

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. 84/MP/2016
Along with
IA No. 30/2016 and 7/2017**

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

Date of Order: 2nd November, 2017

In the matter of

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.

**And
In the matter of**

Chhattisgarh State Power Trading Company Limited,
2nd floor, VidyutSewaBhawan,
Dagania, Raipur

....Petitioner

Vs

1. Central Transmission Utility
Power Grid Corporation of India Limited
Saudamini, Plot No.2
2. Power System Operating Company Limited,
B-9, Qutab Institutional Area,
KatwariaSarai, New Delhi- 110015
3. Western Regional Power Committee
F-3, MIDC Area, Marol,
Opposite SEEPZ, Central road,
Andheri East, Mumbai-400093

4. Bhopal Dhule Transmission Company Limited
F-1, "The Mira Corporate Suites" 1&2 Ishwar Nagar,
Mathura Road, New Delhi- 110065

...Respondents

Following were present:

Ms.Swapna Seshadri, Advocate, CSPTCL
Ms.Suparna Srivastava, Advocate, PGCIL
Ms.Jyoti Prasad, PGCIL
Shri Hemant Sahai, Advocate, MB Power
Ms. Puja Priyadarshani, Advocate, MB Power

ORDER

The Petitioner, Chhattisgarh State Power Trading Company Limited (CSPTCL), has filed the present petition under Section 79 (1) (c) and Section 38 of the Electricity Act, 2003 seeking a declaration that the Petitioner is not liable to pay any transmission charges or other associated charges for surrender of 4700 MW/4985 MW LTA granted under the BPTA dated 24.2.2010 and TSA dated 7.12.2010 from 16.3.2014 and seeking direction to PGCIL for utilization of the 4700 MW/4985 MW capacity for use by the generating companies and such other persons who may apply for LTA in Western Region and Northern Region.

2. The Petitioner has been incorporated 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 (CSPDCL) which is the distribution licensee in the State of Chhattisgarh. As per the decision of the Government of Chhattisgarh, the generating companies establishing power plants in the State of Chhattisgarh were required to supply 5% (or 7.5% if the

generating company was allocated a captive block in the State) of the net power generated by such plants at energy charges to the State Government or its nominee. Further, the State Government or its nominee had the first right to purchase power upto 30% at rates approved by the Appropriate Commission. The Petitioner was designated as the nominee of the Government of Chhattisgarh with regard to supply or purchase of power from the said generating companies. In its capacity as nominee of Government of Chhattisgarh, the Petitioner entered into Power Purchase Agreements with different Generating Companies situated within the State of Chhattisgarh. The Petitioner has submitted a list of 23 such PPAs with different generating companies. The Petitioner has submitted that due to various reasons partly attributable to the generating companies and partly attributable to non-availability of coal, most of the generating stations have been delayed in commissioning and declaration of their commercial operations. The Petitioner has submitted that it has entered into BPTAs dated 24.2.2010 with CTU for evacuation of power to Western and Northern Regions from 14 power plants for a total capacity of 5303 MW. The Petitioner has also signed Transmission Service Agreements with Bhopal Dhule Transmission Company Ltd. for Long Term Access to ISTS for evacuation of power from 13 generators for 5692 MW.

3. The Petitioner is stated to have decided not to purchase the 30% of the capacity from the power plants as per the decision of the Government of Chhattisgarh. The Petitioner has already issued notices to the generating companies owning these power plants deciding not to purchase 30% of the

installed capacity as per the right available to the Petitioner under the Power Purchase Agreements entered into with the generating companies. Consequently, the Petitioner requires the transmission capacity of only 604 MW under the BPTA and 707 MW under TSA and has no requirement of the balance capacity of 4699 MW under the BPTA and 4985 MW under the TSA. The Petitioner approached PGCIL to terminate the BPTA to the extent of 4699 MW of power and TSA to the extent of 4985 MW of power with immediate effect. However, PGCIL advised the Petitioner to approach the Commission for orders. The Petitioner has submitted that there has been a significant demand for transmission capacity in the Western Region and Northern Region for the transfer of power and long term/medium term access has been sought by the generating companies/procurers of power and others who wish to avail LTA to Western Region and Northern Region and are in need of the transmission capacity. The Petitioner has submitted that capacity of 4700 MW/4985 MW under the BPTA/TSA is intended to be surrendered which can be effectively used by long term access applicants and which may be utilized by the applicants for long term access from Chhattisgarh to Western and Northern Regions. The Petitioner has submitted that there can be re-arrangement of the long term access in the Inter-State Transmission System for injection of power mainly from Chhattisgarh to the Western Region and Northern Region by fully utilising the capacity of 4700 MW/4985 MW surrendered by the Petitioner. The Petitioner has submitted that there would be no stranded capacity as PGCIL is required to ensure that the capacity in the Inter-State Transmission System available on account of the surrender by the Petitioner are allowed to be utilised under the pending long

