

**REGULATORY COMPLIANCE REPORT OF M.P. POWER GENERATING
COMPANY LIMITED FOR THE FINANCIAL YEAR 2006-07**

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**REGULATORY COMPLIANCE REPORT OF M.P. POWER GENERATING
COMPANY LIMITED FOR THE FINANCIAL YEAR 2006-07**

1. **INTRODUCTION:-** This consolidated report on Regulatory Compliance of M.P. Power Generating Company (MPPGCL) is for the Financial year 2006-07 (April 06 to March 07). The issues of various Regulations requiring reporting on status of compliance have not been identified nor any format has been prescribed in respect of Power Generating Company, in the MPERC (Guidelines for Reporting of Regulatory Compliance) Regulations, 2005, notified by Hon'ble MPERC on 5th May 2005, which basically is applicable to the licensees. This report therefore is devised to cover status of compliance on issues of various Regulations related to the Generating Company. This report also covers up-to date status of compliance of the directives given in the Generation Tariff orders for F.Y. 07 to FY 09 and such other directives issued by the Hon'ble Commission from time to time including the directive given in Tariff order for F.Y.08 for "Continuation of Generation Tariff".
2. **CHAPTER-I - MPERC (Details to be furnished and fee payable by the licensee or by the generating companies and licensees for Determination of Tariff and manner of making application) Regulation, 2004.**
 - 1) **Clause 1.6 – APPLICATION FOR CONTINUATION OF TARIFF FOR FY 2007-08 AND TRUE UP TARIFF PETITION FOR F.Y. 2005-06:-**
 - A. **FY 2007-08:-** Hon'ble Commission in its Generation Tariff Order for F.Y. 07 to F.Y. 09 had ordered that Multi Year Tariff for the Tariff period of 3 years will be effective from 1st April 2006 and will be operative till 31st march 2009, subject to yearly approval of the commission. The MPPGCL , therefore was supposed to seek approval each year subject to any change necessitated on account of any uncontrollable factors. The MPPGCL accordingly submitted its petition on 17th October 2006 to continue with the tariff for F.Y. 2007-08 as approved in the Commission's Tariff order of 7th March 2006.
 - B. **TRUE –UP PETITION FOR F.Y. 2005-06:-**

In the Tariff Petition filed by MPPGCL on 17.10.2006 as above, also requested to permit time for filing true-up petition for F.Y. 2005-06 upto 15.2.2007. MPPGCL accordingly submitted its true-up petition also on

15.2.2007 considering the balance sheet finalized on 31.01.2007. However, Hon'ble Commission vide its Tariff order dated 28th Feb.2007, for continuation of Tariff for F.Y. 2008, also directed MPPGCL that true-up petition has to be based on Audited statement of Accounts for F.Y. 2005-06. On 18.04.07 and on 03.05.2007 Hon'ble Commission further directed MPPGCL to submit the audited balance sheet and true-up petition by 15th May 2007. Accordingly, audited balance sheet for F.Y. 2005-06 has been submitted by MPPGCL on 08.05.2007 and true-up petition for F.Y. 2005-06 has been submitted to Hon'ble Commission on 15th May 2007.

Earlier, before commencement of F.Y. 2006-07, Hon'ble MPERC issued its order for station wise two part Generation Tariff for all the plants, located in the State of M.P. and under operational control of MPPGCL on 7th March 2006 on Multi year tariff principles for a control period of three (3) years with effect from 1st April 2006 and to be operative upto 31st March 2009.

