

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. 28/MP/2017
Along with IA No. 12/2017**

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

Date of order: 29th of September, 2017

In the matter of

Petition under Section 79(1)(c) and 79(1)(k) read along with Section 79(1)(f) of the Electricity Act, 2003 read with Regulations 18 and 32 of the Central Electricity Regulatory Commission (Grant of Connectivity, Long Term and Medium Term Open Access in inter-State transmission and related matters) Regulations, 2009 along with Regulations 111 and 115 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 read with Regulation 2(1)(i) of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012.

**And
In the matter of**

Petition seeking direction that the Petitioner is not liable to pay compensation under Regulation 18 of the Connectivity Regulations towards relinquishment of 126 MW LTA from WR region on account of change in target region from WR to NR and is also not liable to pay Point of Connection charges towards the relinquished capacity of Long Term Access of 126 MW to Western Region from the date of application for relinquishment dated 25.2.2016

**And
In the matter of**

Maruti Clean Coal and Power Limited
Ward No. 42, Building No. 14, Civil Lines
Near Income Tax Colony, Raipur
Chhattisgarh-492001

..... Petitioner

Versus

Power Grid Corporation of India Limited



B-9, Qutab Institutional Area
Katwaria Sarai
New Delhi- 1100016

..... Respondent

Parties Present:

Shri Sumit Goel, Advocate, MCCPL
Ms. Sonal Gupta, Advocate, MCCPL
Shri Ishan Nagar, Advocate, MCPPL
Ms. Akansha Tyagi, Advocate, MCPPL
Shri Sitesh Mukherjee, Advocate, PGCIL
Shri Harshit Gupta, Advocate, PGCIL

ORDER

The Petitioner, Maruti Clean Coal and Power Limited (MCCPL), has filed the present petition under Section 79(1)(c) of the Electricity Act, 2003 (the Act) read with Regulations 18 and 32 of the Central Electricity Regulatory Commission (Grant of Connectivity, Long Term Access and Medium Term Open Access in Inter-State Transmission and Related Matters) Regulations, 2009, (hereinafter referred to as 'Connectivity Regulations') seeking directions that (a) the Petitioner is not liable to pay any compensation to PGCIL under Regulation 18 of the Connectivity Regulations towards relinquishment of long term access of 126 MW from Western Region to Northern Region; and (b) the Petitioner is not liable to pay the Point of Connection (PoC) charges for the said relinquished capacity since the application for relinquishment dated 25.2.2016.

2. The brief facts of the case as culled from the pleadings in the petition are briefly capitulated as under:

(a) The Petitioner has set up a 300 MW power plant at village Bandhakhar, district Korba in the State of Chhattisgarh. On 24.12.2007, the Petitioner applied

for grant of Long Term Open Access to CTU for transfer of 300 MW power with commissioning schedule progressively from June 2012. In the absence of identified buyers, the Petitioner requested for LTA to the target regions i.e. 222 MW for Western Region and 78 MW for Northern Region. CTU granted LTA to the Petitioner on 29.7.2009 for a period of 25 years with requirement of additional system strengthening. On 24.2.2010, Bulk Power Transmission Agreement was executed between the Petitioner and other power generators and CTU.

(b) Subsequently in a joint meeting taken by Member (PS), Member (TH) and Member (Hydro) of CEA on 1.2.2010, the LTA details intimated vide letter dated 29.7.2009 were revised. As per the revised LTA, after adjustment of auxiliary consumption, the Petitioner was granted LTA for 171 MW (126 MW for WR and 45 MW for NR) and Chhattisgarh State Power Trading Company Limited (CSPTCL) was granted LTA for 96 MW (58 MW for WR and 38 MW for NR), thus taking the total LTA granted to 267 MW.

(c) Bulk Power Transmission Agreement dated 22.4.2010 between the Petitioner alongwith six generators of the region with CTU. In accordance with the provisions of the Central Electricity Regulatory Commission (Sharing of inter-State transmission charges and losses) Regulations, 2010 (Sharing Regulations) which came into force on 1.7.2011, the Petitioner entered into a Transmission Service Agreement with CTU on 6.8.2012.

(d) On 14.2.2012, CSPTCL conveyed its decision to purchase only 5% share from the generating station of the Petitioner.