term access applications and by others who are in need of such long term access.

4. The Petitioner has submitted that the transmission capacity of 5692 MW covered under the TSA dated 7.12.2010 relating to Bhopal Dhule Transmission Company Limited is for the system strengthening and up-gradation, and not with reference to any dedicated line installed specially with reference to the transmission capacity for which the Petitioner had sought for open access. The system strengthening and up-gradation is benefitting, generally, the transmission system and, therefore, being added to the POC and not with reference to any particular generation capacity contracted by the Petitioner. The Petitioner has submitted that the Inter-State Transmission Capacity of Bhopal Dhule Transmission Company Limited cannot be treated as stranded capacity on account of the surrender of the capacity by the Petitioner. The system strengthening and up-gradation work undertaken is capable of being used for the benefit of the users of the transmission system.

5. Against the above background, the Petitioner has filed the present petition with the following prayers:

(a) Declare that the Petitioner has surrendered the transmission capacity to the extent of 4700 MW/4985 MW in the Inter State Transmission System under the BPTA dated 24.2.2010 and TSA dated 7.12.2010 effective from 16.3.2014 when the Petitioner had applied Powergrid Corporation of India Limited/the Central Transmission Utility intimating such surrender of the capacity and hold that the Petitioner shall not be liable to pay any transmission charges or other associated charges effective from the said date;

(b) Declare that in the fact and circumstances of the case, there is no stranded capacity in the Inter State Transmission System covered by

the BPTA dated 24.02.2010 and TSA dated 07.12.2010 on account of the surrender of the 4700 MW/4985 MW capacity by the Petitioner;

(c) Release the Petitioner from the payment of any surrender charges or stranded charges under the Open Access Regulations, 2009 notified by the Hon'ble Commission;

(d) Direct the utilisation of the above 4700 MW/4985 MW capacity for use by the generating companies listed in Annexure-I hereto and such other persons who may apply for long term access in the Western Region and Northern Region and thereby the utilisation of the capacity available in the Inter State Transmission System.”

6. The Petition was heard after notice to the respondents. The Commission, vide Record of Proceedings for the hearing dated 28.6.2016, directed the CTU as under:

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.

7. PGCIL, in compliance with the Commission's directions dated 28.6.2016, vide its affidavit dated 13.10.2016, has submitted the details of the relinquished capacity by the IPPs both by way of filing the petitions and on account of change of target region. PGCIL has placed on record, the summary of the

relinquished capacity with respect to the location of the generation projects vis-a-vis their target beneficiaries which has been dealt with in order dated 28.10.2016.

8. The Commission, vide interim order dated 28.10.2016, directed the CTU to carry out the exercise with the regard to operationalization of LTA as per the procedure suggested by CTU and approved by the Commission and submit a report in this regard. CTU after carrying out a consultative process in a meeting of the concerned LTA applicants, CEA and POSOCO on 4.11.2016 has submitted a report on 15.11.2016. As per the report, 559 MW LTA and 590 MW MTOA were operationalized as under subject to furnishing of necessary payment security mechanism:

LTA Operationalisation

S.No.	LTA customer	Quantum granted	Quantum operationalised
1	DB Power Ltd	175	175
2	RKM Powergen Pvt Ltd.	200	200
3	TRN Energy Pvt Ltd.	150	150
4.	Dhariwal Infrastructure Ltd.	150	34
	TOTAL		559