C. TARIFF PETITION FOR NEW HYDEL POWER STATIONS FOR APPROVAL OF PROVISIONAL TARIFF :-

MPPGCL have commissioned following new Hydel Power Stations during the F.Y. 2006-07:-

1	Bansagar (Jhinna) H.P.S. Stage – IV	Unit – I	- 20.08.2006
	2x10=20 MW capacity	Unit – II	- 30.08.2006
2	Madhikheda H.P.S. Stage – I	Unit I	- 28.08.2006
	2x20=40 MW Capacity	Unit – II	- 09.09.2006

Since, GoMP have allocated entire power from above new Hydel Power Stations also to MPSEB and later to M.P. TRADECO for further supply to M.P.DISCOMS, MPPGCL have submitted Tariff petitions on 11th Oct. 2006 for determination of Generation tariff for above New Hydel Power Stations on provisional basis. In the matter of both the tariff petitions, couple of hearings have been held and MPPGCL have submitted necessary information and additional documents before MPERC during the hearings. Last hearing was held on 19.6.2007. Both the tariff proposals are under consideration of Hon'ble Commission.

2) Clause 1.11 – Tariff Application Fee :-

(A) – Existing Power Stations ;-

FY 2007-08 ;- In respect of tariff petition for FY 2007-08, for existing Power Stations, MPPGCL deposited the requisite fee with MPERC vide letter No. 07-12(i)/CP-MPPGCL/Tariff/568 dated 06.11.2006.

(B) - New Power Stations ;-

Bansagar IV (Jhinna) ;- Requisite application fee has been deposited by MPPGCL with MPERC vide letter no. CP-MPPGCL/271, dt. 11-10-2006.

Madhikheda ;- Requisite application fee has been deposited by MPPGCL with MPERC vide letter no. CP-MPPGCL/272, dt. 11-10-2006.

3) Clause 1.19 – Publication of Tariff Application:-

FY 2007-08:- Hon'ble Commission accepted the tariff petition for continuation of Generation Tariff for F.Y. 2007-08 on 7.11.2006. On 20.11.2006, MPPGCL was directed to get the public notice issued for the summary of the tariff petition for F.Y. 2007-08. Accordingly, the Public Notice was got issued by MPPGCL on 23.11.2006 in eight (8) Newspapers, Seven (7) Hindi Newspapers covering Indore, Bhopal, Gwalior, Jabalpur and Rewa Regions and one English Newspaper Hindustan Times (All M.P. English Edition) for wide publicity.

4) Clause 1.23 – Public Hearing:-

Hon'ble Commission held Public hearing on the Generation Tariff petition of MPPGCL for continuation of Generation Tariff for the F.Y. 2007-08 as already decided by Hon'ble Commission vide MPERC M.Y.T. Generation tariff order for F.Y. 07 to F.Y.09. in Commission's office at Bhopal on 22.01.2007, which was attended by the officers of MPPGCL.

Prior to the Public hearing, MPPGCL conveyed its reply to the objections / suggestions raised by the objector M/s. M.P. Electricity Consumers' Society, Indore received through MPERC letter no. 2946, dt. 30-11-2006, to the objector with a copy to Hon'ble Commission vide M.P.P.G.C.L. letter no. 649 dt. 05-12-2006, as directed.

During the public hearing also, MPPGCL submitted its replies to the objections/comments put forth by one of the stake holders, M/s M.P. Electricity Consumer Society, Indore.

5) Clause 1.25 – Order of the Commission:-

For FY 2007-08:- Hon'ble Commission has passed its order against the petition No. 110/2006 on 28th February 2007 for continuation of Generation Tariff for Existing Power Stations of M.P.Power Generating Company during FY 2007-08, as determined by the Hon'ble Commission in its Multiyear Generation Tariff Order for F.Y. 07 - F.Y. 09 dated 7th March 2006 and forwarded the same to MPPGCL and others vide MPERC letter no. 428 dt. 05-03-2007 for necessary action.

6) Clause 1.29 – Publication of Tariff order and its implementation:-

Tariff Order FY 2007-08:- Tariff Order of Hon'ble MPERC is for continuation of Generation Tariff for FY 2007-08 as already decided in MYT Tariff Order Dt. 7th March, 2006 for FY 2007 to 2009 without any change and did not call for publication of the same in the newspapers. It is worth-while to mention that, the Generation Tariff Order for FY 07 to FY 09 has already been published by MPPGCL in the form as approved by Hon'ble Commission in the leading Hindi & English Newspapers of the State on 20-04-2006.