(e) On 1.11.2013, the Petitioner signed PPA with PTC for sale of 250 MW for a period of 25 years for which PTC signed PPA for selling the same to the Rajasthan Discoms, namely (a) Jaipur Vidyut Vitran Nigam Ltd. 97.50 MW, (b) Ajmer Vidyut Vitran Nigam Ltd. 72.50 MW, and (c) Jodhpur Vidyut Vitran Nigam Ltd. 80.00 MW. The Petitioner also signed PPA with CSPTCL for sale of 5% power for a period of 25 years.

(f) The Petitioner, vide its letter dated 18.1.2014, requested PGCIL to revise its LTA granted to the target region to the LTA granted to firm beneficiaries as under:

PTC	NR	250 MW
CSPTCL	WR	15 MW

(g) In the 20th meeting for WR constituents regarding connectivity/open Access application held on 17.2.2015, the request of the Petitioner was taken note of. In the said meeting, PGCIL stated that since, the quantum of firm PPA with Rajasthan (250MW) is more than the target LTA quantum for NR (45MW), LTA for 45MW can be regularized in line with the Commission`s regulation and the balance quantum of 205 MW can be considered for grant of LTA after receipt of a fresh application.

(h) The Petitioner`s generating station was commissioned on 31.7.2015 and started evacuating power using STOA. As per the status given by PGCIL, the

identified transmission system was commissioned in August, 2015 in relation to the LTA granted to the Petitioner. The Petitioner opened LC of Rs.4.5 crore and Rs.3.2 crore on 12.10.2015 and 20.10.2015 respectively in favour of PGCIL.

(i) On 28.10.2015, the bottom ash hopper of the boiler of the generating station collapsed. Accordingly, the Petitioner vide its letter dated 28.12.2015 informed PGCIL regarding occurrence of force majeure events, wherein it was brought to the notice of PGCIL that due to major accident, the Petitioner was not in position to evacuate the power till the plant became fully operational.

(j) PGCIL sent an e-mail on 1.2.2016 to WRLDC and NRLDC requesting them to operationalize LTA for the petitioner from 4.2.2016 as the LC is in place. On 2.2.2016, WRLDC sent an e-mail to the Petitioner seeking clarifications with regard to the expected date of revival of the units and commencement of scheduling and also stating that without identifying beneficiaries WRLDC would not be in a position to commence schedules under LTA.

(k) The Petitioner vide its letter dated 3.2.2016, informed PGCIL that Petitioner has signed long term PPA with Rajasthan Discoms for sale of 250 MW w.e.f. 30.11.2015. Subsequently, the Petitioner after receipt of NOC from Rajasthan Discoms, made an application to CTU on 29.2.2016 for grant of 205 MW LTA for evacuation of power from its generating station (WR) to Rajasthan Discoms (NR) from 30.11.2016 upto 29.11.2041.

(l) On 18.3.2016 and 5.4.2016, PGCIL raised the POC bills for the months of February and March 2016 amounting to Rs.4,00,57,859/- and Rs.4,28,57,735/-

respectively. The Petitioner vide its letter dated 20.4.2016 requested PGCIL to withdraw the POC bills and not to raise any further POC bills till the event of force majeure continues and operationalization of the plant. However, on 10.5.2016, PGCIL raised further POC bill for the month of April 2016 amounting to Rs. 3, 52,03,839/-.

(m) The Petitioner filed Petition No. 79/MP/2016 seeking *inter-alia* declaration that the collapse of bottom ash hopper of the Boiler was a force majeure event under clause 9 of the BPTA dated 24.2.2010 and clause 14 of the TSA dated 6.8.2012 and directions to PGCIL not to raise any bills towards and in respect of LTA granted to the generating station of the Petitioner till the event of force majeure continues and the plant is made operational.

(n) On 3.6.2016, PGCIL raised a PoC Bill for the month of May 2016 and invoked LC amounting to Rs. 4.5 crore. On 23.6.2016, the Petitioner opened LC for Rs. 7.7 crore in favour of PGCIL out of which PGCIL returned the LC of Rs. 3.2 crore on 2.7.2016.

(o) In the 9th Connectivity and LTA meeting with NR constituents held on 30.5.2016, it was inter-alia agreed to grant LTA to the Petitioner for 205MW for NR with new WR-NR corridor i.e. Vindhyachal-Varanasi 765 kV D/C line.