MTOA Operationalisation

S.No.	Applicant (Injection and drawl)	Quantum granted (MW)	Quantum operationalized (MW)
1	KSK Mahanadi Power Co. Ltd.	1000	505
2	MB Power (MP) Ltd.	169	85

9. Further, M.B. Power (Madhya Pradesh) Ltd. (MB Power) has filed the IA No. 53/2016 and KSK Mahanadi has filed IA No. 54/2016 seeking clarification and direction with regard to the manner of allocation of 590 MW capacity available for MTOA. The Commission vide order dated 9.11.2016 disposed of the above IAs and clarified that Clause 9.2 of the Detailed Procedure under Connectivity Regulations does not prevent CTU to partly operationalize the MTOA, if, capacity is available to meet part requirement of the MTOA and accordingly, directed CTU to take necessary action to deal with the cases of all MTOA Customers including MB Power and KSK Mahanadi in terms of Connectivity Regulations and Detailed Procedure.

I.A. No.30/2016 filed by R.K.M Powergen Private Limited

10. R.K.M Powergen Private Limited (RKMPPL) has filed Interlocutory Application No. 30/2016 seeking modification of the Record of Proceedings dated 28.6.2016. RKMPPL has submitted that two units of its power plant have achieved COD and they require open access of 1316 MW capacity. Under the Long Term Access Agreement dated 24.2.2010 between RKMPPL and PGCIL, LTA of 819 MW was granted to RKMPPL {WR:419 MW, NR:200MW and SR: 200MW}. By the said agreement, LTA of 497 MW was granted to CSPTCL (WR : 298 MW and NR :199 MW) for the electricity to be purchased from RKMPPL by CSEB under the PPA dated 29.9.2006 and Supplementary PPA. RKMPPL has submitted that it requested PGCIL vide its letter dated 23.4.2016 for transfer of LTA of 199 MW for NR granted to CSPTCL in order to enable RKMPPL to supply power to Uttar Pradesh Power Corporation Limited under the PPA dated 15.3.2016 effective from 30.10.2016

since CSPTCL decided not to buy 30% of power contracted under the PPA. RKMPPPL has submitted that the Commission's directions in the RoP dated 28.6.2016 to CTU to utilize relinquished capacity for granting the LTA to the pending applications would cause grave prejudice to RKMPPPL since its power plant would not be able to export power and capacity would be stranded. Therefore, RKMPPPL ought to have been heard in the present petition before passing the said order. Accordingly, RKMPPPL sought impleadment in the main petition and direction to CTU to transfer LTA of 497 MW earlier granted to CSPTCL in favour of RKMPPPL.

11. During the hearing on 14.12.2016, learned counsel for PGCIL submitted that 200 MW LTA granted to the Petitioner has been operationalized and compliance report to that effect has been filed before the Commission vide affidavit dated 15.11.2016. The Commission directed RKMPPPL to file an affidavit as to whether it intended to pursue the IA in the light of the operationalization of 200 MW LTA by CTU. RKMPPPL vide its affidavit dated 28.12.2016 submitted that as per the CTU's report, RKMPPPL's LTA under the BPTA dated 24.2.2010 was operationalized whereas its IA pertained to the LTA capacity granted to CSPTCL which is now sought to be relinquished by CSPTCL. RKMPPPL has also submitted that it has a PPA with UPPCL for supply of 350 MW of power, out of which 150 MW is being wheeled on MTOA basis which can be converted to LTA from the date of operationalisation of Pole 1 Champa-Kurukshetra line if the relinquished LTA of CSPTCL is granted to RKMPPPL as prayed.

IA No.7/2017 filed by MB Power Limited

12. MB Power Limited (MBPL) has filed I.A. No. 7/2017 seeking direction to CTU to operationalise the balance capacity of 84 MW MTOA granted to it by utilizing the locked up transmission capacity of 520 MW on account of uncertainty of the project of Lanco Babandh Power Limited. MBPL has submitted that the operationalization of MTOA of 169 MW (including 85 MW already operationalised) was linked by the CTU to commissioning of 1st Pole of 800 kV HVDC Champa-Kurukshetra transmission line of PGCIL. Considering the uncertainty of commissioning of the said line, MBPL has prayed for utilisation of the capacity dedicated for Lanco Babandh to operationalize the MTOA of existing MTOA Customers.

13. CTU filed an affidavit dated 4.2.2017 in which it was stated that 1st pole (3000 MW) \pm 800 kV Champa-Kurukshetra HVDC link, Jabalpur-Orai 765 kV D/c link and 2nd pole (3000 MW) \pm 800 kV Champa-Kurukshetra HVDC link would be progressively commissioned and sought the approval of the Commission to carry out the exercise as per the procedure already approved vide order dated 28.10.2016 for grant of LTA.

14. The Commission in the RoP dated 14.2.2017 while issuing notices on the IAs of RKMPPL and MBPL permitted the CTU to follow the procedure prescribed in Para 15 of the order dated 28.10.2016 in Petition No. 84/MP/2016 in order to utilize the balance capacity likely to be available on account of commissioning of 1st and

2nd pole (3000 MW) +_ 800 kV Champa-Kurshetra HVDC link for allocation to the LTA applicants. During the hearing on 18.2.2017, RKMPPL, MBPL and PGCIL were heard on length on the submissions and prayers made in the IAs.

15. 1st pole (3000 MW)+_ 800 kV Champa-Kurshetra HVDC link was put under commercial operation on 24.3.2017 and the 2nd Pole was expected in June 2017.

PGCIL vide its letter dated 13.4.2017 has submitted the status as under:

“(c) Status of operationalization of LTA capacity after the commissioning of 1st pole Champa-Kurukshetra HVDC link.

- (i) Vide CTU Affidavit dated 4.2.2017, the Hon’ble Commission was apprised that with the commissioning of 1st Pole of Champa-Kurukshetra HVDC link, enhancement in ATC by 3800 MW is expected between WR and NR grids. Whereas after relinquishment by a number of LTA customers, the remaining LTA requirement for applicants granted access with 1st Pole of Champa-Kurukshetra HVDC link is only 2093 MW (details given at Annexure-I of Affidavit dated 04.02.2017).
- (ii) The balance ATC of about 1707 MW (=3800- 2093 MW) is becoming available due to relinquishment which was proposed to be utilized for operationalization of LTAs granted with future links viz. Jabalpur-Orai 765 kV D/c link & 2nd pole (3000 MW) of +_ 800 kV Champa-Kurukshetra HVDC link (Details of granted LTAs were given at Annexure-II of Affidavit dated 04.02.2017). Such LTAs correspond to about 3900 MW comprising of 1825 MW on firm basis and balance 2075 MW on target region basis.
- (iii) Based on the directions of Hon’ble Commission vide ROP dated 14.02.2017 in Petition No. 84/MP/2016 alongwith I.A. No. 30/2016 and I.A. No. 7/2017, an exercise was carried out for upgradation of the LTAs granted with future links viz. Jabalpur-Orai 765 kV D/c link & 2nd pole (3000 MW) of +_ 800 kV Champa Kurukshetra HVDC link on 28.02.2017. During the exercise of 3900 MW LTAs granted with the above mentioned future links, LTAs of 1856 MW opted for

upgradation (details given at Annexure-A). These LTAs combined with the 2093 MW LTA granted with 1st pole of (3000 MW) + 800 kV Champa-Kurukshetra HVDC link resulted in total granted LTAs of 3949 MW.

- (iv) However, the HVDC link is being implemented in two phases with 1500 MW in each phase. The phase-I (1500 MW) has been commissioned on 24th March, 2017 while the Phase-II (1500 MW) is expected to be commissioned by Jun'17. With the commissioning of Phase-I (1500 MW), ATC between WR & NR has been enhanced by 2000 MW which has been utilized for operationalization of the LTAs granted/upgraded as per their priority & readiness. The list of the LTAs that have been operationalized is given at Annexure-B. The remaining LTAs would be operationalized with the commissioning of Phase-II of 1st Pole (3000 MW) +_ 800 kV Champa –Kurukshetra HVDC link (Details given in Annexure-C).
- (v) Further, the above information may also be considered as the Compliance Report for the exercise conducted by CTU as per the directions of the Hon'ble Commission vide ROP dated 14.02.2017 in Petition No. 84/MP/2016 alongwith I.A. No. 30/2016 and I.A. No. 7/2017.

ANNEXURE-A

List of LTAs opted for Upgradation

S. No.	Name of the LTA Customer	Quantum (MW)
1.	Dhariwal Infrastructure Ltd.	116
2.	MB Power (Madhya Pradesh) Ltd.	200
3.	KSK Mahanadi Power Company Ltd.	1000
4.	TRN Energy Ltd.	240
5.	DB Power, Chhattisgarh Ltd.	75
6.	Maruti Clean Coal & power Ltd.	205
7.	Dhariwal Infrastructure Ltd.	20
Grand Total		1856

ANNEXURE-B**List of LTAs Operationalized with Commissioning Phase I of 1st Pole Champa-Kurukshetra HVDC link**

S. No.	Name of the LTA Customer	Quantum (MW)
1.	Dhariwal Infrastructure Ltd.	116
2.	MB Power (Madhya Pradesh) Ltd.	169
3.	KSK Mahanadi Power Company Ltd.	1000
4.	TRN Energy Ltd.	240
5.	DB Power, Chhattisgarh Ltd.	75
6.	Maruti Clean Coal & power Ltd.	205
7.	Dhariwal Infrastructure Ltd.	20
Grand Total		1825

ANNEXURE-C**List of LTAs to be Operationalized with Commissioning Phase II of 1st Pole (3000 MW) + 800 kV Champa-Kurukshetra HVDC link**

Sl. No.	Name of the LTA Customer	Quantum (MW)
1.	Korba West Power Co. Ltd. (1X600)	100
2.	Athena Chhattisgarh Power Ltd. (2X600)	341
3.	Visa Power Ltd. (2X600)	200
4.	SKS Power Gen. (Ch) Ltd. (4X300)	364
5.	Vandana Vidyut Ltd. (2X135+1X270)	100
6.	GMR Chhattisgarh Energy Pvt. Ltd.	430
7.	Jindal Power Ltd. (4X600)	558
8.	MB Power (Madhya Pradesh) Ltd.	31
Grand Total		2124

Analysis and Decision:

16. We have considered the submissions of the Petitioner, PGCIL, RKMPPL and MBPL. The following issues arise for our consideration:

(a) Issue No.1: Whether CSPTCL can be allowed to relinquish the LTA of 4700 MW/4985 MW in Inter-State Transmission System without payment of relinquishment charges?

(b) Issue No.2: Whether transfer of 497 MW LTA granted to CSPTCL for

supply of power to Western Region and Northern Region from the generating station of RKMPPL can be transferred in favour of RKMPPL under the Connectivity Regulations and Detailed Procedure?

(c) Issue No.3: Whether any direction is required to be issued to CTU for operationalization of 84 MW capacity of MTOA?

Issue No.1 : Whether CSPTCL can be allowed to relinquish the LTA of 4700 MW/4985 MW in Inter-State Transmission System without payment of relinquishment charges?

17. As per the decision of the Government of Chhattisgarh, the generating companies establishing power plants in the State of Chhattisgarh were required to supply 5% of the net power generated by the project at Energy Charges (7.5% if the generating company was allocated a captive coal block in the State) to the Government or its nominee. Further, the Government of Chhattisgarh or its nominee had the first right to purchase power up to 30% at rate approved by the Appropriate Commission. The Petitioner was the nominee of the Government of Chhattisgarh with regard to the said generating companies. In its capacity as nominee of Government of Chhattisgarh, the Petitioner entered into the Power Purchase Agreements with different Generating Companies situated within the State of Chhattisgarh. The Petitioner entered into BPTAs dated 24.2.2010 with CTU for evacuation of power to Western and Northern Regions from 14 generating stations for a total capacity of 5303 MW. The Petitioner also signed Transmission Service Agreements with Bhopal Dhule Transmission Company for Long Term Access to ISTS for evacuation of power from 13 generators for 5692 MW. As per a subsequent decision of the Government of Chhattisgarh, the Petitioner decided not to purchase 30% of the capacity from the generating projects. The Petitioner issued notices to the generating companies deciding not to purchase 30% of the

installed capacity as per the right available to the Petitioner under the Power Purchase Agreements entered into with the generating companies. Consequently, the Petitioner only required transmission capacity of 604 MW under BPTA and 707 MW under TSA and has no further requirement of the balance capacity of 4699 MW under the BPTA and 4985 MW under the TSA. The Petitioner approached CTU to terminate the BPTA to the extent of 4699 MW of power and TSA to the extent of 4985 MW of power with immediate effect. The Petitioner has submitted that CTU advised the Petitioner to approach the Commission for orders.

18. The Petitioner in first three prayers has prayed for surrender of transmission capacity to the extent of 4700 MW/4985 MW under the BPTA/TSA with effect from 16.3.2014 when it applied to CTU for surrender of the said capacity and for a declaration that the Petitioner is not liable for any relinquishment charges or transmission charges for the said capacity. The fourth prayer is to direct CTU to allocate the relinquished capacity to the wait-listed applicants.

19. Regulation 18 of the Connectivity Regulations deals with relinquishment of LTA. The said regulation is extracted 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 55% 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.

(2) The discount rate that shall be applicable for computing the net present value as referred to in sub-clause (a) and (b) of clause (1) above shall be the discount rate to be used for bid evaluation in the Commission's Notification issued from time to time in accordance with the Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees issued by the Ministry of Power.

(3) The compensation paid by the long-term customer for the **stranded transmission capacity** shall be used for reducing transmission charges payable by other long-term customers and medium-term customers in the year in which such compensation payment are due in the ratio of transmission charges payable for that year by such long-term customers and medium-term customers."

20. Under the above provisions, long term customer may relinquish long term access rights fully or partly, before the expiry of full term of long term access, by making payment of compensation for stranded capacity as provided herein.

Therefore, there is no restriction on the rights of an LTA Customer to relinquish its LTA subject to payment of compensation for relinquished capacity as per Regulation 18 of Connectivity Regulations. Further, relinquishment charges are also related to stranded capacity. It is pertinent to mention that the regulations do not envisage any exemption from payment of compensation in case of relinquishment of LTA on any ground. As per regulations, a long term customer is liable to pay compensation of 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 years of access right in case he relinquishes access right before expiry of 12 years upon giving a notice of one year for seeking relinquishment. However, the issue of stranded capacity in inter-State transmission system arising out of the relinquishment of LTA by LTA customers and consequential liability for payment of relinquishment charges is under consideration of the Commission in Petition No. 92/MP/2015. Therefore, the prayers of the petitioner with regard to the stranded capacity and liability for payment of relinquishment charges/transmission charges shall be decided by the Commission in the light of the final decision in the said petition. The Commission in the interim order dated 28.10.2016 directed as under:

“11. The petitioner in first three prayers has prayed for surrender of transmission capacity to the extent of 4700 MW/4985 MW under the BPTA/TSA with effect from 16.3.2014 when it applied to CTU for surrender of the said capacity and for a declaration that the petitioner is not liable for any relinquishment charges or transmission charges for the said capacity. The issue of stranded capacity in inter-State transmission system arising out of the relinquishment of LTA by LTA customers and consequential liability for payment of relinquishment charges is under consideration of the Commission in Petition No. 92/MP/2015. Therefore, the prayers of the petitioner with regard to the stranded capacity and liability for payment of relinquishment charges/transmission charges shall be decided by the

Commission in the light of the final decision in the said petition. Pending decision in 92/MP/2015, the Commission has been directing the CTU from time to time in different petitions to utilize the capacities under LTA which are sought to be relinquished by the LTA Customers. In the present case also, the Commission directed CTU to utilize the relinquished capacity of 4700 MW/4985 MW for granting LTA to the pending applications.”

Petition No. 92/MP/2015 is under consideration of the Commission. Therefore, we confirm our directions as quoted above and direct that the Petitioner shall be liable to pay the relinquishment charges for the relinquished capacity in terms of Regulation 18 of Connectivity Regulations and decision of the Commission in Petition No. 92/MP/2016.

