

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

P.P.A.P. No.4 of 2012

Tamil Nadu Generation and Distribution
Corporation Limited
No.144, Anna Salai
Chennai – 600 002.

..... Petitioner
(Thiru P.H.Vinod Pandian,
Advocate for Petitioner)

Vs

Nil Respondent

Date of hearing : 02-06-2012

Date of order : 02-06-2012

The above P.P.A.P. No.4 of 2012 came up for hearing on 02-06-2012. After perusing the above petition and connected records and upon hearing the Petitioner, the Commission passes the following order:-

ORDER

1. Prayer of the Petitioner in P.P.A.P. No. 4 of 2012 :-

The prayer of the Petitioner in P.P.A.P. No. 4 of 2012 is to accord approval for the purchase of power upto a quantum of 313 MU available from the willing intrastate generators for the month of June 2012 at a unit rate of Rs.5.05/Kwhr at a cost of Rs.158.1 crores as there is a shortage prevailing to meet out the power requirement in the state and due to the circumstances narrated in this petition.

2. Facts of the Case:-

TANGEDCO is incorporated under Company's Act and it is the successor entity of the erst while TNEB and it is engaged in the business of generation, distribution etc. as a distribution licensee in the State of Tamil Nadu for distribution of electricity to various categories of consumers in the State of Tamil Nadu. In view of the shortage prevailing in the State so as to meet out the power requirement in the State, the Petitioner has filed this petition under Section 86 (1) (b) of the Electricity Act, 2003 (Central Act of 2003)

3. Contention of the Petitioner as set out in the Petition:-

(a) The quantum of power required to meet the unrestricted demand for power is more than 12,000 MW and the power available from various sources to the Petitioner is in the order of 8000 MW, resulting in severe shortage of supply to meet the requirements in the order of about 4000 MW.

(b) The Petitioner's obligations to meet out the demand is rapidly increasing whereas its capacity augmentation is not up to the expected level due to the delay in execution of various ongoing new projects and capacity addition projects in Central Sector, State Sector and Private Sector etc.

(c) In the previous petition namely, P.P.A.P. No. 5 of 2011 filed by the Petitioner before the Commission for fixing the tariff for the power to be sourced from Intra-State region generators for the months of October 2011 to June 2012, the Commission has issued order fixing the price of Rs.5.05 per unit for the period from October 2011 to May 2012 and directed to invite fresh bids for the period from June 2012 onwards. Accordingly TANGEDCO has called for the tender from power

producers from the southern region for the period from June 2012 to May 2013 and all the local generators participated in it. TANGEDCO has filed a petition before the Commission and same numbered as PPAP No.3 of 2012. The said petition was heard by the Commission on 21-05-2012 and the Commission in its daily order directed TANGEDCO to furnish certain details and also to get its Board's approval and to file additional affidavit before the Commission.

(d) The matter was placed before the full Board on 30-05-2012 and the Board has directed TANGEDCO to renegotiate with the generators in Tamil Nadu for further reduction in the price offered.

(e) As the period of earlier LOA expires on 31-05-2012 and the new tender could not be finalized before 31-05-2012, the power from the local generators cannot be scheduled in the absence of any live LOA and the generators may also feel aggrieved due to the fact that the G.O.No.10 dated 27-02-2009 curbing the local generators from taking their power outside the State is in force which will force them to shut down their power plants which will also be against the spirit of G.O.

(f) As an interim measure the agreement period may be extended by one month with the local generators upto 30-06-2012 at the earlier rate fixed by the Commission in P.P.A.P. No. 5 of 2011 and under the same existing terms and conditions. The list of generators who are presently supplying power under the tariff fixed in P.P.A.P. No.5 of 2011 in the tender No. 3 of 2012 are furnished below:-

1	M/s. OPG PowerGen Pvt. Ltd	68 MW
2	M/s. OPG Energy Pvt. Ltd.	4 MW

3	M/s. Ind-Bharath Powergencom Ltd.	150 Mw
4	M/s. MMS Steel Power Pvt. Ltd.	7.5. MW
5.	M/s. Empee Sugars and Chemicals Ltd.	35 MW
6	M/s. Dalmia Cement (Bharath) Ltd.	10 MW
7	M/s. Akay Energy (Rameswaram) Ltd.	80 MW
8	M/s. Saheli Exports Pvt. Ltd.	1 MW
9	M/s. Madras Aluminium Co. Ltd.	33 MW
10	M/s. Hi-Tech Carbon	16 MW
11	M/s. Kamachi Sponge & Power Corporation Ltd.	15 MW
12	M/s. Sai Regency Power Corporation Pvt. Ltd.	15 MW

4. Finding of the Commission

The prayer of the Petitioner is to purchase upto 434.5 MW and a quantum of 313 MU of power for the month of June 2012 at a unit rate of Rs.5.05 per Kwhr involving a total cost of Rs.158.1 crores. This power is being procured from 12 generators located within Tamil Nadu. The Petitioner further states that the Letter of Award issued earlier based on the approval given in PPAP No. 5 of 2011 expired on 31-05-2012. This present petition P.P.A.P. No. 4 of 2012 is filed on 31-05-2012 seeking extension for one month for June 2012 on the same terms and conditions. The learned Counsel for TANGEDCO and Thiru K.Seshadri, Chief Engineer (Private Power Projects) elaborated the details and the necessity for continuing with these agreements for a further period of one month i.e. June 2012.

Thiru S.Gandhi who was present in the Court suggested that the rate of Rs.5.05 per Kwhr at which power is sought to be procured is on the higher side and it will reflect in the overall losses of the TANGEDCO. Another view was also expressed that load shedding may be continued and power need not be procured from the private generators at a high cost. Thiru S.Gandhi had also submitted his

request for holding public hearing during the proceeding before the Commission on 21-05-2012. The Commission in its daily order has already dealt with this matter.

In his argument, Thiru K. Seshadri explained that the power for which extension is sought for one month of June 2012 was already being used by TANGEDCO upto May 2012. Although wind generation has increased, wind power being infirm in nature, base load power is required. Load shedding and power holidays have also been relaxed from today. Further the Short Term Open Access for which they have filed applications before the competent authorities has resulted in availability of only 76 MW in June 2012 and 185 MW in July 2012.

Keeping in view the demand supply position and current availability of power which includes the power available from these power stations, the Commission allows the Petitioner, TANGEDCO, as a special case, to avail power at the rate of not exceeding Rs.5.05 per Kwhr for the month of June 2012, as an interim measure. All other terms and conditions indicated in the order in P.P.A.P. No. 5 of 2011 shall continue to apply. The Petitioner should take all efforts to negotiate price keeping in view the type of fuel used. Since this case was presented as a fait accompli at the last minute, with a view to not to disturb the power supply arrangements, the Commission reluctantly approves this proposal.

5. Appeal:-

An appeal under section 111 of the Electricity Act, 2003 against this order shall lie to the Appellate Tribunal for electricity within a period of 45 days.

Pronounced in the open court by this Commission on this 2nd day of June 2012.

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

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

/ True Copy /

Secretary
Tamil Nadu Electricity Regulatory Commission