(p) During the 23rd meeting of WR constituents for connectivity and LTA applications held on 1.6.2016, it was recorded that as per the directions of CERC, the relinquished LTA quantum can be utilized for grant of LTA to other eligible LTA applications. Accordingly, an exercise has been carried out to re-

allocate the transmission capacity relinquished in WR-NR corridor by LTA customers to applications under process seeking power transfer through WR-NR. In the minutes of 12th meeting of Joint Co-ordination Committee held on 10.6.2016 for high capacity corridor for IPPs in WR, the application of the Petitioner made in February 2016 for relinquishment of 126MW in WR was taken note of.

(q) PGCIL vide intimation dated 29.7.2016 granted 205 MW LTA to the Petitioner with Rajasthan in NR as beneficiary with effect from 30.11.2016 or from the date of availability of transmission system whichever is later subject to : (i) payment of relinquishment charges towards relinquishment of 126 MW LTA from WR region as may be decided by the Commission in petition No. 92/MP/2015; (ii) relinquishment of 205 MW MTOA that has earlier been granted by CTU vide intimation dated 10.2.2016; and (iii) availability of the associated transmission system.

(r) The Commission, vide order dated 9.8.2016 in Petition No.79/MP/2016 held that event claimed as force majeure is not covered under the Force Majeure in terms of the TSA. Aggrieved by the said order dated 9.8.2016, the Petitioner filed Appeal No. 212 of 2016 along with application for stay being I.A. No. 459 of 2016 before the Appellate Tribunal. Vide order dated 24.8.2016, Appellate Tribunal passed an order directing PGCIL not to invoke LC till 31.8.2016.

(r) The Petitioner vide its letter dated 9.11.2016, requested PGCIL for revision of PoC bill for billing 45 MW LTA to NR only and adjust the excess amount

already paid in future bills. Subsequently, on 18.11.2016, the Petitioner entered into an LTA Agreement without system strengthening with PGCIL for the LTA granted to MCCPL for 205MW to NR.

3. The Petitioner has submitted that in terms of Regulation 18 of the Connectivity Regulations, relinquishment charges are levied by the CTU based on capacity which remains stranded in the transmission system in the event of relinquishment of LTA quantum by a LTA customer. In the present case, there is no stranded transmission capacity on account of relinquishment of 126 MW from WR. Therefore, the Petitioner is not liable to pay compensation under Regulation 18 of the Connectivity Regulations. The Petitioner has further submitted that the Appellate Tribunal vide order dated 4.11.2011 in Appeal No. 37 of 2011 in Tamil Nadu Electricity Board v/s Saheli Exports Pvt. Ltd has held that event of compensation would only arise when there is any stranded capacity in the system. The Petitioner has submitted that the Commission in its order dated 21.2.2014 in Petition No. 63/MP/2013 (Lanco Kondapalli Power Limited v/s PGCIL &Ors) has held that compensation is payable only for stranded transmission capacity caused on account of relinquishment.

4. The Petitioner has submitted that in the case of change in target region, there would not be any change in total LTA. Therefore, there cannot be any change in PoC charges and there should not be any relinquishment charges in cases where change in Target Region has been sought. In such case, the injection point remains the same and only the drawl of power changes. Even though the Petitioner vide its application dated 25.2.2016 has relinquished 126MW LTA, PGCIL has been raising invoices of PoC charges for 126 MW LTA to WR. The Petitioner has submitted that since the

PoC charges are payable for the use of the transmission system, the Petitioner after relinquishing the 126 MW LTA to WR has not been using the same and, therefore, no PoC charges can be levied on it. The Petitioner has submitted that the invoices raised for PoC charges for the months of March 2016 till December 2016 are illegal and liable to be withdrawn by PGCIL and any amount paid by the Petitioner against these invoices is liable to be refunded to the Petitioner. The Petitioner has made the following prayers:

“(a) Declare that the Petitioner is not liable to pay PoC charges to PGCIL w.e.f 25.2.2016 with respect to LTA of 126 MW to WR for which LTA has been relinquished by the Petitioner;

(b) Direct the PGCIL to withdraw the PoC Bills raised on the Petitioner for the months of March 2016 to December 2016 with respect to LTA of 126 MW to WR which has been relinquished by the Petitioner;

(c) Direct the PGCIL to refund to the Petitioner the amounts paid towards PoC charges from March, 2016 till date with respect to LTA of 126 MW to WR which has been relinquished by the Petitioner.

