

**HALF YEARLY REPORT  
ON  
REGULATORY COMPLIANCE  
FOR  
2008-2009**



**REPORTER OF COMPLIANCE**  
**M.P.POWER GENERATING COMPANY LTD**  
9<sup>th</sup> BLOCK , BASEMENT, SHAKTI BHAWAN, JABALPUR

## ANNEXURE-A

### HALF YEARLY REGULATORY COMPLIANCE REPORT OF MPPGCL FOR THE FINANCIAL YEAR 2008-09 (Period from 1<sup>st</sup> April'08 to 30<sup>th</sup> Sept.'08)

In pursuance with various directives and Guidelines for Regulatory Compliance Regulations, 2005, the half yearly status of compliance of various directives of MPERC in respect of MPPGCL for the financial year 2008-09 is prepared.

It is pertinent to mention that no specific requirement has been specified in the regulations to MPPGCL for reporting such compliance in the MPERC (Guidelines for reporting of Regulatory Compliances) Regulations 2005 notified by Hon'ble Commission on 5<sup>th</sup> May '05 which basically is applicable to the licensees. Yet, with a view to update Hon'ble Commission on the present status of the utility regarding the compliance of the various directives, this Half Yearly report is being submitted.

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

1. Petitions already submitted to Hon'ble Commission. during April 2008 to Sept.2008
2. Petitions becoming due in near future.
3. MIS related matters.
4. Other important issues.

It is further to submit that directives of Hon'ble Commission which has already been complied by the utility earlier and reported to the Hon'ble Commission have been excluded from this report to avoid redundancy of the facts.

1. **Petitions already submitted to Commission** :- MPPGCL has submitted following petition to the Hon'ble Commission. The status of each of the petitions is also submitted briefly against each of them hereunder. The summary details are as under :-

(i) **True up petition of Tariff Order for FY 07.**

Petition submitted by MPPGCL on	21 <sup>st</sup> July'08
Petition No. admitted by Hon'ble Commission	56/2008
Technical validation	---
Public hearing held on	---
No. of objections received	---
Reply submitted to consumer	---
Supplementary information required by Hon'ble Commission	---
Order by Hon'ble Commission	---

**(ii) True up petition of Tariff Order for FY08.**

Petition submitted by MPPGCL on	26.12.2008
Petition No. admitted by Hon'ble Commission	---
Technical validation	---
Public hearing held on	---
No. of objections received	---
Reply submitted to consumer	---
Supplementary information required by Hon'ble Commission	---
Order by Hon'ble Commission	---

**(iii) Regulations on MPERC (Terms & Conditions for determination of Generation Tariff) for control period from 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2012 :-**

Comments/suggestions submitted on 31<sup>st</sup> December, 2008.

**2. Petitions becoming due in near future :-**

The following petitions are becoming due on which the utility has started its preparation as elaborated below :-

(i)	Tariff Petition of 500 MW Unit IX of SGTPS, Birsinghpur.	Project cost under finalization petition shall be submitted by January, 2009.
(ii)	Tariff petition of 210 MW unit No.5 ATPS Chachai for infirm power.	Deferred as coal firing is delayed. Petition shall be submitted before expected coal firing of unit.
(vi)	Tariff Petition of Madhikheda Unit III	Final Project cost being finalized. Being planned by Feb.09..
(vii)	Capital Expenditure and Business Plan	R&M schemes for STPS II & II and SGTPS I being finalized in association with NTPC. Thereafter the plan shall be submitted by utility.

**3. MIS related issues –**

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

FORMAT NO.	SUBJECT/INFORMATION	PERIODICITY	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. The latest MIS submitted for quarter ending June'08. The data for quarter Sept.'08 is awaited. Hon'ble Commission have recently revised the MIS formats. The information shall now be sent in these revised formats.

#### **4. MIS Key parameters –**

The commission directed to submit the 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. Since mechanism is not in place, utility finding difficulty in arranging the month wise, station wise data for the loan status, hence the report could not be submitted for FY08. The utility is being persued vigorously submit the information on the best possible manner. Utility has informed that PFC is in the process of transfer of loans to respective companies. The details shall be available to the company on completion of this process.

