

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.1 of 2013

Tamil Nadu Generation and Distribution
Corporation Limited
Represented by Chief Engineer /
Private Power Projects
144, Anna Salai
Chennai – 600 002.

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

Vs

Nil

....Respondent

Date of hearing : 31-01-2013

Date of order : 28-03-2013

M.P.No.1 of 2013 came up before the Commission on 31-01-2013 for admission. The Commission upon perusing the above petition and connected records of the case and upon hearing the Chief Engineer (PPP) of TANGEDCO admitted the above petition and reserved orders. The Commission now passes the following final order:-

FINAL ORDER

1. Prayer in M.P. No.1 of 2013:-

The prayer of the petitioner in M.P.No.1 of 2013 is to approve the dispatch of power from the high cost Independent Power Producers outside the merit order for the month of January 2013 as mentioned in para 6 which is reproduced below:-

Name of the IPP	Power proposed to be purchased during the month of January 2013 in MU
M/s.GMR	111
M/s.SPIC	33
M/s.MPC	55
M/s.PPN	246
Total	445

2. Contention as set out in M.P.No.1 of 2013:-

(a) In Clause 7.1.20 of the Tariff Order dated 30-03-2012 for the year 2012-13, with respect to M/s.GMR Power Corporation Limited (M/s.GMR), M/s.Samalpatti Power Corporation (P) Limited (M/s.SPCL), M/s.Madurai Power Corporation (P) Limited (M/s.MPCL) and M/s.PPN Power Generating Company (P) Limited (M/s.PPN), the Commission has approved only the fixed charge payable to the above companies and ordered that wherever the above power stations are to be dispatched outside merit order, the Petitioner should get the approval of the Commission. The Commission has further observed that TANGEDCO shall obtain approval of the Commission in advance by furnishing reasons for such action. In case of emergencies TANGEDCO is permitted to resort to such a practice but will approach the Commission within a week of such action along with the reasons for such action.

(b) In view of the failure of South West monsoon and very poor storage in the Hydro Reservoirs, the hydro inflows in the power plants of Tamil Nadu is very less compared to the previous year.

(c) The State owned EPC projects, joint venture projects and central sector projects are getting delayed from its scheduled commissioning dates.

(d) The forecast demand for the month of January 2013 during peak hours is 12,800 MW. However, the forecast availability from all the sources is only 7,770 MW, leaving a deficit of 5,030 MW.

(e) Due to the shortage of power and to meet out the demand, it is proposed to purchase the quantum of power from the high cost IPPs namely M/s.GMR, M/s.SPCL, M/s.MPCL and M/s.PPN for the month of January 2013 as set out in para 1 above.

3. Findings of the Commission:-

This petition is filed by TANGEDCO on 10-1-2013 for operating the power stations of M/s. GMR, M/s. SPCL, M/s. MPCL, and M/s. PPN outside the merit order for the month of January 2013. The proposal of the petitioner is as follows:

Name of the IPP	Power proposed to be purchased during the month of January 2013 in MU
M/s. GMR	111
M/s. SPC	33
M/s. MPC	55
M/s. PPN	246
Total	445

The reasons cited for dispatch of these power stations is attributed to failure of South West and North East Monsoons, very poor storage in Hydro reservoir due to lower flows, delays in commissioning of the state owned power projects, joint venture power projects and central sector power projects.

The Commission has raised certain queries while approving the power purchase from high cost IPPs outside the merit order for the month of August 2012 with certain directions which are extracted below:

“Para 3.6 TANGEDCO is directed to obtain necessary details from TANTRANSCO and file the same as to the time frame by which the alternate 230 KV supply from Taramani would be provided to Mylapore.....

.....State Load dispatch centre shall be responsible for optimum scheduling and dispatch of electricity within the State in accordance with the contracts entered into with the licensees or generating companies operating in their State in accordance with section 32 (2)(a) of the Electricity Act, 2003. The same shall be ensured by the State Load Dispatch Centre. TANGEDCO may accordingly co-ordinate this issue with the State Load Dispatch Centre”.

“Para 3.7.....The actual position in this case (M/s. PPN) since mid October 2012 shall be filed by M/s. TANGEDCO”.

The petitioner has clarified these issues in its affidavit filed on 22-1-2013 as follows:

“4. It is respectfully submitted that the status of alternate supply to Mylapore 230 KV SS, obtained from TANTRANSCO is furnished as follows:

- a. Laying of single circuit 230 KV cable from Elephant Gate to Mylapore for a route length of 10.5 Kms will be completed by the end of March 2013.*
- b. Laying of double circuit 230 KV Cable from Mylapore 230 KV SS to Tharamani 230 KV SS for a route length of 10.3 Kms will be completed by 10/2013.*

8. *It is respectfully submitted that TANGEDCO is closely following up with the high cost IPP, M/s. PPN for the actual position of new well 'Surya' from mid of October 2012. M/s. PPN in turn has intimated that they are constantly following up with M/s. GAIL and the position of the new well is yet to be made known by PPN/GAIL.*

9. *It is respectfully submitted that in the mean time from 12:00 Hrs on 13-01-2013, the gas supply for M/s. PPN power plant has been reduced from 17,000 MMBTU to 16,000 MMBTU and the plant is now operated with 69% of Naphtha and 31% natural gas."*

This affidavit further states as follows:

- "(i) NCTPS – Stage 2, MTPS – Stage 3, Kudankulam, Neyveli TS- 2 expansion and MAPS (additional) are all getting delayed and there is a demand-supply gap of about 4000 MW.
- (ii) The High Level Committee constituted as per the order of Hon'ble CM of Tamil Nadu is reviewing the power position and load shedding pattern on weekly basis.
- (iii) Amended operating frequency band, strict control on unscheduled interchange, etc has also made the grid operation a challenging one".

The power purchase outside the merit order from these four power stations upto December, 2012 are as follows:-

M/s.GMR 500 MU @ Rs.10.50/ Kwh

M/s.SPC 300 MU @ Rs.11.10/ Kwh

M/s.PPN 1300 MU @ Rs.8.40/ Kwh

M/s.MPC 300 MU @ Rs.11.10/ Kwh, totaling 2400 MU.

The weighted average variable charge for these four units being of the Order of Rs.9.51 per Kwhr, the additional expenditure to TANGEDCO on this score alone is about Rs.1083/- crores so far in this financial year. This additional expenditure has been worked out keeping in view that the average rate of realization from the consumers by TANGEDCO is Rs.5/- per Kwhr. The quantum of dispatch prayed for by TANGEDCO for the month of January, 2013 is 445 MUs. The details available in the SLDC website indicates that the actual dispatch is of the Order of 375 MUs. The additional expenditure on account of dispatch of these liquid fuel based plants will only increase the revenue gap for the year 2012 -13. Keeping in view the heavy load shedding which is prevailing in the State, the Commission has no other alternative than to approve such dispatch.

The petitioner is further directed to ensure that the laying of single circuit 230KV cable from Elephant Gate to Mylapore is completed by the end of March 2013 and laying of double circuit 230 KV cable from Mylapore 230 KV SS to Tharamani 230 KV SS is accelerated and completed earlier.

4. 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.

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

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

/ True Copy /

Secretary
Tamil Nadu Electricity
Regulatory Commission