(d) Declare that the Petitioner is not liable to pay compensation under Regulation 18 of the Connectivity Regulations, 2009 in relation to relinquishment of LTA of 126MW from WR.”

5. The Petitioner has filed the Interlocutory Application No.12/2017 for seeking interim relief to restrain PGCIL from taking any coercive steps to recover the amounts demanded from the Petitioner under PoC bills for the months of march, 2016 to May, 2016 and November, 2016 to December, 2016 in respect of 126 MW LTA to WR.

6. PGCIL in its written submission has submitted as under:

(a) The prayers (a) to (c) regarding no liability to pay PoC charges for 126 MW from the alleged date of application for change in target region are misplaced and contrary to the extant regulations. PGCIL has submitted that the LTA application

dated 25.2.2016 nowhere provides for relinquishment of 126 MW LTA and actually seeks LTA from 30.11.2016 for 205 MW to NR. Refuting the submission of the counsel for the Petitioner during the hearing on 16.5.2017 that a letter dated 3.2.2016 for relinquishment of LTA from WR was submitted alongwith LTA application dated 25.2.2016 to NR, PGCIL has clarified that the said letter dated 3.2.2016 was with respect to force majeure event wherein the Petitioner requested PGCIL to utilize the LTA for the time being till the cessation of force majeure event. PGCIL has submitted that reliance placed by the Petitioner on the letter dated 3.2.2016 being the communication for relinquishment is merely an afterthought intended to better its case.

(b) The Petitioner's application for LTA was processed and discussed in the 9th Connectivity and LTA meeting held on 30.5.2016, 23rd meeting of WR constituents held on 1.6.2016 and 12th meeting of Joint Co-ordination Committee held on 10.6.2016 and PGCIL issued the intimation letter dated 29.7.2016 for LTA of 205 MW subject to the condition the LTA would be granted from 30.11.2016 or availability of the transmission system whichever is earlier. The Petitioner never objected to such a condition and signed the BPTA on 18.11.2016 which provided that the Petitioner would pay the relinquishment charges towards relinquishment of 126 MW from WR as may be decided by the Commission in Petition No.92/MP/2015. PGCIL has submitted that the transmission system was available from 1.4.2017 which is later than 30.11.2016, the date of relinquishment of the Petitioner's LTA in WR would be 1.4.2017 and the Petitioner is liable to pay the transmission charges till 31.3.2017. PGCIL has



submitted that even if actual date is not considered, the Petitioner is liable to pay the transmission charges till 30.11.2016.

(c) PGCIL has submitted that even though the Petitioner's application dated 25.2.2016 is considered as an application for relinquishment of its LTA, the relinquishment will still be effective from 24.2.2017 in line with Regulation 18 of the Connectivity Regulations which requires the one year notice for relinquishment. Alternatively, the Petitioner shall be liable to pay an amount equal to 66% of the estimated transmission charges for the period falling short of the notice period of one year in addition to the payment of charges for stranded capacity.

(d) BPTA signed by the Petitioner with PGCIL provides that for relinquishment, prior approval of PGCIL and the Commission is required and is subject to the payment of compensation in accordance with the regulations of the Commission issued from time to time.

(e) The Petitioner's reliance on Regulation 15A of the Connectivity Regulations is misplaced as the third proviso of the said Regulation is not applicable in case of the Petitioner which is neither a case of PPA terminated or PGCIL asking the Petitioner to surrender the LTA.

(f) As per the definitions of "approved injection", "approved withdrawal" and Regulation 8(5) of the Sharing Regulations, where LTA has been granted on target region basis, the generator is required to pay transmission charges irrespective of whether its plant is operational or whether the LTA is used or not.

Therefore, the Petitioner's non-utilisation of LTA is not a ground to excuse its liability to pay the transmission charges.

(g) The prayer (d) regarding no relinquishment charges being payable for change in target region since allegedly there will be no stranded capacity, is an issue which is currently being considered in Petition No.95/MP/2015. Hence, PGCIL is not making any submission at this stage and reserves its rights to make submissions regarding applicability of relinquishment charges at a later stage.

Analysis and Decision:

7. We have heard the learned counsels appearing for the Petitioner and PGCIL and perused the pleadings and materials on record. The following issues arise for our consideration:

- (a) Whether the applications dated 3.2.2016 and 25.2.2016 shall be considered as applications for relinquishment of LTA of 126 MW to Western Region?
- (b) Whether the petitioner is liable to pay Point of Connection (PoC) charges for 126 MW in WR from February 2016 till the date of operationalization of LTA of 205 MW to Northern Region?
- (c) Whether the Petitioner is liable to pay relinquishment charges under Regulation 18 of the Connectivity Regulations for relinquishment of 126 MW LTA from Western Region on account of change in the target region from WR to NR?