#### **5. Display of information on website –**

The Commission directed MPPGCL to display the following information on MPPGCL website ( [www.mpgenco.nic.in](http://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 have also been made available to the utility. The utility have 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 is 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 an order on the consultant, M/s. Deloitte. The firm have taken up the work at sites.

The Hon’ble Commission have reviewed the status on these issues in Joint meeting held on 15<sup>th</sup> May’08 at their office Bhopal. As directed by the Commission in this joint meeting, the utility is taking suitable measures to address the issues related to joint sampling, weighment of coal, moisture in the coal during finalization of the FSA to be signed with Coal India Ltd., by the utility shortly. Utility has also been advised to prepare a time bound action plan for upgradation of coal handling plants of power stations as per the recommendations of M/s. A.F. Ferguson clearly stating the deliverables and time frames to ensure completion of work by consultant in scheduled time limits. The detailed compliance report has been sent recently to Hon’ble Compliance vide letter No. 478 dated 3.11.08.

#### **7. Implementation of recommendations of NTPC at SGTPS, Birsinghpur :-**

The utility has formed a cell to implement the recommendations given by NTPC team during their visit to SGTPS, Birsinghpur Power Station, in the time bound manner. Regarding implementation of recommendation detailed report has recently been sent to Hon’ble Commission vide letter No. 462 dated 24.10.08

#### **8. NTPC visit to STPS, Sarni:-**

NTPC visited STPS, Sarni and given various recommendations to improve performance of Unit No. 7 (210 MW). The recommendation of NTPC and its implementation in recent AOH of Unit No. 7 (17-09-2008 to 04-10-2008) has been sent recently to Hon'ble Commission vide No. 4622 dated 24.10.08.

**9. Commission's visit to Satpura TPS –**

Hon'ble Commission reviewed the status of implementation of recommendations given in respect of visit of Commission's Chairman to Satpura TPS on 15<sup>th</sup> May, 2008 at Bhopal. As directed, the utility has been advised to consider deployment of additional scrutiny arrangements such as dog squads, Installation of close circuit TV in critical areas. The utility has also been advised to impart proper training and ensure capacity building of officers and sub-ordinates staff. For this purpose, the utility is preparing a training calendar keeping in view, the training needs of individual officers, practicing inter change of ideas with power utility companies like NTPC, undertaking theme based training programme. Under the DFID consultancy support, the consultant, M/s. Earnest & Young are also supporting utility in this area. The detailed compliance report in this respect has recently been sent to Hon'ble Commission vide No. 456 dated 21.10.08,.

**10. Transit and Stacking loss:-**

MPPGCL have submitted a request letter to the Hon'ble Commission requesting that the transit and stacking losses presently being permitted by the Hon'ble Commission are very stringent and need to be relooked. The utility has further requested the Commission vide its letter No. 07-03/Coal/2417 Jabalpur dated 16<sup>th</sup> Aug.07 to get a study conducted by an expert agency (3<sup>rd</sup> party) so as to ascertain the present level of transit and stacking losses and their controllability. The utility further submitted that the transit and stacking losses are season dependent and therefore requested to get the study conducted at least for one year. The utility reported that the Commission, in the presentation made on implementation of Ferguson's report, have also expressed its consent to get the study conducted.

The matter was further taken up with the Commission by the Utility on 16<sup>th</sup> May 2008 at CMD level meeting wherein the Hon'ble Commission was

again requested to relook the limits of allowable transit and stacking losses. It was brought to the notice of Commission that FSA with coal companies has a element of surface moisture (June to Sept.9%, Oct. to May 7%) which does not contribute to any value addition to calorific value. On the contrary, it takes away heat from the system. The loss on this account need to be compensated.

**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 operational zed. Further, order has been placed by the utility for procurement of ABT compliance meters for installation of consumer meters and Energy accounting and audit meters.

**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 07. These bills are being issued to Commercial department of TRADCO on 7<sup>th</sup> day of each following month for arranging payments as per Power Purchase Agreement and provisions of MPERC Regulations and tariff order. This practice is being followed uninterruptedly during FY 2007-08 & 08-09 also as per Generation Tariff Orders for continuation of Tariff for respective years.

**(R. K SAXENA)  
EXECUTIVE DIRECTOR (CP)  
MPPGCL : JABALPUR**

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

**STATUS OF COMPLIANCE OF MPERC DIRECTIVES GIVEN IN GENERATION TARIFF ORDER FOR FY- 07 TO FY- 09**  
**(Ref: :MPERC Letter No.945 dated 17.4.2006 and MPPGCL Lr.No. 228 dated 27.04.2006 & No. 543 dated 30.10.06)**

**As on 30<sup>th</sup> Dec. 2008**

<b>Sl. No.</b>	<b>Clause No.</b>	<b>Direction</b>	<b>Status of compliance as conveyed to MPERC and updation as on date</b>
<b>1</b>	<b>3.17</b>	<b>NCV of Coal:-</b> The Commission directs that the Generating Company in future while computing the NCV for the station shall consider only the operating norms specified by the Commission and any variation in these values shall be addressed through VCA claims.	Directive will be complied along with VCA petition.
<b>2</b>	<b>3.31</b>	<b>Other Fuel Related Cost:-</b> The Commission directs the Company to account for the other fuel related cost station wise so that the need to allocate this cost is done away.	Complied.
<b>3</b>	<b>3.44</b>	<b>Adjustment in Depreciation:-</b> With regard to the accounting of adjustment in the depreciation, the Generating Company is directed that in future it must provide explanations for such adjustments.	Complied.
<b>4</b>	<b>3.50</b>	<b>Preparation of Fixed Asset Register:-</b> With regard to preparation of Fixed Assets Registers, the direction given in the previous order to complete fixed asset registers and codify all its assets by October, 2006 must be complied by the due date.	Complied.

5	3.89	<p><b>Claims of MPSEB:-</b> MPPGCL is directed not to entertain any claims of MPSEB with regard to the common facility charges / trading margin without the prior approval of the Commission.</p>	Complied.
6	5.1.1	<p><b>Performance Reporting of Generating Units:-</b> Performance reporting by generating units every six months -The Commission has once again directed that the Company should file the desired report for the period ending 31st October, 2005 within 15 days of the issue of this order.</p>	Performance reporting by generating units every six months is regularly furnished to MPERC. Recent report of ending Sept. 2008 has been sent to MPERC vide No. 07-12/CP-MPPGCL/ROC-104/ 501 dated 14.11.08.
7	5.1.6	<p><b>Maintenance of Asset registers :-</b> The Commission has directed that MPPGCL should file the account code and sub codes wise details with the Commission.</p>	Complied.
8	5.1.9	<p><b>Data Based Management and Management Information System :-</b> The Commission in its Generation Tariff Order for FY06 has already directed the Generating Company to prepare a time bound programme / action plan and apprise the Commission on the implementation of the action plan. The Commission has also directed MPPGCL to complete the task by 30/09/2006</p>	<p>Compliance status reported to MPERC under Sl.No. 8 of statement vide MPPGCL letter No. 228 dated 27.4.06 and letter No. 542 Dated 28.10.2006.</p> <p>A scheme of Rs.28 Crores has since been approved by BoD of MPPGCL as well as GoMP. PFC have also agreed to finance the scheme upto Rs.22 Crores and has been consented by MPPGCL. MoA has been signed on 12.12.07. DFID is providing support in preparation of Technical specification which is under progress.</p>
9	5.1.12	<p><b>Creation of Station wise Efficiency Cells:-</b> In the Generation Tariff Order for FY06 the Commission has directed the MPPGCL to submit a comprehensive report on the activities of efficiency cells comprising the various types of wastage identified in the power stations, the waste minimizing strategies and implementation of the recommendations, etc. MPPGCL has also been directed to indicate the efficiency gains achieved through the implementation of recommendations of these efficiency cells. MPPGCL has not submitted any details in this regard to the Commission. The Commission directs the Generating Company to submit the desired information by</p>	Complied.

		30/06/2006 positively.	
10	5.1.18	<p><b>Coal Loss:-</b> Uniform method for determination of coal loss at all Thermal Power Stations In the Generation tariff Order for FY06 the Commission has directed the Company to report the results and the comparison of the losses before and after the installation of weigh bridges and weight-o-meter to the Commission within one month of the issuance of the order of FY06. The same has not been reported till date. MPPGCL shall file the information to the Commission by 30/04/2006 positively.</p>	Complied.
11	5.2.1	<p><b>Improvement in Performance of Generating Units:-</b> The Commission again directs MPPGCL to carry out necessary R&amp;M works for improving the performance of its generating units. MPPGCL may consider phasing out these units if it feels that these units have over lived their economic life and investment in R&amp;M may not yield the desired results. The Company is required to submit its proposal in this regard to the Commission with a detailed cost benefit analysis within three months of this order. (Paragraph 5.4 of Generation Tariff Order for FY06)</p>	The compliance of the directive has been submitted to MPERC vide MPPGCL letter .no.368 dt. 28.07.2006. The BoD of MPPGCL have also considered this proposal and approved the proposal for retirement of Amarkantak PH-1. Now CEA has also given approval. M.P.Govt. has advised MPPGCL to examine physibility for setting up the 250 MW unit in place of old Unit of AMK PH-1.
12	5.2.2	<p><b>Monthly Availability:-</b> The Commission directs that the Generating Company and SLDC shall report themonthly availability of all the stations to the Commission and all beneficiaries (Distribution Licensees). Full details of station wise actual availability shall also be displayed for public information on the web site of the Generating Company, SLDC and the Commission. Compliance of these directions shall be reviewed at the time of yearly review of tariff and in case of non-compliance a deduction in ARR shall be considered. (Paragraph 5.13 of Generation Tariff Order for FY06)</p>	Complied.

13	5.2.3	<p><b>Energy Audit :-</b> The Commission further directs the MPPGCL to carry out energy audit in its thermal plants regularly and based on this audit determine SHR phase wise for all stations. MPPGCL shall provide reasons for the observed differences in values determined on the basis of this audit and actual coal consumption. The Company is also required to determine SHR separately for all stations after discounting the energy generated and coal assumed to be fed in the boilers during the period when its weight-o-meters are non functional. The Company shall submit above reports quarterly and shall place the data on its website. The Commission shall arrange to review the position through a consultant and by taking up the scrutiny suo moto through a petition. (Paragraph 5.29 of Generation Tariff Order for FY06)</p>	<p>The Energy Audit of ATPS, Chachai &amp; SGTPS, Birsinghpur has been got conducted through M/s ERDA, Vadodara and for STPS, Sarni through CPRI. Firms has submitted their recommendations. Station Heat rate and other parameters are calculated in line with the recommendation issued. <b>The quarterly report is being submitted regularly as directed.</b> Recent report has been sent to the Honble Commission vide letter No. 07-12/CP:MPPGCL/MPERC/ROC-107/505 dated 19.11.2008.</p>
14	5.2.4	<p><b>Up gradation of Coal Handling Plants:-</b> MPPGCL is therefore again being directed to upgrade its coal handling plants immediately so that these losses are minimized and do not add to the overall fuel cost. It may be mentioned here that even 0.5% stacking loss translates to Rs. 6.71 Crore each year. (Paragraph 5.42 of Generation Tariff Order for FY06)</p>	<p>The information has been conveyed to MPERC vide MPPGCL letter no. 118 dt 23-02-2006 and compliance confirmed to Hon'ble MPERC vide l. no. 295 dt 15-06-2006.</p> <p>Several steps are taken to minimize stacking loss, which are as under:-</p> <ol style="list-style-type: none"> <li>1. Water spraying is being done to avoid coal losses due to spontaneous ignition.</li> <li>2. Stacking losses are being tried to reduce by restoring direct feeding of coal received through rail/road to bunker.</li> <li>3. Security staff private and our own are being constantly pursued to have strict security of coal stock to avoid pilferage.</li> <li>4. Coal are being stacked at proper height and proper place to minimize carpetisation of coal.</li> <li>5. During rainy season proper channels are made for drainage of rain water from coal yards in order to avoid coal loss due to flowing out in the form of coal slurry.</li> <li>6. To minimize loss of coal during unloading of</li> </ol>