The Tariff Order for continuation of Tariff during FY 2007-08 has accordingly been implemented by issuing the Energy Bills in May, 2007 for Energy Supplied during the month of April, 2007, as per Tariff determined by the Commission for FY 2008, to the Commercial Department of MP Tradeco. The Tariff Order has thus ,been complied by MPPGCL.

Thus, the provisions of above MPERC Regulation, 2004 have been complied fully by MPPGCL within the time as prescribed or as directed/ permitted by Hon'ble Commission from time to time.

3. CHAPTER-II - MIS REGULATIONS MPERC (Monitoring of Performance of Licensees and Generating Co.) Regulations, 2004:-

- 1) **Clause No.3.2 & 3.3** – Specified formats of MIS required to be submitted quarterly in 45 days from the end of the quarter are as under:-

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

- 2) **Status of compliance:-** The information in prescribed formats Gen-1 to Gen-6 and MPSEB-1 is being submitted by MPPGCL every quarter regularly. Actual status for the reference year 2006-07 is brought-out as under:-

Quarter	Period	Schedule of submission	Actual date of submission
Quarter-1	April 06 to June 06	15 th August, 06	13.11.2006
Quarter-2	July 06 to Sept.06	15 th Nov., 06	26.12.2006
Quarter-3	Oct.06 to Dec.06	15 th Feb., 07	15.03.2007
Quarter-4	Jan.07 to March 07	15 th May, 07	07.06.2007

- 3) **Observation:-** The directives under the MIS regulations have been complied fully for all the 4 quarters during the year 2006-07. However, there has been abnormal delay in compliance for 1st quarter due to delay in receipt of information from power stations. Subsequently by strict follow-up, such delay has been avoided. Still in the subsequent quarters, compliance has been made with some delay, but with improvement trend. This delay is attributed primarily to following reasons:-

- Railway Receipts (RRs) are generally received after 1 to 1½ months at site through Accounts Department at headquarter.
- Joint sampling results of UHV takes 1 to 2 months time resulting in delay in finalization of coal rate.

4) Proposal for achieving timely compliance:-

There are two types of formats requiring submission of information, one monthly formats (Gen-1 to Gen-6) requiring quarterly submission and another is quarterly format i.e. MPSEB-1. As desired by Hon'ble Commission Monthly format Gen-2 for coal details has been revised incorporating additional information and the information is being submitted in revised format only. It is submitted that timely compliance would be possible only after massive computerization is done and Data Based Management and MIS System is developed and implemented by MPPGCL. Due to financial crunch, it would be possible to implement the same in a phased manner. The scheme has been approved by BoD of MPPGCL as well as GoMP and PFC have agreed to fund this scheme. Further action is in hand. It will also be necessary to reduce the time taken in submission and processing of RRs and UHV sampling, where number of agencies are involved namely Coal Supplier company, Railways, Accounts section of MPPGCL headquarter, Accounts Section of MPPGCL site, Chemical department of MPPGCL site and finally Services Circle, MPPGCL site. Efforts are being made in this regard also.

Till such a time, MPPGCL propose to submit MIS information in two installment. Efforts will be made to submit information in monthly formats (Gen-1, Gen-3, Gen-5 & Gen-6) in 60 days of end of each quarter and monthly formats (Gen.2) & (Gen-4) and quarterly format (MPSEB-1) in 75 days of end of each quarter. Hon'ble Commission may kindly permit the same. It is however seen that with the above proposed schedule target, MIS Report for 3rd Quarter has been submitted in 75days and that of 4th Quarter in 67 days.