Issue No.1: Whether the applications dated 3.2.2016 and 25.2.2016 shall be considered as applications for relinquishment of LTA of 126 MW to Western Region?

8. The Petitioner has set up a 300 MW thermal power plant in Chhattisgarh. As per the BPTA dated 24.2.2010, LTA was granted to the Petitioner for 171 MW on target region basis (126 MW for WR and 45 MW for NR). The Petitioner's generating station was commissioned on 31.7.2015. The Petitioner vide its letter dated 3.2.2016 informed PGCIL that the Petitioner has signed long term PPA with Rajasthan Discoms for sale of 250 MW w.e.f 30.11.2016 and fresh application for grant of additional 205 MW LTA shall be filed after receipt of NOC of Rajasthan STU. The Petitioner in the said letter requested not to operationalize the LTA as the same cannot be utilized due to major accident and in the absence of identified beneficiary. Based on the Petitioner's online application dated 25.2.2016, PGCIL vide letter 29.7.2016 granted LTA of 205 MW for NR to the Petitioner subject to the payment of relinquishment charges corresponding to 126 MW from WR.

9. The earlier grant of LTA to the Petitioner for 126 MW to Western Region has been reduced to zero vide LTA grant dated 29.7.2016 on the basis of the fresh LTA application dated 25.2.2016 for grant of LTA of 205 MW to NR. The BPTA was signed on 18.11.2016 and the LTA to NR was operationalized on 1.4.2017. The point of dispute is the date from which relinquishment of 126 MW in WR by the Petitioner shall be effective. During the hearing on 16.5.2017, on being asked about the communication for relinquishment, learned counsel for the Petitioner submitted that the Petitioner's letter dated 3.2.2016 alongwith LTA application filed online on 25.2.2016 be treated as communication for relinquishment. Learned counsel for the



Petitioner submitted that since the Petitioner has already relinquished the 126 MW LTA from the date of letter dated 3.2.2016 read with its application dated 25.2.2016, it is not liable to pay POC charges from February 2016 onwards.

10. Learned counsel for PGCIL submitted that the letter dated 3.2.2016 was with respect to the force majeure event wherein the Petitioner requested PGCIL to utilise its LTA for time being for other medium term/short term DICs. Further, the LTA application filed online on 25.2.2016 seeks LTA of 205 MW from 30.11.2016. PGCIL has submitted that the Petitioner has nowhere indicated or requested for relinquishment of its LTA either in the letter dated 3.2.2016 or the application for LTA of 205 MW filed online on 25.2.2016 and therefore, these letters do not amount to a notice for relinquishment of the access right as required under Regulation 18 of the Connectivity Regulations and consequently, the POC charges for 126 MW LTA to WR are payable by the Petitioner from February 2016 till 1.4.2017 when the 205 MW LTA to NR was made operational.

11. Regulation 18 of the Connectivity Regulations provides for relinquishment of LTA right is as under:

"18. Relinquishment of access rights

(1) A long-term customer may relinquish the long-term access rights fully or partly before the expiry of the full term of long-term access, by making payment of compensation for stranded capacity as follows:-

(a) Long-term customer who has availed access rights for at least 12 years

(i) **Notice of one (1) year** – If such a customer submits an application to the Central Transmission Utility at least 1 (one) year prior to the date from which such customer desires to relinquish the access rights, there shall be no charges.

(ii) **Notice of less than one (1) year** – If such a customer submits an application to the Central Transmission Utility at any time lesser than a period of 1 (one) year prior

to the date from which such customer desires to relinquish the access rights, such customer shall pay an amount equal to 66% of the estimated transmission charges (net present value) for the stranded transmission capacity for the period falling short of a notice period of one (1) year.

