 MW.
- b. To consider all bids without insisting constant quantum throughout the contract period.
- c. To consider plants expected to declare COD during contract period.
- d. To file separate PPAP separately in respect of inter-state sources and intra-state sources.

3. Contentions of the Petitioner in M.P.No.42 of 2012:-

The Petitioner has summarized their contentions in para 6 of the I.A. No. 1 of 2012 which is reproduced below:-

- a. Tamil Nadu is reeling under power severe power cut / load shedding.
- b. New plants namely NTCECL, MTPS Stage – III, NTPL, NCTPS Stage- II are not yet on full stream.
- c. Very poor storage in reservoirs of Hydro stations of TANGEDCO.
- d. Power deficit of TANGEDCO is in the order of 4000 MW.

- e. Corridor congestion for transmitting the inter-state power.
- f. Realization of only 20 to 25% of the tied up quantum from inter-state generating sources.
- g. Neighbouring States of Karnataka and Andhra Pradesh, floating tenders for tying up maximum power to get maximum pro-rata corridor.
- h. TANGEDCO cannot afford to remain in isolation in the face of competition for inter-state corridor.

4. Finding of the Commission:-

MP No. 42 of 2012 and I.A 1 of 2012 in MP No. 42 of 2012 was taken up for admission. Thiru K. Seshadri, CE, PPP explained the contents of the IA and requested for the Commission's approval for proceeding with procurement of power from inter-state traders and also sought for permission to file separate PPAPs for procurement of power from inter-state and intra-state generators / traders. During the hearing he also clarified that till southern region is interconnected with the rest of the country, the open access capacity is limited and all the southern states are competing for share in the available transmission capacity. He further stated that even if the full quantum of open access is made available, in view of the shortage of power, they will be able to optimally run the system by backing down high cost IPPs, optimally running the hydro stations by storing water for future needs and with an overall view to reduce the operating cost of the TANGEDCO. Keeping in view the contents of the petition as well as the reasons explained during the hearing the Commission approves the power purchase from inter-state traders / generators. Keeping the landed cost at upto Rs. 5 per unit, the MW and the quantum of power

purchase will be regulated, keeping in view the actual open access available in the inter-state system.

5. APPEAL:

An appeal against this Order lies to the Appellate Tribunal for Electricity under Section 111 of the Electricity Act 2003, within a period of 45 days from the date of receipt of the copy of this order by the aggrieved person.

(Sd.....)
(S.Nagalsamy)
Member

(Sd.....)
(K.Venugopal)
Member

/ True Copy /

for Secretary
Tamil Nadu Electricity
Regulatory Commission