4. CHAPTER – III – MIS FOR KEY PARAMETERS:-

- 1) The M.P.E.R.C. vide letter No. MPERC/2006/JD/(R&E)/1085 dated 28.4.2006 pointed out that a need has been felt to review the salient key parameters, including financial parameters, on regular monthly basis. Accordingly, directed MPPGCL to furnish desired information in the prescribed format within 15 days of the end of the reporting month on regular basis, in addition to MIS formats being submitted quarterly, which cover mostly technical and commercial performance related parameters. Therefore the information for April 2006 was desired to be submitted by 15th May 2006. However, MPPGCL vide letter No. 250 dated 15.5.2006 expressed difficulties and requested for 3 weeks time. MPPGCL have accordingly submitted desired information to MPERC vide letter No. 145 dated 31.5.2006.
 - 2) However, Hon'ble Commission in view of incomplete information, registered a suo-motu petition (No. 64/06). The position of MPPGCL was heard by Hon'ble Commission on 19.7.2006, 7.11.2006, 20.11.2006 and 30.11.2006. MPPGCL submitted complete informations desired by Hon'ble Commission and assured to file the returns regularly to the Commission. In view of this, Hon'ble Commission vide order dated 30.11.2006 decided to close the suo-motu petition and also accepted the request of MPPGCL to file the return on key parameters within 5 weeks in place of 15 days time. MPPGCL is since submitting the key parameters in the desired format to Hon'ble Commission as well as displaying the same on MPPGCL Web site on a regular basis.
 - 3) During the year (F.Y. 2006-07), MIS for key parameters for Feb.2007 was last submitted vide letter No. 08 dated 13.4.2007. For the month of March 2007, in view of reconciliation of 12 months data and other inputs from different departments, the position was explained to Hon'ble Commission vide letter No. 227 dated 18.5.3007 and it has been requested to grant one month time for submission of the same. However, the same could be submitted by end of July, 2007. MPPGCL will ensure timely submission of key parameters to Hon'ble Commission.
5. **CHAPTER-IV – MPERC (Terms and Conditions for Determination of Generation Tariff) Regulation, 2005:-**
- COMPLIANCE STATUS:-**

1) Tariff Petition:- The regulation has been issued by MPERC on 5th Dec. 05 and notified in M.P. Gazette on 23rd Dec.05. The regulations are valid for a tariff period of three years commencing from 1st April 2006. In compliance of this Regulation and as directed by the Hon'ble Commission, MPPGCL submitted its revised tariff application for multi year tariff for three years FY 07 to FY 09 as per terms and conditions and norms of operation as prescribed under above Regulation for thermal and Hydel Power Stations. Hon'ble Commission passed its tariff order for FY 07 to 09 on 7th March 06 i.e. before commencement of FY 07 and the same has been implemented by MPPGCL for FY 2006-07. The Generation Tariff for F.Y. 2007-08 as determined by Hon'ble Commission is also being implemented by M.P.P.G.C.L. as per its specific order dated 28.2.2007 for continuation of tariff as sought by M.P.P.G.C.L. as per Regulation.

2) Declaration of Capacity/Availability and Scheduling:- In order to implement the terms and conditions and procedures as prescribed under the Regulations under the new scenario effectively, MPPGCL has taken following steps:-

- i) Generation control centre was opened at MPPGCL headquarter and started functioning on 4th Oct. 2005.
- ii) All the power station heads were provided with copy of Regulation in Dec.05 and appraised of the provisions, methodology and procedure as prescribed in the Regulations in the month of March 06 itself prior to commencement of FY 07.
- iii) An awareness programme was chalked out and Reporter of Compliance along with one officer from Operational Services Group (OSG) from headquarter visited all the thermal power stations in the months of April 06 & May 06 and organized mass interaction with officers and explained the methodology, procedure and importance of strict implementation of new concept of two part tariff, maintenance of operational parameters and targets for 3 years, declaration of capacity, scheduling, revision of D.C., re-scheduling, backing down, loading of units as per system frequency etc. and commercial impact in the new scenario.
- iv) Generation Control Centre have also been opened at power stations. Necessary infrastructure like dedicated P&T telephones with STD facility, Fax machine, Computers with Inter-net connections etc. have been provided / being provided at all power stations.
- v) One Remote Display System (RDS) for real time monitoring of Generation and drawal from SLDC SCADA System, with lease line from

SLDC to GENCO Control Centre at MPPGCL headquarter has been provided and made functional

- vi) Training to the officers drawn from MPPGCL headquarter and different power stations has been imparted at SLDC Jabalpur in Dec.05 in respect of Power System operation, General ABT familiarization with over view of scheduling process, scheduling/open access and Energy accounting/ settlement system and SEM data collection and communication.
- vii) Process of communicating DC/availability on day ahead basis and revision in DC on actual day of operation by GENCO and scheduling and re-scheduling by SLDC is being implemented. Some teething problems were faced in the beginning and have been resolved.
- viii) MPPGCL have brought out a printed **Hand Book** namely “**MPPGCL HAND BOOK OF REGULATIONS AND ACTS -2006**”, compiled by Corporate Planning Cell of MPPGCL containing following important documents:-
 - (1) Multi Year Tariff (MYT) Order for Generation Tariff for F.Y. 07-09 .
 - (2) MPERC Terms and conditions for determination of Generation Tariff G-26 of 2005 & AG-26 (i) of 2006.
 - (3) MPERC Guide Lines for Capital expenditure by Licensees and Generation Companies in Madhya Pradesh.
 - (4) The Electricity Act 2003 and related orders.
 - (5) National Electricity Policy.
 - (6) National Tariff Policy.
 - (7) Conduct of Business – MPERC Regulation, 2004.
 - (8) Installation and operation of meters- Regulation 2006 of CEA.
 - (9) Madhya Pradesh Electricity Grid Code. (Revision – I) 2005 (MPERC – RG-14 (i) of 2005.)

Above Hand Book has been provided to all Engineers of MPPGCL at H.Q. and Power Stations down the line upto Executive Engineer.

- 3) **Metering and 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, except at

Madhikheda & Jhinna H.P.S., where also these meters are under installation and commissioning.

4) Billing and Payment:- Based on the certified Availability Factors and Capacity Index and Energy Meter readings issued by SLDC/TRANSCO, MPPGCL has prepared energy bills in accordance with terms and conditions of Generation Tariff Regulation and tariff order FY 07 and have been issued to Commercial department of TRADECO on 7th day of each following month for arranging payments as per Power Purchase Agreement and provisions of MPERC Regulations and tariff order. This practices is being followed un-interruptedly during F.Y. 2007-08 also as per Generation Tariff Order dated 28.2.07 for continuation of Tariff.

6. CHAPTER-V – Central Electricity Authority (Installation and Operation of Meters) Regulation, 2006:-

1) The Central Electricity Authority (CEA) have issued CEA (Installation and Operation of Meters) Regulation, 2006 on 17th March 2006. In accordance with this regulation, Interface meters and Energy accounting and Audit meters are required to be installed at all power stations at the prescribed locations.

2) Action was already taken by MP TRANSCO for procurement of Main Interface Meters including the past requirement of MPPGCL and orders were placed and Road Map was submitted by MPPTCL vide their letter No.3888 dated 5.5.2006 to MPERC. The same has since been implemented and commissioned also at all interface points. The meters for Madhikheda & Jhinna Hydel Power Station recently commissioned have also been arranged through M.P.P.T.C.L. and are under installation & commissioning at both places.

3) MPPGCL have also since submitted its total requirement of meters alongwith action plan for implementation in a phased manner vide letter No. 331 dated 11.07.2006 to Hon'ble Commission. Time bound action plan of MPPGCL for main activities as already apprised to Hon'ble Commission and Status Action as on date is as under:-

Sl.	Action Plan	Proposed Schedule	Actual Status
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No			
1.	Installation of Main Interface meters Procured by MPPTCL.	Dec. 2006	Installed and commissioned
2.	Procurement and installation of Balance interface meters and check and stand by meters	June 2007	NIT issued. Due date extended to 30.8.07
3.	Procurement and installation/ operationalisation of software and computers	Sept.2007	Action being taken
4.	CT & PT replacement as per regulation in the II nd phase.	June 2008	In process. DPR prepared, action for approval of BoD/GoMP and for fund tie-up being taken.

7. CHAPTER – VI – DISPLAY OF INFORMATION ON MPPGCL WEB SITE:-

In compliance to the directives of order (F.Y. 07-09) and various M.O.M. of Web Site Evaluation Group held in MPERC from time to time, M.P.P.G.C.L. has uploaded the following information on M.P.P.G.C.L. Web Site (www.mppgenco.nic.in) and the information is also being up-dated on a regular basis:-

- 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.

Hon’ble Commission is reviewing the Web Site of the Company from time to time in the meeting of nominated officers of the Board, M.P.DISCOMS, M.P.GENCO, M.P. TRANSCO, MPSLDC etc. and directives issued are being followed by MPPGCL.

8. CHAPTER VII – REVIEW OF COAL PRACTICES FOLLOWED IN THERMAL POWER STATIONS BY MPERC – IMPLEMENTATION OF RECOMMENDATIONS BY MPPGCL -

1) The Coal practices being followed in three Thermal Power Stations of MPPGCL has been under review by Hon'ble MPERC, for which M/s. A.F. Ferguson & Co., New Delhi were appointed by them as Consultant. The reports submitted by consultant were forwarded by MPERC to MPPGCL on 23-06-2006 for comments / suggestions by 05-07-2006. Looking to the volume of work involved, Hon'ble Commission was requested to grant time for submission, first upto 25-07-2006 and then upto 10-08-2006 vide E.D. (O&M:Gen.) letter No. 193 dt. 05-07-2006 and 215, dt. 22-07-2006 respectively.

2) The reports of the consultant of MPERC were examined by a Committee of MPPGCL and comments / suggestions were submitted to Hon'ble Commission vide MPPGCL letter no. CP-MPPGCL-389 dt. 08-08-2006.

3) In the mean time, Hon'ble Commission registered a Su Motu Petition in the matter so as to implement the recommendations of the report within a definite time frame and directed MPPGCL to submit comprehensive report on 21-08-2006 and hearing was fixed on 24-08-2006. The report submitted by MPPGCL was discussed with the consultant M/s. A.F. Ferguson and Commission's Staff on 24-08-2006. MPERC vide letter no. 2165 dt. 29-08-2006 directed MPPGCL to submit Addl. Comments on 05-09-2006, which MPPGCL submitted vide letter no. CP-MPPGCL/429 dt. 05-09-3006.

4) MPERC vide letter no. 2570 dt. 18-10-2006 forwarded final report of the consultant to MPPGCL directing to submit time bound programme for implementation of the recommendations of M/s. A.F. Ferguson, and fixed the hearing on 31-10-2006. MPPGCL submitted the same vide letter no. 540 dt. 28-10-2006.

5) In the meeting held in MPERC on 31-05-2007, the status of implementation of each recommendation was discussed in detailed by

MPPGCL with Hon'ble Commission and the summary of recommendations was forwarded by MPERC vide letter no. 1088 dt. 13-06-2007, directing MPPGCL to furnish status of implementation on each & every recommendation to be discussed on 30-06-2007.

6) The Summary of status of implementation of recommendations of MPERC Consultant M/s. A.F. Ferguson by MPPGCL as on 31-05-2006 is, as under ;-

S. No	Recommendations	STATUS OF IMPLEMENTATION (NOS.) / %)					
		ATPS, CHACHAI		STPS, SARNI		SGTPS, BIRSINGHPUR	
1	Accepted & Implemented	34	44 %	53	56 %	30	39 %
2	Accepted to be Implemented	30	38 %	27	28 %	33	42 %
3	Reservations	14	18 %	15	16 %	15	19 %
4	Not Accepted	0	0 %	0	0 %	0	0 %
	TOTAL	78	100%	95	100%	78	100%

9. CHAPTER-VIII – Compliance of MPERC Directives given in Generation Tariff order for FY 07 to FY 09 and continuation Tariff Order F.Y.-2007-08:-

Hon'ble Commission in its MYT Generation tariff order dated 7th March 2006 for F.Y.-07 to F.Y.-09. have given certain directives for compliance by MPPGCL. Hon'ble Commission have also forwarded a consolidated statement of various directives as per tariff order FY 07-09 prescribing the schedule dates and periodicity vide letter dated 17.4.2006 for submission by MPPGCL.

COMPLIANCE STATUS:-

1) Immediately after issue of Generation tariff order on 7th March 06, MPPGCL acted upon for compliance of various directives and compliance reporting started by MPPGCL in March 06. Status of compliance of various

directives was submitted by MPPGCL to MPERC on 27.4.2006. MPPGCL made all out efforts and complied various directives as far as possible as per schedule dates and periodicity and submitted compliance status report to Hon'ble Commission from time to time. In Oct. 2006, MPPGCL vide letter No. 07-12/CP:MPGCL/ROC-103/MPERC/543 dated 30.10.06 submitted a compilation of photo copies of all letters of MPPGCL's compliance Reports on various directives as submitted to Hon'ble Commission, in consolidated form in a folder as desired. The compliance of some of the directives have been submitted subsequently also.

2) The updated status of compliance of various directives as already reported to Hon'ble Commission from time to time has been prepared duly updated status as on 30.7.2007 in the form of a statement at a glance and the same is enclosed herewith as Annexure - I.

3) As on date (30.07.2007) status of compliance of directives is as under:-

1. Total number of directives	-	24
2. Total No. of directives for which compliance report submitted by MPPGCL upto 30.07.07	-	24
• Total No. of directives fully complied	-	13
• Total No. of directives partly complied	-	06
• Total No. of directives yet to be complied	-	05

4) MPPGCL have submitted Compliance Report to Hon'ble Commission for all the directives i.e. for 100% directives. However, there has been some delay in reporting compliance of certain directives, which has been due to involvement of different departments and information from different power stations. All out sincere efforts are being made by MPPGCL for ensuring compliance of various directives at the earliest possible. Full compliance of directives which are partially complied and those which are yet to be complied, is likely to take one (1) year to three (3) years time. However, some of the directives relating to fuel cost will be complied alongwith VCA petition for F.Y. 2007-08 and long term CAPEX plan under finalization will

be submitted shortly after BoD approval. Compliance of couple of directives is dependent on State government orders/decisions and shall be complied accordingly and as per directives as may be given by Hon'ble Commission.

5) In the tariff order dated 28.2.2007 for continuation of Generation tariff for F.Y. 2008, Hon'ble Commission directed MPPGCL to submit true-up petition for F.Y. 2005-06 when audited statements of Accounts for F.Y. 06 are available, so as to enable the Commission to scrutinize and true-up the data. In compliance, MPPGCL have accordingly submitted the Audited statements of Accounts on 8.05.2007 and the true-up petition on 15.5.2007, before Hon'ble Commission.

The report has an approval of CMD, MPPGCL.

Submitted please.

(C.S. DUBEY)
CHIEF ENGINEER(CP)
MPPGCL : JABALPUR
DATED 31.07.2007

(D.K. BAJPAI)
REPORTER OF COMPLIANCE
MPPGCL : JABALPUR
DATED 31.07.2007