(b) Long-term customer who has not availed access rights for at least 12 (twelve) years –

such customer shall pay an amount equal to 66% of the estimated transmission charges (net present value) for the stranded transmission capacity for the period falling short of 12 (twelve) years of access rights:

Provided that such a customer shall submit an application to the Central Transmission Utility at least 1 (one) year prior to the date from which such customer desires to relinquish the access rights;

Provided further that in case a customer submits an application for relinquishment of long-term access rights at any time at a notice period of less than one year, then such customer shall pay an amount equal to 66% of the estimated transmission charges (net present value) for the period falling short of a notice period of one (1) year, in addition to 66% of the estimated transmission charges (net present value) for the stranded transmission capacity for the period falling short of 12 (twelve) years of access rights.”

As per the above regulation, there is a requirement for one year notice for relinquishment of LTA or payment of transmission charges at the prescribed rate for the period falling short of one year.

12. Let us consider the letters of the Petitioner dated 3.2.2016 and LTA application dated 25.2.2016 to see whether the Petitioner had given any notice for relinquishment of LTA. The contents of the letter dated 3.2.2016 written by the Petitioner to PGCIL is extracted as under:

“... In this connection, kindly refer to our letter dated 28.12.2015 wherein it was intimated that the Plant has major accident on 28th October, 2015 and is not likely to be operational as per latest estimates before June, 2016.

Keeping in view the above, LTA may be utilised for other medium term/short term DICs instead of blocking for MCCPL and not to operationalize the LTA as the same cannot be utilised due to major accident and in the absence of identified beneficiary.”

This letter is a request to PGCIL to utilise the LTA granted to the Petitioner for medium term or short term open access by other DICs till the plant was operationalized and the expected date of operationalization of the Plant was indicated as not before June 2016. The letter nowhere talks about relinquishment of LTA. The application dated 25.2.2016 for grant of LTA to NR provides as under:

“Details of Long Term Access (LTA)

Quantum (MW) for which LTA required: 205 MW
Date from which LTA required: Nov 30, 2016
Date upto which LTA required: Nov 29, 2041”

This application nowhere provides for relinquishment of 126 MW of LTA. Therefore, it is difficult to accept the contention of the Petitioner that notice for relinquishment was given in terms of letter dated 3.2.2016 read with LTA application dated 25.2.2016. However, any LTA customer intending to relinquish the capacity is required to give at least one year notice and is liable to pay an amount equal to 66% of the estimated transmission charges (net present value) for the stranded transmission capacity for the period falling short of a notice period of one (1) year. Since, the Petitioner has sought LTA to NR for the same capacity of 126 MW for which LTA was granted earlier to WR, we treat that the Petitioner is deemed to have given notice under Regulation 18 of the Connectivity Regulations with effect from 25.2.2016.

13. LTA intimation letter dated 29.7.2016 issued by PGCIL contained the following provisions:

“6. Details of Long Term Access (LTA) : 205 MW

.....

9 Transmission System for LTA- As per Annexure-I

9a. Date from which LTA is granted- 30.11.2016 or Availability of Transmission System whichever is later.

9b. Date upto which LTA is granted: 29.11.2016

.....

Note: Long Term Access is granted to the ISTS subject to the following:

1.....

2.....

3. That the above LTA is being granted with the condition that the applicant shall pay relinquishment charges corresponding to 126 MW from WR (earlier intimation C/ENG/SEF/TA/LW/09/001/RI dated 24.02.2010) as may be decided by CERC in Petition No.92/MP/2015. With this grant, including earlier grant of LTA dated 20.02.2010, the beneficiaries shall become WR-0 MW, Rajasthan-250 MW”.

Subsequently, the Petitioner has entered into a BPTA dated 18.11.2016 which contained the following provisions:

“D. -----

- (i) Payment of relinquishment charges towards relinquishment of 126 MW LTA from WR region as may be decided by CERC in Petition No. 92/MP/2015.
- (ii) Relinquishment of 205 MW MTOA that has earlier been granted by CTU vide intimation reference no. C/CTU-Plg/M/32 dated 10.2.2016 against the same PPA.
- (iii) Availability of associated transmission system mentioned in LTA intimation dated 29.7.2016 to MCCL and
- (iv) Fulfillment of all other conditions.”

From the above, it appears that the Petitioner has agreed to the terms and conditions in the LTA grant letter and BPTA according to which the LTA for NR for 205 MW shall be operational with effect from 30.11.2016 (i.e. date sought by the Petitioner) or the availability of the transmission system whichever is later. The transmission system for operationalization of LTA to NR was available on 1.4.2017 and therefore, the LTA was operationalized on 1.4.2017. After taking into consideration the request of the Petitioner for grant of LTA to NR with effect from 30.11.2016 and the provision in the LTA intimation letter dated 29.7.2016 that with the grant of LTA (i.e. 30.11.2016 or availability of the transmission system whichever is later), it is decided that relinquishment of 126 MW in WR took effect from 30.11.2016.