			<p>coal wagons through wagon tippers spraying of water is done.</p> <p>Further in order to reduce windage loss at STPS, Sarni, a high pressure mist/fog generating system at coal crushers A,B,C &amp; D are being installed. An order no. SE/STPS-II/CHP-II/PT-111/PO-1530/7062 dated 14/09/2007 was placed on M/s DFE Envirotech (India) Pvt.Ltd. Nagpur for purchase of above system. Mechanical Commissioning has been completed &amp; Electrical Commissioning is under progress. Similarly high pressure mist/fog generating system at wagon tripper No.13,14 &amp; 15 of CHP are being installed. An order No. SE/STP-S/II/CHP-II/T-110/PO-1508/5684 dated 25.7.2007 was placed on M/s DFE Envirotech (India) Pvt.Ltd., Nagpur for purchase of above system and system is in operation since 24.09.2008.</p> <p>Actual quantification of carpet coal is being planned and civil department is carrying out necessary survey. Complete concreting of CHP coal yards will be done in future for which action plan is being prepared.</p>
15	5.2.5	<p><b>Increase in Coal Linkages:-</b>  The Company is advised to explore the possibility of sourcing coal or getting more linkage from Coal Company (SECL) for its more efficient plants at Sarni and Birsinghpur, this is likely to bring down the variable cost of generation. The Generating Company shall report to the Commission the steps taken to comply with this direction within three months of the issuance of this order.  (Paragraph 5.45 of Generation Tariff Order for FY06)</p>	<p>Complied. The status of efforts being made in this respect from time to time is also being reported to Hon'ble Commission in the six monthly report of Sept. &amp; March on a regular basis.</p>

16	5.2.6	<p><b>Assumptions for CV:-</b>  The Generating Company is also directed to file from the next filing full details of the assumptions made for determining price and calorific value of the coal for each of its power stations. The Company for this purpose shall provide full details of the last 12 months of actual data available with it for CV at the loading point, unloading point at its premises and at the time of firing it in the boiler. This detail shall be provided for all grades of coal received by it. Details shall be also provided for UHV of the coal received and the corresponding price paid. The Generating Company shall indicate if there are any deviations in the prices paid from the declared prices by the Coal Companies for the corresponding UHV, the fuel supply agreement and the linkages granted to it.  (Paragraph 5.46 of Generation Tariff Order for FY06)</p>	The desired information shall be submitted along with the VCA petition.
17	5.2.7	<p><b>Details of Loan:-</b>  The Generating Company is directed to establish the full details of date of contracting the loan and the purpose for which these have been contracted together with terms and conditions and intimate the same to the Commission. Henceforth, the Commission will insist on closely monitoring the borrowings of the regulated entities and necessary reporting mechanism for this purpose shall be notified separately by the Commission.  (Paragraph 6.44 of Generation Tariff Order for FY06)</p>	Complied.
18	5.2.8	<p><b>Finalization of PPA:-</b>  It is directed that the Generating Company and MPSEB/Distribution Licensees may accordingly sign a PPA very soon and file it with the Commission before the end of current tariff validity period. The terms and conditions of the agreement must incorporate various terms and conditions of the tariff made applicable by the Commission through this tariff order.  (Paragraph 7.7 of Generation Tariff Order for FY06)</p>	Complied

