

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 122 of 2014

IN THE MATTER OF

**Petition of Maharashtra State Power Generation Company Ltd for Approval of final
True up for FY 2012-13**

Coram

Smt. Chandra Iyengar, Chairperson
Shri. Azeez M. Khan, Member
Shri. Deepak Lad, Member

ORDER

Dated: 16 March, 2015

The Maharashtra State Power Generation Co. Ltd. has filed a Petition on 11 June, 2014 for Final True-up for FY 2012-13 under the provisions of Section 61, Section 62 and Section 86(1)(a)(b) of the Electricity Act, 2003 and Part C and Part E of MERC (Terms and Conditions of Tariff) Regulations, 2005. The Commission, in exercise of powers vested in it under Section 61 and Section 62 of the Electricity Act, 2003 and all other powers enabling it in this behalf, and taking into consideration all the submissions made by MSPGCL, issues raised during the Public Hearing, and all other relevant material, issues the following Order.

parameters for Parli TPS (including Unit # 6 and Unit # 7) in the true up of fuel cost for FY 2012-13.

4.1.1.13 The Commission approves the actual performance parameters for Parli TPS (including Unit # 6 and Unit # 7) in the true up of fuel cost for FY 2012-13.

4.1.2 Gas shortage for Uran GTPS

MSPGCL's submission

4.1.2.1 MSPGCL submitted that the actual Availability for Uran GTPS in FY 2012-13 was lower than normative Availability of 80% on account of lower receipt of gas. The actual availability of gas from all sources was 885.73 MMSCM as against the requirement of 1314 MMSCM to achieve the normative Availability of 80%. MSPGCL requested the Commission to approve the actual Availability for Uran GTPS for FY 2012-13 considering the gas shortage as an uncontrollable factor. Further, MSPGCL submitted that the lower gas receipt led to operation of the plant in open cycle mode resulting in higher SHR and requested the Commission to approve the actual SHR for true up of fuel expenses for FY 2012-13.

Commission's Analysis

4.1.2.2 The Commission asked MSPGCL to submit the supporting documents for substantiating the actual gas receipt in FY 2012-13 for Uran GTPS and to substantiate the workings of Availability based on actual gas availability for FY 2012-13.

4.1.2.3 MSPGCL submitted the copies of fuel bills for FY 2012-13 for Uran GTPS and the computations of achievable Availability corresponding to the actual gas availability.

4.1.2.4 The Commission, after scrutiny of the material placed on record and in accordance with the approach adopted by the Commission in the Order dated 3 September, 2013 in Case No. 28 of 2013 has considered the actual Availability for allowing the fixed cost recovery for Uran GTPS for FY 2012-13. Further, the Commission has computed the normative SHR for

Uran GTPS based on the actual generation in combined cycle mode and open cycle mode for true up of the fuel cost for FY 2012-13.

4.1.2.5 The Commission, considering the gas shortage, approves the actual Availability of Uran GTPS for allowing the fixed cost recovery for FY 2012-13.

4.1.3 Performance Parameters for Khaperkheda Unit # 5

MSPGCL's submission

4.1.3.1 MSPGCL submitted that the actual coal realisation for Khaperkheda Unit # 5 was only 42% of the overall coal requirement. The significant shortages in coal supply, stabilisation period in monsoon season and CHP problems impacted the stable operations and hence, the performance parameters during the stabilisation period have deviated from the normative performance parameters. MSPGCL requested the Commission to relax the performance parameters for Khaperkheda Unit # 5 on account of the same.

Commission's Analysis

4.1.3.2 MERC Tariff Regulations, 2005 specify the stabilisation period for new generating stations as 180 days from the date of commercial operation.

4.1.3.3 The Commission, in the Order dated 4 September, 2013 in Case No. 44 of 2013 on approval of capital cost and tariff for Khaperkheda Unit # 5 for FY 2012-13, ruled as under:

“5.1.46 In view of the above, the Commission at this stage has not carried out the detailed analysis of the reasons of variation in performance parameters with respect to norm approved in Regulations in FY 2012-13. The Commission is of the view that it will be more appropriate to analyse the reasons of variation in performance parameters once the P&G Test reports are available for assessing the reasons of variation in performance parameters under controllable and uncontrollable factors. The Commission while carrying out the trueing up for FY 2012-13 based on audited accounts will analyse the reasons of variation in performance parameters and accordingly assess the sharing of gains and losses on account of