

CHAPTER 6

DIRECTIONS AND RECOMMENDATION

The Commission has identified several areas where the Petitioner needs to make substantial efforts for improvement. The Commission is, therefore, issuing these directives to the petitioner and the petitioner is required to follow these directives on a priority basis. The Commission would require the petitioner to submit compliance report of the progress made in implementation of these directives. These directives are given below.

6.1 Loan refinancing option

The Commission is of the view that the rate of interest payable for various loans is not very clear from the petition. Hence, the Commission directs TVNL to submit full details of the loans – source-wise along with rate of interest, when it submit its ARR for the year 2005-06. TVNL should swap its loans on high rate of interest with loans on lower rate of interest.

6.2 Coal Transportation

Coal is transported to the Tenughat Thermal power station, from the CCL mines through trucks. The Commission has observed that more than Rs 60 Crores has been spent on railway siding. However, the line is still not operational. Hence, the Commission directs TVNL to get the Railway construction completed (by RITES) by March 2005 and railway transportation should be available from April 2005.

6.3 Instrumentation

On a thorough investigation of the TVNL thermal power plant, the Commission found that the plant was supplied with extensive instrumentation. However, the Commission observed that the plant was functioning only with basic minimum instrumentation. The Commission directs TVNL to get the complete instrumentation done so that operation can be monitored efficiently.

6.4 Power Purchase Agreement

Currently, no Power Purchase Agreement exists between TVNL and JSEB. The Commission directs TVNL to sign a Power Purchase Agreement with JSEB in terms and conditions of power supply, penalty for non-evacuation of scheduled power by JSEB and penalty for non-supply of scheduled power by TVNL are clearly spelt out.

6.5 Scheduled Maintenance Plan

The Commission has observed that TVNL does not have a proper Scheduled Maintenance Plan nor does it have a proper, coded spares inventory management system due to which TVNL is incurring

heavy operational losses. The Commission directs TVNL to have a well documented spares inventory management system and maintenance plan which clearly spells out each maintenance activity, personnel involved, tools, tackles, time schedule, shutdown, spares and action are required to be performed. TVNL should have its own self contained WORKSHOP.

6.6 Auxiliary Consumption

The Commission has observed that TVNL is supplying power to nearby villages as well as to their own colony and this supply is being clubbed with auxiliary consumption. The Commission directs TVNL to meter the following consumptions and the list out the following consumptions when they submit their ARR for FY 2005-2006 :

- a) Power used for auxiliaries only.
- b) Power used for their own colony.
- c) Power supplied to nearby villages.

6.7 Water Charges and Proper Evacuation Facility

TVNL's bill for water is exorbitant. It does not have a modern MIS and a full-fledged instrumentation control system for assisting management. Evacuation problems are frequently highlighted by TVNL. The plant is frequently down due to one problem or the other. In view of the above, the Commission directs TVNL to prepare and file a detailed investment plan highlighting activities to be carried out, investment required and time frame for completion to the Commission.

6.8 Operational Efficiency

TVNL has not carried out any audit to assess the operational efficiency of its plant since its inception. The Commission directs TVNL to get its plant audited for energy efficiency (both electrical and thermal) and submit the findings of the energy audit to the Commission.

6.9 Proper Data Recording System

The Commission has observed that TVNL's operation is way below the normative levels as well as its data recording system is very poor. The Commission directs TVNL to provide to the Commission an action plan for improved accuracy of data recording and improvement in operation to normative levels.

6.10 Coal Inventory

It was observed that TVNL was keeping an unduly large reserve of coal stock due to which working capital is unnecessarily blocked. TVNL is directed to keep stock of coal and oil reserve as per norms of thermal power generation.

TVNL should get it registered with ERLDC and SLDC and operate in the grid.

Recommendation

The Commission has noticed that a lot of persons deployed at TVNL on deputation. The Commission recommends that TVNL should have its own manpower cadre.

This order is signed and issued by Jharkhand State Electricity Regulatory Commission on this day the 23rd of August 2004.

Chairman

Place: Ranchi.

Date: 23rd of August 2004