

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.127/2012

Sub: Application under Section 63 of the Electricity Act, 2003 for adoption of transmission charges with respect to the transmission system being established by the Vemagiri transmission system Limited.

Coram : Dr. Pramod Deo, Chairperson
Shri S. Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member

Date of Hearing : 12.7.2012

Petitioner : Power Grid Corporation of India Limited, New Delhi

Respondents : Samalkot Power Limited, Mumbai
Spectrum Power Generation Limited, Hyderabad

Performa Respondent : REC Transmission Projects Company Ltd., New Delhi

Parties present : Shri S. B. Upadhyay, Advocate for the petitioner
Shri U. K. Tyagi, PGCIL
Shri Dilip Rozekar, PGCIL
Shri A.Bhargava, PGCIL
Shri A.M.Pavgi, PGCIL
Shri Sumod Tom Thomas, PGCIL
Shri C.S.Vaidhgunathan, Sr. Advocate, Samalkot PL.
Shri Vandana Anand
Shri Lakshmeesh Kamath, Advocate
Miss Shally Bhasin, Advocate
Shri Sanjeev K.Bhardwaj, Advocate, SPL
Shri Aditya Bhardwaj, Advocate, SPL
Miss Rishi Jain, Advocate, SPL
Shri A.K.Asthana, SPL
Shri Anil R. Sah, ITPCL
Shri Ankit Kumar, RECTPCL
Shri S.Venkatesh, RECTPCL

Record of Proceedings

Learned counsel for the petitioner submitted that the Power Grid Corporation of India Ltd. participated in the competitive bidding under the Tariff Based Competitive Bidding guidelines for Transmission Service issued by Government of India Ministry of Power for selection of TSP to establish "Transmission System Associated with Vemagiri Area-Package-A". Power Grid has been declared as the selected bidder and Letter of Intent (LoI) was issued on 20.3.2012 by the Bid Process Coordinator (BPC). In accordance with provision of RFP bidding documents and the LoI issued by the BPC, Power Grid had acquired on 18.4.2012 Vemagiri Transmission System Limited (VTSL) and thus, VTSL incorporated under the Companies Act, 1956 is a 100% wholly owned subsidiary of Power Grid Corporation of India Limited.

2. Learned counsel further submitted that in accordance with provisions 2.4 (d) of RFP Bidding Documents and the LoI issued by the BPC, Power Grid has made this application for adoption of transmission charges under Section 63 of the Electricity Act 2003. Learned counsel prayed for the adoption of transmission charges for the project discovered through competitive bidding process. Learned counsel for the petitioner submitted that this petition is similar to petition No. 122/2012.

3. The Commission observed that certain generating stations are not coming up within scheduled dates. In response, the learned counsel for the Spectrum Power Generation Limited submitted that the developer of the project has abandoned the project in view of the advisory issued by Ministry of Power in its letter dated 14.3.2012 to the developers not to plan projects based on domestic gas till 2015-16 due to decline in production of natural gas for the years 2012-13 and 2013-14. Learned counsel further submitted that Spectrum Power Generation Limited has also filed petition before the Commission to terminate the TSA and to direct POWERGRID and REC to return the Bank Guarantee.

4. Learned counsel for the Samalkot Power Limited submitted that the project is on schedule. He further submitted that petitioner in its affidavit dated 27.6.2012 has submitted that Samalkot Power Limited shall be required to pay the full transmission charges for the projects which is not correct.

5. The representative of CTU submitted that in the 29th meeting of the Empowered Committee on Transmission held on 15.6.2012 it was decided that a team of CEA and CTU officials would visit the IPPs generation project sites in Vemagiri area to get first hand information on the status of generation projects.

Accordingly, the officials of CEA and CTU visited the following generation projects sites in Vemagiri area on 30.6.2012 and 1.7.2012:

S.No.	Name of the project	Installed capacity (MW)	LTA/Connectivity quantum (MW)
1.	Samalkot Power Project	2400	2200
2.	GMR Rajamundry Energy Limited	768	775
3.	RVK Energy Limited	360	360
4.	Spectrum Power Generation Limited	1400	1350

6. The representative of the CTU further submitted that from the site visit of above 4 numbers of gas based IPP generation projects, it was found that GMR project of 768 MW is already completed and Samalkot project of 2400 MW is partially completed. RVK has not signed the TSA and commissioning of the RVK project with a capacity of 360 MW shall depend on availability of gas and till that time uncertainty about the project would remain. As regards Spectrum Power Generation Limited, the developer of the project has requested CTU and REC for cancellation of the TSA and not to proceed with the execution of the Transmission network citing non-availability of the gas.

7. In reply to the query of the Commission as to whether after the exit of Spectrum Power Generation Limited, the transmission lines will be fully utilized, the representative of the CTU submitted that LTA has been granted in that region for 2970 MW for a planned generation of 2500 MW and therefore, with the exit of one generator, the line will be fully utilized.

8. Learned counsel for the petitioner submitted that availability of gas is the core issue for development of generation in that region and consequent evacuation system. The learned counsel sought appropriate directions in view of uncertainty of generation projects due to non-availability of gas.

9. The Commission directed CTU to submit the status of generating stations linked with the transmission project by 30.7.2012, on affidavit. The Commission further directed the CTU to file on affidavit as to how the proposed transmission line is going to be fully utilized.

10. The Commission also directed the Samalkot Power Limited to submit the status and schedule of its generation project and the availability of gas for its project, on affidavit, on or before 30.7.2012.

11. The Commission directed to list this petition and petition filed by Spectrum Power Limited on 16.8.2012.

By Order of the Commission

**Sd/-
(T. Rout)
Joint Chief (Law)**