



Suo-Motu Petition No. 21 of 2017

In the matter of:

Adoption of tariff under section 63 of the Act for short term power procurement by CSPDCL

Respondent – Chhattisgarh State Power Distribution Com Ltd.

Present: Narayan Singh, Chairman

Arun Kumar Sharma, Member

Interim Order (Dated June 01, 2017)

Under section 86(1)(b) of the Electricity Act 2003, approval was given to Chhattisgarh State Power Distribution Co. Ltd. (CSPDCL) to procure short term power vide Order dated 14.07.2015 in suo-motu P No. 14 of 2015 in the matter of "Terms and conditions and pricing of power to be purchased in short-term by the Chhattisgarh State Power Distribution Company Ltd. for the year 2015-16." This order passed in suo-motu petition P No. 14 of 2015 is applicable for short-term purchase of power by CSPDCL till it is revised or amended by new order; therefore, this order is applicable for 2017-2018 also.

2. The Commission vide Order dtd. 11.05.2017 has granted approval to purchase short-term power as per proposal by CSPDCL for the period of 11.05.2017 to 31.05.2017.
3. CSPDCL vide Letter No. 02-02/ACE-I/636 dtd: 25.05.17 has submitted a proposal for short term procurement of power to meet its power requirement for the month of June to November 2017. According to CSPDCL, the rates of short-term power has been discovered through DEEP e-bidding portal route.
4. Para 11.4 of the guidelines No. 23/25/2011-R&R (Vol-III), dtd. 30th March 2016 issued by Government of India is reproduced below;

"11.4 If the quantum of power procured and tariff determined are within the blanket approval granted by the Appropriate Commission in Annual Revenue Requirement (ARR) of the respective year, then the same will be considered to have been adopted by the Appropriate Commission. In all other cases, the Procurer(s) shall submit a petition to the Appropriate Commission for adoption of tariff within 2 days from the date of signing of PPA, Appropriate Commission should communicate the decision within 7 days from the date of submission of petition."

Accordingly a suo-motu petition has been registered based on CSPDCL letter no. 636 dtd 25.05.2017 For disposal of the petition, a regulatory process (stakeholder consultation) is required to be conducted. But, as power requirement is also for the month of June 2017, it has become necessary to issue an interim Order for procurement of short term power for the month of June 2017.

5. According to submission made by CSPDCL, after reverse auction, rates obtained for RTC power is as under:

S.No.	Month	Quantum	Rate	Trader	Supplier
1.	01.06.17-30.06.17	50	3.20	PTC India Ltd.	JNSTPP
		100	3.20	NTPC Vidyut Vyapar Nigam Ltd.	JPL
		50	3.21	PTC India Ltd.	JPL

Further for TOD the rates obtained through reverse auction is as under:

S.No.	Month	Period	Quantum	Rate	Trader	Supplier
1.	01.06.17-30.06.17	00:00-05:00	100	3.12	Adani Enterprises Ltd.	APL Mundra
		18:00-23:00	250	4.0	PTC India Ltd.	MPPMCL
		23:00-24:00	100	3.43	Adani Enterprises Ltd.	APL Mundra
			100	3.43	PTC India Ltd.	JNSTPP

It is observed that both for the RTC power and TOD power, the rates discovered through DEEP portal is more than the maximum ceiling rates approved by the Commission.

6. The Commission conducted a meeting on 29.05.2017, 30.05.2017 and 31.05.2017 with officers of the CSPDCL, CSPTCL and State Load Despatch Center on proposal of CSPDCL.

After due deliberation, it is decided that this Interim Order shall be limited for the approval of short term power procurement for the month of June -2017 only.

RTC Power

7. During the course of discussions, it emerged that the rates quoted by the bidders (traders) for RTC power for the month of June 2017 are inclusive of the open access charges of CTU. It also appeared that the lowest bids offered by traders NVVN & PTC shall supply power of M/s JPL. This supplier is located in the State and had a connectivity with the CSPTCL network. It appears to the Commission that if the power is sourced from this bidder through CSPTCL (STU) network, the inter-State open access charges for procurement of this power could be avoided.
8. On a query with officers of CSPTCL during the meeting on 30.05.2017, it was learned that there would not be any issue and this offered power can be purchased directly through its network. The Officers of the SLDC also gave consent that they would bill the deviation charges to supplier M/s JPL according to the Chhattisgarh State Electricity Regulatory commission (Intra-state Availability Based Tariff and Deviation Settlement Mechanism) Regulations, 2016 framed by the Commission for deviation from schedule.
9. If the short term RTC power is procured from this supplier (M/s JPL) supplying its power through NVVN and PTC India and using the CSPTCL network, inter-State open access charges would be avoided and the rates would be well within the maximum ceiling rates approved by the Commission. This will ultimately be in the interest of the consumers of the State.
10. Taking all the available facts into the consideration, it is directed that the RTC power to the tune of 150 MW shall be procured from supplier i.e. M/s JPL by using the CSPTCL network directly and accordingly the inter-State open access charges shall be reduced from the rates discovered in DEEP portal through CTU network. The possibility should also be explored for supply of additional RTC power by this supplier beyond 150 MW by using CSPTCL network directly. As the rate offered

in DEEP portal by another lowest bidder for 50 MW is exceeding the maximum ceiling rate approved vide order dated 14.07.2015 passed in Suo-motu P No. 14 of 2015, the approval can not be granted now in this Interim Order.

TOD Power

11. For the TOD power, the rates offered for all the time block is exceeding the maximum ceiling rate approved vide order dated 14.07.2015 passed in suo-motu P No. 14 of 2015, the approval can not be granted now in this Interim Order.

Final Order on the proposal of CSPDCL shall be issued after conducting and completing due regulatory process.

Sd/-
(Arun Kumar Sharma)
MEMBER

Sd/-
(NARAYAN SINGH)
CHAIRMAN

True Copy

(P.N. Singh)
Secretary