Issue No.2: Whether the petitioner is liable to pay Point of Connection (PoC) charges for 126 MW in WR from February 2016 till the date of operationalization of LTA of 205 MW to Northern Region?

14. The next question for our consideration is whether the Petitioner is liable to pay the transmission charges from the date of operationalization of LTA of 126 MW in WR in February 2016 till the relinquishment of the said LTA on 30.11.2016. Based on its original application, the Petitioner was granted LTA vide letter dated 29.7.2010 for a period of 25 years with requirement of additional system strengthening. Consequently, BPTA dated 24.2.2010 was signed by the Petitioner with PGCIL for LTA of 126 MW to WR and 45 MW to NR. The generating station of the Petitioner achieved commercial operation on July, 2015 and PGCIL declared commercial operation of the transmission line on 13.8.2015.

15. Second Proviso to Regulation 12 (1) of the Connectivity Regulations provides as under:

“Provided further that in case augmentation of transmission system is required, the applicant shall have to bear the transmission charges for the same as per these regulations, even if the source of supply or off-take is not identified.”

In terms of second proviso to Regulation 12 (1) of the Connectivity Regulations, the Petitioner as a LTA customer is under a statutory obligation to pay the transmission charges from the date of commissioning of the transmission system executed by PGCIL in terms of the BPTA. Further Regulation 8(5) of Sharing Regulations provides that “where the Approved Withdrawal or Approved Injection in case of a DIC is not materialising either partly or fully for any reason whatsoever, the concerned DIC shall be obliged to pay the transmission charges allocated under these regulations.” Therefore, from the date of operationalization of LTA to target region of

WR for 126 MW under BPTA dated 24.2.2010 till the date of relinquishment, the Petitioner shall be liable to pay the PoC charges.

16. We have already held that the deemed date of notice of relinquishment of LTA from WR would be 25.2.2016. The LTA was relinquished on grant of LTA to NR with effect from 30.11.2016. Therefore, the relinquishment has taken place before a period of one year. The Petitioner shall be required to pay the full transmission charges from 25.2.2016 till 30.11.2016 and charges at 66% of the estimated transmission charges and from the period 1.12.2016 till 24.2.2017 for 126 MW in WR.

Issue No.3: Whether the Petitioner is liable to pay relinquishment charges under Regulation 18 of the Connectivity Regulations for relinquishment of 126 MW LTA from Western Region on account of change in the target region from WR to NR?

17. We have held that the Petitioner shall be liable to pay the transmission charges upto 24.2.2017 for 126 MW in WR. Since, the said capacity is being relinquished in WR with effect from 25.2.2016, i.e. before completion of 12 years the Petitioner shall be liable to pay the relinquishment charges. The issues with regard to stranded capacity and relinquishment charges are under consideration of the Commission in Petition No.92/MP/2015. The liability of the Petitioner for relinquishment charges for the relinquished capacity of 126 MW in WR shall be determined in the light of the order in the said petition.

18. In the light of the above discussion, prayers of the Petitioner are disposed of as under:

(a) As regards prayer (a) to declare the relinquishment of LTA of 126 MW in WR with effect from 25.2.2016 and consequent non-liability of the Petitioner to



pay PoC charges with effect from that date, it is decided that relinquishment of 126 MW in WR took effect from 30.11.2016 from the date LTA was sought in NR. The Petitioner is liable to pay the transmission charges for 126 MW in WR from 25.2.2016 till 30.11.2016 and the estimated transmission charges at 66% from 1.12.2016 till 24.2.2017. The Petitioner shall be liable to pay the subsequent charges from 25.2.2017 as decided in Petition No. 92/MP/2015.

(b) As regards prayers (b) and (c) regarding withdrawal of PoC charges and refund of PoC charges already collected, the said prayers are rejected as the bills raised by PGCIL are valid since the LTA of 126 MW in WR was in force till 30.11.2016.

(c) As regards prayer (d) regarding non-payment of relinquishment charges for 126 MW in WR, the same shall be determined in accordance with the decision in Petition No. 92/MP/2015.

19. The petition along with IA is disposed of in terms of the above.

sd/-
(Dr. M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson