

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION**

5th Floor, "Metro Plaza", Bittan Market, Bhopal - 462 016



**Petition No. 56 of 2024**

**PRESENT:**

**Gopal Srivastava, Member (Law)**  
**Prashant Chaturvedi, Member**

**IN THE MATTER OF:**

**Determination of Multi-Year Tariff for MPPGCL's Thermal and Hydel Power Stations for the control period FY 2024-25 to FY 2028-29 under MPERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024.**

**AND IN THE MATTER OF:**

**M/s M.P. Power Generating Company Ltd., Jabalpur**

**PETITIONER**

**Versus**

- 1. M.P. Power Management Company Ltd., Jabalpur**
- 2. M. P. Power Transmission Co. Ltd., Jabalpur**
- 3. Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Jaipur**
- 4. Uttar Pradesh Power Corporation Ltd., Lucknow**
- 5. MSEB (Holding Co) & Maharashtra State Transmission Co. Ltd., Mumbai**

**RESPONDENTS**

**ORDER****(Passed on this day of 4<sup>th</sup> March, 2025)**

1. Madhya Pradesh Power Generating Company Ltd. (hereinafter called “the petitioner” or “MPPGCL”) filed the subject petition for determination of Multi Year Tariff (MYT) for its Thermal and Hydro Power Stations for the control period from 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2029 under MPERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024. The subject petition has been filed under Section 62 and 86(1) (a) of the Electricity Act, 2003.
2. Madhya Pradesh Electricity Regulatory Commission (hereinafter referred to as “the Commission or MPERC”) issued MPERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024 {RG-(V) of 2024} (hereinafter referred to as “the Regulations, 2024”) for the control period i.e. FY 2024-25 to FY 2028-29, which were notified in the Madhya Pradesh Gazette on 5<sup>th</sup> July, 2024. Subject MYT Petition has been filed based on the provisions under aforesaid Regulations.
3. The details of the power stations/houses covered in the subject MYT petition are as given below:

**Table 1: Details of the Power Stations**

S. No	Power Stations	Installed Capacity (MW)	Year of Commissioning
<b>Thermal Power Stations</b>			
1	ATPS PH III	1X210=210 MW	10.09.2009
2	*STPS (Sarni) PH II & III	1X200+3X210=830 MW	1980-84
3	STPS (Sarni) PH IV	2X250=500 MW	16.03.2014
4	SGTPS (Birsinghpur) PH I&II	4X210=840 MW	1993 to 1999
5	SGTPS (Birsinghpur) PH III	1X500=500 MW	28.08.2008
6	SSTPS (Khandwa) PH I	2X600=1200 MW	28.12.2014
7	SSTPS (Khandwa) PH-II	2x660=1320 MW	28.03.2019
<b>Hydro Power Stations</b>			
8	Gandhi Sagar HPS	5X23=115 MW	1960 to 1996
9	Pench HPS	2X80=160 MW	1986-87
10	Rajghat HPS	3X15=45 MW	1998-99
11	Bargi HPS	2X45 90 MW	1988 & 1992

S. No	Power Stations	Installed Capacity (MW)	Year of Commissioning
12A	Bansagar PH I HPS	3X105=315 MW	1991 to 1992
12B	Bansagar PH II HPS	2X15=30 MW	1997-98
12C	Bansagar PH III HPS	3X20=60 MW	2001-02
13	Bansagar PH IV HPS	2X10 =20 MW	2006-07
14	Madhikheda HPS	3X20=60 MW	2006-07
15	Birsinghpur HPS	1X20=20 MW	1991-92

\*Board of MPPGCL has accorded approval for decommissioning of units of STPS PH I & II. GoMP, vide letter dated 7<sup>th</sup> November, 2024 has also given approval for retirement/decommissioning of these units.

4. The petitioner is a wholly owned company of Government of M.P engaged in generation of electricity in the State of Madhya Pradesh. It is a successor entity of erstwhile Madhya Pradesh State Electricity Board (MPSEB).
5. MP Power Management Company Ltd “hereinafter referred to as Respondent No. 1 or MPPMCL) is the holding company of all three DISCOMS within the state of Madhya Pradesh. MPPMCL is entitled to undertake transition of bulk sale and purchase of electricity on behalf of distribution licenses, viz MP discoms.
6. M.P. Power Transmission Company Ltd. (MPPTCL), Jabalpur, (hereinafter referred as Respondent No. 2) is a government owned company responsible for bulk power transmission at high voltage within the state of M.P.
7. Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (RRVPL), Jaipur, (hereinafter referred as Respondent No. 3) has 50% share in Gandhi Sagar Hydro Power Station operated by MPPGCL. At the same time, MPPGCL has 50% share in the Ranapratap Sagar Hydro Power Station and Jawahar Sagar Hydro Power Station operated by the Respondent No. 3.
8. Uttar Pradesh Power Corporation Ltd , Lucknow (hereinafter referred as Respondent No. 4 or UPPCL) has 40.32% share in Rajghat Hydro Power Station and MSEB (Holding Co) & Maharashtra State Transmission Co. Ltd, Mumbai (hereinafter referred as Respondent No. 5) has 33.3% share in Pench Hydro Power Station operated by MPPGCL.

9. The Petitioner in the subject petition has broadly submitted the following:
- i GoMP vide its notification dated 03.06.2006 has provided that MP Tradeco, now MP Power Management Company Ltd. (MPPMCL), shall purchase entire power from MPPGCL at the tariff to be determined by MPERC.*
  - ii MPPGCL entered into Power Purchase Agreements (PPAs) with MP Tradeco (now MPPMCL) on 29.11.2006 for existing power stations and on 04.01.2011 for new Thermal Power Stations. Further, the first amendment to the Power Purchase Agreement (PPA) dated 29.11.2006 towards Purchase of Power from then existing and ongoing Thermal and Hydel Units of M. P. Power Generating Company Limited, has been signed on 18.07.2017 at Jabalpur. This First Amendment in Agreement provides term period till retirement/ decommissioning of all Thermal and Hydel Power Stations of MPPGCL listed in the agreement. PPAs for new power stations have also been amended from time to time. These PPAs provide that the tariff payable by MPPMCL to MPPGCL and terms & conditions related thereto shall be as determined by the State Commission.*
  - iii The Commission has notified MPERC (Terms & Conditions for Determination of Generation Tariff) Regulations, 2024 {RG-26 (V) of 2024} on 05.07.2024. This regulation is based on multiyear tariff principles and has incorporated norms of operation for control period FY 2024-25 to FY 2028-29. Accordingly, this petition for determination of Multi Year generation tariff of power stations being operated by MPPGCL for FY 2024-25 to FY 2028-29 has been prepared.*
  - iv The PH-2 & 3 , STPS Sarni (830MW) has already completed its useful life & operational life. Presently, the Units of this power station have been kept under Forced Outage condition since FY 2021-22. MPPGCL has approached Energy Department, Government of Madhya Pradesh for its retirement / De-commissioning. The approval of Government of Madhya Pradesh is still awaited. Therefore, in the instant petition the tariff of STPS PH-2&3, Sarni has been considered on Normative Parameters. **If de-commissioning is approved by Government of Madhya Pradesh, MPPGCL shall suitably intimate the Commission for its exclusion from Multi Year Tariff.***

- v *In the instant petition, MPPGCL has considered the Opening Gross Block, Normative Loans and Equity amount as per MPERC last Trueup Tariff Order for FY 2022-23, dated 07.03.2024 issued in petition NO. 71 of 2023.*
- vi *The Commission in MPERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024, Regulation 6.3, has allowed the Thermal and Hydel Power Stations to submit the estimated Additional Capital Expenditure for the respective years of Tariff period FY 2024-25 to FY 2028-29. MPPGCL has identified few capital works to be taken up for better performance of the Power Stations for providing reliable and continuous generation as per norms. Accordingly, the names of identified schemes/ systems/ items to be taken up for execution in different years of the tariff period FY 2024-25 to FY 2028-29 and proposed for Additional Capital expenditure at respective power stations are being submitted for consideration please.*

*However, as per the directive of the Commission mentioned in MYT order dated 19.05.2021 passed in Petition No. 53 of 2020, MPPGCL shall claim Additional Capital expenditure on the basis of actual audited expenses captured and capitalized in Books of Account at the time of True up for the respective Years for the respective Power Stations. Hence, **no claim on account of proposed Additional Capitalization has been considered in this petition.***

- vii *At present, expenditure towards Pension & Terminal benefits of all the Companies, i.e., unbundled entities of MPSEB are being allowed in the MYT/ True up of Transmission Licensee, i.e., MPPTCL on 'pay as you go' principle, subject to true-up in each year on availability of actual figures. Accordingly, MPPGCL has not claimed these expenses in this Multi Year Tariff petition. However, in future, in case of change in Law or in case of any order of Government of MP in this regard, the same shall be claimed by MPPGCL, accordingly.*
- viii *In the instant petition the projected Other Charges namely MPERC Fees, Water Charges, Rent Rate & Taxes, Security Expenses and Expenses towards Fly Ash Utilization and Transportation, for FY 2024-25 to FY 2028-29 have been considered. MPPGCL humbly requests the Commission to kindly permit the same.*