

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 203/MP/2015

Subject : Petition under Section 86 (1) (c) and (f) of the Electricity Act, 2003 for adjudication of dispute between GMR Kamalanga Energy Limited and Power grid Corporation of India Limited in relation to illegal threat of encashment of the bank guarantee furnished in relation to the long term open access granted to the petitioner.

Date of hearing : 25.8.2015

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Shri Dr. M.K. Iyer, Member

Petitioner : GMR Kamalanga Energy Limited

Respondent : Power Grid Corporation of India Limited

Parties present : Shri Alok Shankar, Advocate, GMR

Record of Proceedings

Learned counsel for the petitioner mentioned the matter and submitted as under:

(a) The petitioner has set up 1050 MW thermal generating station at Dhenkanal, Odisha. On 24.2.2010, the petitioner entered into a BPTA with PGCIL for grant of Long Term Open Access for 800 MW and furnished two bank guarantees amounting to ₹ 400 crore which are valid till 30.9.2015.

(b) All three units of the generating station have been commissioned on April, 2013, November, 2013 and March, 2014. The dedicated transmission line has been commissioned on 21.12.2014. Accordingly, the petitioner has complied with its obligations under the BPTA for the purpose bank guarantee had furnished. However, PGCIL vide its letter dated 17.2.2015 directed the petitioner to extend the validity of the bank guarantees and also directed the banks to treat the letter as a claim for invocation of the bank guarantees in case the validity of the bank guarantees is not extended by the petitioner.

(c) On 4.3.2015, the petitioner objected to the illegal demand for extension of the bank guarantee and requested PGCIL to return the bank guarantee as the

generating station and the dedicated transmission line have already been commissioned. Despite repeated request, no response has been received from PGCIL in this regard.

(d) Learned counsel requested the Commission to direct PGCIL not to take any steps towards encashment of the bank guarantees till pending disposal of the petition.

2. After hearing the learned counsel for the petitioner, the Commission directed to issue notice to the respondent.

3. The Commission directed the petitioner to serve copy of the petition on the respondent immediately. The respondent was directed to file its reply by 31.8.2015 with an advance copy to the petitioner who may file its rejoinder, if any, by 2.9.2015.

4. The petition shall be listed for hearing on 3.9.2015.

By order of the Commission

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