21. In prayer (d) of the Petition, the Petitioner has sought direction to PGCIL for utilisation of the 4700 MW/4985 MW capacity for use by the generating companies and such other persons who may apply for long term access in the WR and NR. The Commission in the RoP dated 28.6.2016 directed CTU that the relinquished capacity should be utilized for granting the LTA to the pending applications so that capacity does not remain unutilized and further directed CTU to file the status of the utilization of the relinquished capacity. CTU filed a report vide its affidavit dated 17.10.2016 in which CTU also proposed a consultative process for part operationalization of LTA as and when capacities are available. The Commission vide order dated 28.10.2016 approved the consultative process and permitted CTU to undertake the exercise by maintaining complete transparency in dissemination of information with regard to the allocation of corridor for operationalization of LTA. The Commission through the RoP dated 14.2.2017 permitted the CTU to follow the procedure prescribed in the order dated 28.10.2016 for the purpose of utilisation of

the balance capacity likely to be available on account of commissioning of 1st and 2nd pole (3000 MW) +_ 800 kV Champa-Kurshetra HVDC link for allocation to the LTA applicants. Therefore, the utilisation of the capacity relinquished by the Petitioner can only be known after the commercial operation of the above noted lines and allocation of the capacities on these lines to the wait listed applicants. As already directed in our order dated 28.10.2016, the determination of stranded capacity and liability of the Petitioner for payment of relinquishment charges/transmission charges shall be decided by the Commission in the light of the final decision in the said petition.

Issue No.2: Whether transfer of 497 MW LTA granted to CSPTCL for supply of power to Western Region and Northern Region from the generating station of RKMPPL can be transferred in favour of RKMPPL under the Connectivity Regulations and Detailed Procedure?

22. RKMPPL in IA No.30/2016 has sought direction to PGCIL to grant and transfer LTA in respect of 497 MW for Western Region and Northern Region in its favour. PGCIL vide its letter dated 15.11.2016 has submitted that 200 MW LTA has been granted to RKMPPL and the same has been operationalized. RKMPPL has submitted that the said 200 MW capacity pertained to the LTA which was directly granted to it by CTU. PGCIL has submitted that there are no provisions in the Connectivity Regulations for transfer of LTA and hence, no direction can be issued to PGCIL in this regard.

23. We have considered the submissions of RKMPPL and PGCIL. LTA was granted to CSPTCL for evacuation of 497 MW power to Northern Region and Western Region from the generating station of RKMPPL. CSPTCL had sought the

LTA from the generating station of RKMPPPL based on the PPA between RKMPPPL and CSPTCL. CSPTCL on the basis of the decision of the Government of Chhattisgarh has decided not to take power from RKMPPPL. As a result, the capacity would not be utilised. However, there is no provision in the Connectivity Regulations where an electricity trader has taken LTA on behalf of a generator, in the event of the breakdown of arrangement between the generator and the trader, the LTA capacity would be allocated automatically to the generator. In the absence of any provision for transfer of LTA from one entity to another, the proper course of action is that RKMPPPL should make a fresh application for LTA which will be considered in accordance with Connectivity Regulations. Considering the present scenario of availability of capacity in North-West corridor, RKMPPPL is expected to be allocated the required LTA if an application is made by RKMPPPL.

Issue No.3: Whether any direction is required to be issued to CTU for operationalization of 84 MW capacity of MTOA?

24. MBPL has filed IA No. 7/2017 seeking direction to CTU to operationalise the balance capacity of 84 MW MTOA out of 169 MW MTOA granted to it by utilizing the locked up transmission capacity of 520 MW. MBPL has submitted that the LTA capacity locked up by Lanco Babandh may be released for utilisation by the MTOA Customers.

25. PGCIL vide its letter dated 13.4.2017 has submitted that based on the direction of the Commission in the Record of Proceedings for the hearing dated 14.2.2017, PGCIL carried out an exercise on 28.2.2017 for up-gradation of the

LTAs granted with future lines such as Jabalpur-Orai 765 kV D/C link and 2nd pole (3000 MW) of +- 400 kV Champa Kurukshetra HVDC link. On the basis of the said exercise, ATC between WR and NR has been enhanced by 2000 MW which has been utilized for operationalization of LTAs granted/upgraded. The list includes operation of LTA of 169 MW for MB Power. In view of the above development, no direction is required to be issued as prayed for by MB Power in its IA No. 7/2017.

26. The Petition along with IAs is disposed of in terms of the above directions.

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

Sd/-
(A. S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson