



MADHYA PRADESH POWER GENERATING COMPANY LIMITED

BLOCK NO. 9, SHAKTI BHAWAN, RAMPUR,
JABALPUR (M.P.) - 482 008 FAX NO.0761-2660730

No. 07-12/CP-MPPGCL/ROC/ /

JBP., DT : /06/2010

To,

The Commission Secretary,
Madhya Pradesh Electricity Regulatory Commission,
E-5, Arera Colony,
"Metro Plaza" 5" Floor, Bittan Market,
BHOPAL 462 016

SUB :-Submission of Annual Regulatory Compliance Report of MPPGCL by Reporter of Compliance for the year 2009-10

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Please find enclosed herewith, the Annual regulatory Compliance Report of Reporter of Compliance in respect of M.P. Power Generating Company Limited (MPPGCL) for the year 2009-10 duly approved by CMD, MPPGCL.

Encl : Annual Regulatory
Compliance Report
(Annexure-A - 7 Sheets)
Status of compliance of
MPERC Directives. (Annexure-B - 2 Sheets)

**(K.K.SHRIVASTAVA)
REPORTER OF REGULATORY COMPLIANCE
MPPGCL, JABALPUR**

Copy to :-

1. The Joint Director (Tariff Engineering), Madhya Pradesh Electricity Regulatory Commission, E-5, Arera Colony, "Metro Plaza" 5" Floor, Bittan Market, BHOPAL 462 016
2. The Chief Engineer (CP), MPPGCL, Jabalpur.
3. The Staff Officer to CMD, MPPGCL, Jabalpur.

**ANNUAL REPORT
ON
REGULATORY COMPLIANCE
FOR
2009-2010**



REPORTER OF COMPLIANCE
M.P.POWER GENERATING COMPANY LTD
9th BLOCK , BASEMENT, SHAKTI BHAWAN, JABALPUR

**ANNUAL REGULATORY COMPLIANCE REPORT OF MPPGCL FOR THE
FINANCIAL YEAR 2009-10
(Period from 1st April'09 to 31st March '10)**

In pursuance with various directives and guidelines for Regulatory Compliance Regulations, 2005, the Annual status of compliance of various directives of MPERC in respect of MPPGCL for the financial year 2009-10 is prepared.

This report is broadly structured in four sub groups as elaborated below:-

1. Petitions already submitted to Hon'ble Commission. during April 2009 to March, 2010.
2. Petitions due for submission.
3. MIS related matters.
4. Other important issues.

Hon'ble Commission have passed an order dated 03.03.2010 for approval of Generation Tariff for Multi Year FY-10 to FY -12 wherein, certain fresh directives have been issued by the Commission. The updated compliance status against these directives have been listed in Annexure – B enclosed.

(1) Status of petitions submitted in FY 09-10.

PETITION FILED	STATUS
i) True up of Generation Tariff for FY 2007-08.	i. Public hearing held at MPERC Bhopal on 03-03-2010 ii MPERC order awaited.
ii) Proposal of M.P. Power Generating Co. Ltd. for approval of Generation Tariff for FY10 to FY12.	i. Petition 54/2009 ii. MPERC Order passed on 3-3-2010.
iii. Proposal of M.P. Power Generating Co. Ltd. for relaxation in operational parameters benchmarked for FY10 on account of shortage of water at Satpura Thermal Power Station.	i. Petition 46/2009 ii. MPERC Order passed on 29-12-2009
iv. Proposal of M.P. Power Generating Co. Ltd. for approval of Generation Tariff of Madhikheda Unit No.3 (20 MW) Hydro power Station for FY08 & FY09.	i. Petition 45/2009 ii. MPERC Order passed on 5-1-2010.
v. Review Petition for True up Order of Generation Tariff for FY07 determined by Hon'ble Commission vide Tariff Order dated 17.6.2009.	i. Petition 40/2009 ii. MPERC Order passed on 10-11-2009.

vi. Proposal of M.P. Power Generating Co. Ltd. for approval for recovery of cost of supply for Infirm power from 210 MW Amarkantak Thermal Power Station.	i. Petition 41/2009 ii. MPERC Order passed on 15-9-2009.
vii) Proposal of M.P. Power Generating Co. Ltd. for approval of Capital Expenditure towards R&M scheme of STPS Sarni.	i. Public hearing held at MPERC Bhopal on 19-5-2010 and Commission has passed order for submitting further details.
viii) Proposal of M.P. Power Generating Co. Ltd. for approval of Generation Tariff of Sanjay Gandhi (1 X 500 MW) Thermal Power Station for FY09	i. Petition 12/2009 ii. MPERC Order passed on 24-11-2009.
ix) Proposal for Relaxation in Operational norms in Regulation RG-26(I) of 2009	i. Petition 08/2010 ii. MPERC Order passed on 26-5- 2010.
(x) Proposal of M.P. Power Generating Co. Ltd. for approval of Generation Tariff of Amarkantak (1 X 210 MW) Thermal Power Station	i. Petition filed on 29-4-2010

(2) Petitions due for submission:

PETITION TO BE FILED	STATUS
i. True up of Generation Tariff for FY 2008-09 .	i. Request for extension of time for submission of True Up petition for FY 09 have already been sent to MPERC Bhopal stating that the same shall be submitted after determination of True Up Tariff for FY 08. MPERC has directed to file the petition by 14 th August 2010.

(3) MIS related issues –

The Commission directed MPPGCL to submit MIS in the following manner :-

FORMAT NO.	SUBJECT/INFORMATION	PERIODICIT Y	SUBMISSION
Gen-1	Power Station-wise Generation Target Vs. Actual	Monthly	Quarterly
Gen-2 (Revised)	Power Station wise Coal consumption target Vs. Actual	Monthly	Quarterly
Gen-3	Power Station wise status of Weight-o-meter and weigh bridges.	Monthly	Quarterly

Gen-4	Power Station wise Fuel cost target Vs. Actual	Monthly	Quarterly
Gen-5	Power Station wise Man Power sanctioned Vs. Actual	Monthly	Quarterly
Gen-6	Power Station wise Pollution parameters and details of outages.	Monthly	Quarterly
MPSEB-1	MPSEB Performance (Partly pertaining to Genco)	Quarterly	Quarterly

The above MIS Reports are being submitted regularly by the utility. The latest MIS submitted for quarter ending March'10 has been sent to the Commission on 22.05.10. The Quarterly Report due in June'10 shall be sent within time limit.

These MIS reports have also been uploaded on MPPGCL's web site. Utility is being perused continuously to expedite the MIS informations from site and submit the same in the scheduled time limit to Hon'ble Commission.

(4) MIS for Key parameters :-

The commission directed to submit these information monthly in the specified format. This MIS contains the details of performance parameters as well as financial parameters. The status of performance parameters is already included in the MPSEB-1 format mentioned above. Additionally, in this report the Commission desires the details of loan on monthly basis. Initially there was delay in submission of these reports from the utility. However, the matter was perused strongly with the Company. Now these reports are being sent regularly on monthly basis to Hon'ble Commission. The latest report for the month of April'10 has already been sent to the Commission on dated 10.06.10.

(5) Display of information on website:-

The Commission directed MPPGCL to display the following information on MPPGCL website (www.mpgenco.nic.in) The information is being updated regularly.

- i. Display of Annual Performance Standards of Genco.
- ii. Display of Actual Monthly Availability & Capacity Index of Thermal & Hydel Power Stations respectively.
- iii. Display of Monthly Key Parameters of Genco.
- iv. Display of reasons for deviation in actual maintenance schedule.
- v. Display of information of ROC – "Consolidated Regulatory Compliance Report of ROC submitted to MPERC."
- vi. Display of month wise breakdown details.

Other Important issues :-

(6) Ferguson's Report :-

For improvement in coal practices, Hon'ble Commission got a study conducted from M/s. Fergusons. The recommendation of M/s. Fergusons were also made available to the utility. The utility also made its representation before Hon'ble Commission pointing out the difficulty in accepting the report in to-to. The changes as directed by Hon'ble Commission were acceptable to the utility and based on it, MPPGCL has already implemented most of the recommendations. However, for implementation of remaining recommendation, the utility has placed order on the consultant, M/s. Delolite.

