

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 84/MP/2016

Subject : Petition under Section 79 (1) (c), Section 38 (2) and other applicable provisions of the Electricity Act, 2003 and the regulations framed there under for termination of the Bulk Power Transmission Agreements dated 24.2.2010 and Transmission Service Agreement dated 7.12.2010 and Assignment and utilization of the Long Term Transmission capacity allocated for other purposes.

Date of hearing : 28.6.2016

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

Petitioner : Chhattisgarh State Power Trading Company Limited

Respondents : Power Grid Corporation of India Ltd. & Others

Parties present : Shri M.G. Ramachandran, Advocate, CSPTCL
Ms. Swapna Sheshadri, Advocate, CSPTCL
Shri A.K. Garg, CSPTCL
Ms. Suparna Srivastava, Advocate, PGCIL

Record of Proceedings

Learned counsel for the petitioner submitted that the present petition has been filed seeking appropriate order in the context of the PGCIL's communication dated 20.8.2015 with regard to opening of Letter of Credit as per the prevailing PoC rates. Learned counsel for the petitioner further submitted as under:

(a) The petitioner has been incorporated under the provisions of the Companies Act, 1956 with the object of undertaking trading in electricity, namely, Bulk Purchase and Bulk Sale of Electricity including Bulk Supply of Electricity to the Chhattisgarh Power Distribution Company Limited, the distribution licensee in the State of Chhattisgarh. The petitioner has entered into Power Purchase Agreements with the Generating Companies for purchase of power for re-sale of electricity.

(b) As per the decision of the Government of Chhattisgarh, the

Government or its nominee have the first right to purchase power up to 30% at rate approved by the Appropriate Commission. The petitioner as the nominee of the Government of Chhattisgarh entered into contract with the various generating stations. For evacuation of power, the petitioner entered into BPTA dated 24.2.2010 with CTU for LTA for transfer of power to the extent of 5303 MW. The petitioner also entered into the TSA with Bhopal Dhule Transmission Ltd. on 7.12.2010 for LTA to the extent of 5692 MW.

(c) As per the decision of the Government of Chhattisgarh, the petitioner decided not to purchase the said 30% of the capacity from the generating Stations and accordingly has issued notices to the generating companies. Consequently, the petitioner intends to relinquish 4699 MW capacity contracted under the BPTA and 4985 MW under the TSA and retain only 604 MW under BPTA and 707 MW under the TSA.

2. Learned counsel for PGCIL submitted that the petitioner wants to surrender the capacity without the liability to pay the relinquishment charges. Learned counsel for the petitioner clarified that subject to the determination of relinquishment charges by the Commission in the light of the recommendation of the Committee appointed by the Commission for assessment/determination of stranded transmission capacity with regard to relinquishment of LTA right by long term customers, the petitioner has requested for surrender of the capacity to the extent of 4699MW/4985 MW.

3. After hearing the learned counsel for the petitioner and the respondents, the Commission directed CTU that the relinquished capacity should be utilized for granting the LTA to the pending applications so that capacity does not remain unutilized. The liability for relinquishment charges of the petitioner will be decided in terms of the order in the petition, and if the petitioner is held liable to pay the relinquishment charges, the quantum of relinquishment charges will be decided in the light of the decision taken on the basis of the recommendations of the Committee constituted in Petition No. 92/MP/2015 for assessment/determination of stranded transmission capacity with regard to relinquishment of LTA right by a long term customer and relinquishment charges in terms of the provisions of the Connectivity Regulations.

4. The Commission further directed CTU to file the status of the utilization of the relinquished capacity within the period of two months.

5. Subject to the above, the Commission reserved order in the petition.

By order of the Commission

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