19	5.2.9	<p><b>Detailed Capital Expenditure Plan:-</b> The Commission directs that the Capital expenditure plan along with the financing plan for the tariff period commencing from FY07 may be submitted before the Commission for its approval. The Commission in the event of the Company not complying with this direction shall disallow additional depreciation and interest on loan borrowed for funding the capital expenditure. (Paragraph 7.8 of Generation Tariff Order for FY06)</p>	<p>The compliance of the directive has been submitted to MPERC vide MPPGCL letter no.368 dt. 28.07.2006. (R&amp;M)schemes for Satpura II &amp;III and SGTPS –I are being prepared in association with NTPC. Capax Plan shall be updated as per the recommendations of NTPC and thereafter shall be submitted to Hon’ble Commission for approval.</p>
20	5.2.10	<p><b>Power Station wise Accounting Statements:-</b> The Company is advised to treat each power station as a strategic business unit and should prepare a separate Balance Sheet and profit and loss account for all its SBUs. The Commission also directs MPPGCL to pay attention to strengthening its accounting functions by coding its accounting policies and inducting trained accounting professionals. The accounting function needs to be fully computerized so that the requirements of the Companies Act of publishing half yearly accounting reports and finalising the financial statements within six months of the close of the financial year can be met. (Paragraph 7.9 of Generation Tariff Order for FY06)</p>	<p>The present status of compliance has been reported to MPERC vide MPPGCL l. no. 295 dt 15-06-2006. The Company is in primary stage of developing the accounting frame work. The preparation of separate balance sheet and profit and loss account for each Power Station (SBU) is a difficult task to achieve without full computerization of Accounting functions. The Company is in the process of taking up a broad based MIS project, which may take up to two years time for implementation.</p> <p>On insistence by Hon’ble Commission during CMD level meeting held on 16-05-08, the status was further examined and the utility is of the view that the directive can be complied only after implementation of MIS Project.</p> <p>Regarding publishing of half yearly accounts, it is submitted that there is no such requirement in Companies Act to publish half yearly accounts. The requirement is applicable to those Companies whose shares are listed in the stock exchanges as per the listing agreement with the stock exchange under SEBI Act.</p>
21	5.2.11	<p><b>Fixed Asset Register:-</b> The Generating Company has till date not provided the Commission with the Fixed Asset Registers. The Company is directed to prepare its fixed asset registers and codify all its assets by October 2006. If the Generating Company fails to comply with this direction no</p>	<p>Complied.</p>

		depreciation shall be provided for FY08 when the ARR proposal shall be scrutinised in November – December 2006. (Paragraph 7.10 of Generation Tariff Order for FY06)	
22	5.2.12	<b>Station wise Cost Identification :-</b> The Commission directs the Company that in future all tariff petitions must have station wise cost identification and segregation based on their individual Balance Sheet and Profit & Loss account. Each petition must have subsections devoted to each of its stations. The Company must provide detailed reasons for these projections and segregations especially for cost item like interest liability. In the absence of these details the Commission shall draw adverse inference and the costs may be accordingly reduced. (Paragraph 7.11 of Generation Tariff Order for FY06)	<b>As detailed against Sl. No. 20, clause no. 5.2.10</b>
23	5.2.13	<b>Filling up of Vacancies in the MPPGCL Board:-</b> The Company is advised to fill up the post of Directors as required under its Memorandum and Articles of Association and also advised to appoint fulltime Director (Operations) and Director (Finance) to have better operational control, transparency and professional governance of the Company. The Commission feels concerned that a company handling business in excess of Rs. 2000 crores per annum does not have the benefit and support of the full time services of professional managers in the field of finance and plant management. The company should also explore the possibility of utilizing opportunity of third party audit of technical processes and efficiency. (Paragraph 7.12 of Generation Tariff Order for FY06)	The issue was discussed in the CMD level meeting held on 16-05-2008 at Commission's office at Bhopal. The provision of memorandum and article of associations have already been complied by MPPGCL.
24	5.2.14	<b>Setting up Coal Washeries System:-</b> The generation company shall explore the possibility of setting up of Coal Washeries System for their Thermal power stations. The cost benefit analysis in this regard shall be submitted to the Commission before October 2006 failing which the Commission shall consider revising the SHR and other performance parameters to bring these to the prevailing level of similar stations where washeries and beneficiation has resulted in improved performance. (Paragraph 7.13 of Generation Tariff Order for FY06)	The status of compliance reported to MPERC vide MPPGCL letter No. 542 dated 28.10.2006. In a follow up action, BoD of MPPGCL in its meeting held on 19.5.07 have decided that a senior level Committee be formed by CMD to study cost benefit analysis based on the report of washed coal being used in NTPC/MAHA.-GENCO and submit the report to BoD within 45 days. The said committee has submitted its report which is under scrutiny at present.

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