The Hon'ble Commission had reviewed the status on these issues in Joint meeting held on 15th May'08 at their Bhopal office. As directed by the Commission M/S Delolite had prepared a comprehensive manual, a final copy of which has already been submitted to the Commission.

The Utility have now informed that the work of CHMS manual based on recommendation of M/s A.F.Ferguson has been included in ERP project of MPPGCL. In this regard, M/s Telecommunication Consultants India Ltd.(TCIL), New Delhi has been appointed as consultant for implementation of MIS project. The draft functional requirement related to coal as sought by M/s TCIL has also been furnished recently..

As directed by the Commission earlier, all concerned at Thermal Power Stations as well as Head Quarter of MPPGCL have already been instructed by utility to implement CHMS w.e.f.1st April '09 manually till computerization of entire CHP and Coal Accounting System. However, the utility has informed that as per feed backs received from TPS computerization would be essential to implement CHMS in totality. All out efforts are being made to complete this task at the earliest.

(7) R&M activities at SGTPS, Birsinghpur :-

Under need based R&M order(s) for supply & installation of HP Heaters for Unit No. 1 & 2 have been placed on M/s BHEL on 20/23.06.08. The materials have been received at site. New HP Heaters at Unit No. 2 have been erected and commissioned in Nov.'09. The installation of HP heaters in Unit No. 1 is proposed to be undertaken during forthcoming AOH in August 2010.

The CEA has included comprehensive R&M works of (2x210) MWSGTPS PH-I for implementation during the 12th Plan. M/s NTPC (Consultancy Wing) had been approached to submit their offer to prepare proposal for R&M schemes for (2x210) MW SGTPS PH-I. Offer of M/s NTPC was received on 21.10.09. The quoted prices were considered on higher side. Therefore in order to get competitive rates, limited enquiry has been issued to eight nos. short listed firms. The offers shall be opened on 30.06.2010.

(8) R&M activities at STPS, Sarni :-

The DPR for R&M works of STPS, PH-II & III was finalized in association with NTPC. The administrative approval(s) of the BoD of MPPGCL and GoMP has been obtained. PFC has sanctioned a loan of Rs. 459.09 Crs. for financing these R&M works. The Estimated cost of project is Rs. 576 Crs. The balance fund requirement is proposed to be met from internal resources/state plan.

The NIT has been issued inviting offers for implementation of 26 Nos. R&M activities covered in the proposal. Meanwhile, during the hearing held on 19.05.2010 on the petition filed by MPPGCL in this regard, Hon'ble Commission have desired to carry out a detailed analysis for achieving the heat rate to the extent of about 2500 Kcal/Kwh. Accordingly, matter has been referred to M/s NTPC who have suggested to carryout detailed study including Performance Evaluation Tests (PET), RLA study and Steam Path Audit to assess the more definite value of heat rate which can be achieved through R&M. Detailed offer of NTPC for this purpose is awaited. It has been indicated by NTPC that the scope covered in the present DPR and the cost implications may be revised on account of proposed reduction in heat rate. Accordingly, the revised DPR will be prepared after receiving the detailed report from NTPC .

(9) R&M activities at Amarkantak TPS:-

A comprehensive proposal for R&M works is being implemented on (2x120) MW Unit No. 3 & 4 of Amarkantak TPS with estimated cost of Rs. 124.30 Crores with financial assistance from PFC to the extent of Rs. 99 Crores and balance through internal resources. The R&M works of Electrical equipments, Boilers (except Air Heaters) and Control & Instrumentation have been completed earlier.

The R&M works of Turbine –Generator & Auxiliaries is under progress. The Contract has been awarded to M/s NASL, New Delhi for this job. Almost all the major materials/equipments have been received at site. The R&M works in unit No. 4 have started from 29th July'09 and is under progress. The rotors of HP, IP & LP turbine, Generator & Exciter have been received back at site from the works of M/s APIL, Vadodara after carrying out renovation/repair/overhauling/balancing work. The balancing of rotors is completed while Box-up of rotors is in progress. The commissioning is expected in 1st week of July'10. Thereafter, works in unit No. 3 will be under-taken. The expenditure of about Rs. 40.0 Crores has been incurred till May'10 on R&M work of TG.

The R&M works of Air Heaters in Unit NO. 4 are completed during current COH of the unit. The similar work in No. 3 shall be carried out during forthcoming COH.

(10) Implementation of recommendation of NTPC on best practices of (O&M) at various TPS:-

The utility has informed that the detailed order for availing Consultancy Services for Gap Analysis and Performance improvement Plan(PIP) of Satpura TPS, Sarni & Sanjay Gandhi TPS, Birsinghpur and Amarkantak TPS, Chachai of MPPGCL for Technical Audit is placed on M/s NTPC. M/s NTPC had already completed the study of all three Thermal Power Stations and submitted their Report/ Recommendations. The utility has decided to avail services of M/s NTPC expert for Birsinghpur TPS.

(11) Balancing and settlement code 2009:-

The utility have already implemented the Balancing and Settlement Code 2009 with effect from 1st Nov. 2009. ABT Cells have formed at all Thermal Power Stations. Verification of actual energy /scheduled energy is being done by Generation Control Centre (GCC) ,MPPGCL at Jabalpur. Modalities of the Payment Mechanism of UI charges is yet to be devised.

(12) Metering & Accounting :-

As per procedure laid down, joint metering is being under taken regularly by MPPGCL and TRANSCO/DISCOM and being certified by SLDC for billing and accounting. State Energy Account is also being issued by SLDC on monthly basis regularly.

Main ABT meters for installation at interface points between GENCO and TRANSCO (procured by TRANSCO) have since been supplied, installed and commissioned and have been operationalized. Further, order were placed by the utility for procurement of ABT compliance meters for installation as consumer meters and Energy accounting and audit meters. These meters have also now been supplied and are being installed at respective Power Stations progressively..

(13) Billing and Payment :-

Based on the certified Availability Factors and Capacity index and Energy Meter reading issued by SLDC/TRANSCO, MPPGCL prepares energy bills in accordance with terms and conditions of Generation Tariff Regulations and tariff order FY 09. These bills are being issued to Commercial department of TRADCO on 7th day of each following month for arranging payments as per Power Purchase Agreement and provisions of MPERC Regulations and tariff order.

**(S.P.SONI)
CHIEF ENGINEER(CP)
MPPGCL : JABALPUR**

**(K.K. SHRIVASTAVA)
REPORTER OF COMPLIANCE
MPPGCL : JABALPUR**

STATUS OF COMPLIANCE OF MPERC DIRECTIVES GIVEN IN GENERATION TARIFF ORDER FOR FY- 09 TO FY- 12

Updated upto 18th June 2010

Sl. No.	Directives	Status of compliance																				
<p>1</p>	<p>Filling the tariff petition for determination of final Tariff:-</p> <p>The Commission had issued the provisional tariff orders for new units of Madhikheda (Unit I toll), Bansagar (Unit-VI) and SGTPS Birsinghpur (Unit-V) 500 MW as follows:-</p> <table border="1" data-bbox="403 711 1822 1015"> <thead> <tr> <th data-bbox="403 711 532 751">Sl.No.</th> <th data-bbox="532 711 1002 751">Unit</th> <th data-bbox="1002 711 1459 751">CoD</th> <th data-bbox="1459 711 1822 751">Date of Order</th> </tr> </thead> <tbody> <tr> <td data-bbox="403 751 532 865">1.</td> <td data-bbox="532 751 1002 865">Madhikheda HPS Unit No. 1 Unit No. 2</td> <td data-bbox="1002 751 1459 865">28th August 2006 9th September 2006</td> <td data-bbox="1459 751 1822 865">11th January 2008.</td> </tr> <tr> <td data-bbox="403 865 532 906">2.</td> <td data-bbox="532 865 1002 906">Madhikheda HTPS Unit No. 3</td> <td data-bbox="1002 865 1459 906">18th August 2007</td> <td data-bbox="1459 865 1822 906">5th January 2010</td> </tr> <tr> <td data-bbox="403 906 532 979">3.</td> <td data-bbox="532 906 1002 979">Bansagar IV Jhinna Unit No. 1</td> <td data-bbox="1002 906 1459 979">20th August 2006 30th August 2006</td> <td data-bbox="1459 906 1822 979">11th January 2008.</td> </tr> <tr> <td data-bbox="403 979 532 1015">4.</td> <td data-bbox="532 979 1002 1015">SGTPS Extn.Unit 500 MW</td> <td data-bbox="1002 979 1459 1015">28th August 2008</td> <td data-bbox="1459 979 1822 1015">24th November 2009</td> </tr> </tbody> </table> <p>In the provisional orders the Commission had directed to file the tariff petition for determination of final tariff of these units based on audited account. The petition for determination of final tariff has not been filed by the Company,. MPPGCL is directed to file the tariff petition for determination of final tariff alongwith the audited account.</p>	Sl.No.	Unit	CoD	Date of Order	1.	Madhikheda HPS Unit No. 1 Unit No. 2	28 th August 2006 9 th September 2006	11 th January 2008.	2.	Madhikheda HTPS Unit No. 3	18 th August 2007	5 th January 2010	3.	Bansagar IV Jhinna Unit No. 1	20 th August 2006 30 th August 2006	11 th January 2008.	4.	SGTPS Extn.Unit 500 MW	28 th August 2008	24 th November 2009	<p>The audited capital cost details are being worked out by the Project Office of the utility. The utility has informed that all out efforts are being made to finalise the audited project cost based on which petitions shall be filed shortly.</p>
Sl.No.	Unit	CoD	Date of Order																			
1.	Madhikheda HPS Unit No. 1 Unit No. 2	28 th August 2006 9 th September 2006	11 th January 2008.																			
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4.	SGTPS Extn.Unit 500 MW	28 th August 2008	24 th November 2009																			
<p>2</p>	<p>Station wise accounting statement:-</p> <p>The MYT Regulation notified by the Commission with regard to terms and conditions for determination of generation tariff provides for power station wise generation tariff. The Commission has observed that MPPGCL could not provide power station wise account and cost verification.</p>	<p>The utility has informed that the station wise accounting statement shall be provided from FY-09-10 onwards to the Commission.</p>																				

	<p>During the course of CMD meeting held on dated 27th August 2009, the MPPGCL committed before the Commission to provide station wise balance sheet for FY 2009-10. The Commission directs MPPGCL to implement station wise accounting from FY 2009-10 onwards positively.</p>	
3	<p>Tariff Petition for ATPS Chachai Unit No. 5 (210 MW):-</p> <p>The 210 MW ATPS Chachai Unit No. 5, has already commissioned on 09.09.2009 MPPGCL has not filed the petition for determination of tariff till date. It is directed to file the petition for determination of tariff along with all necessary documents.</p>	<p>The utility has informed that the petition has been submitted on 29.04.10 .</p>
4	<p>Implementation of the recommendations of M/s A.F.Ferguson:-</p> <p>During the course of CMD meeting dated 27th August 2009, MPPGCL was directed to implement new coal accounting system as recommended by M/s A.F.Ferguson at earliest. MPPGCL is directed to make all out efforts for implementation of the new coal accounting system as recommended by M/s A.F.Ferguson at the earliest.</p>	<p>The utility have informed that all the concerned authorities at Thermal Power Stations as well as Head Quarter of MPPGCL have been instructed to implement CHMS manually with effect from 1st April 2009 till computerisation of entire CHP and coal accounting system. However, as per feed backs received from TPS, computerization will be essential to implement CHMS in totality. The latest status about computerization has been detailed against Point No. 6 of the Annual report. (Annexure – A)</p>