

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 122/2012

Sub: Application for adoption of transmission charges under Section 63 of the Electricity Act, 2003 for Nagapattinam-Madhugiri Transmission Company Limited to establish transmission system associated with IPPs of Nagapattinam/Cuddalore Area: Package-A.

Date of hearing : 14.6.2012

Coram : Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S. Verma, Member
Shri A.S. Bakshi, Member (EO)

Petitioner : Power Grid Corporation of India Limited, Gurgaon

Respondents : IL & FS Tamil Nadu Power Company Limited, Chennai

Parties present : Shri Pawan Upadhaya, Advocate for the petitioner
Shri U. K. Tyagi, PGCIL
Shri Dilip Rozekar, PGCIL

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 IPPs of Nagapattinam / Cuddalore Area- Package-A". Power Grid has been declared as the selected bidder and Letter of Intent (LoI) was issued on 6.3.2012 by the Bid Process Coordinator (BPC). In accordance with provision 2.4 (d) of RFP bidding documents and the LoI issued by the BPC, Power Grid had acquired on 29.3.2012 Nagapattinam-Madhugiri Transmission Company Limited (NMTCL) and thus, NMTCL 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 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.

3. Learned counsel submitted that Commission in its order dated 13.12.2011 in Petition No. 154/MP/2011 had clarified that since these schemes are part of coordinated planning, these transmission systems shall be part of TSA approved by Commission under PoC Charges regulations. The counsel prayed for allowing the said transmission project to be part of Transmission Service Agreement approved by the Commission under Central Electricity Regulatory Commission (Sharing of Inter-state Transmission Charges and Losses) Regulations, 2010.

4. Learned counsel further submitted that recently National Green Tribunal vide its judgment dated 23.5.2012 has suspended the environment clearance and directed that cumulative impact assessment study be carried out by the project proponent (IL&FS TNPC Ltd) with regard to proposed coal based power plant and submit the same to Ministry of Environment and Forest for review of environment clearance based on the cumulative impact assessment study etc. to be carried out. The suspension of the environmental clearance to the generation project shall have consequential impact on the completion schedule of the associated transmission evacuation project i.e., "Transmission System Associated with IPPs of Nagapattinam / Cuddalore Area- Package-A", and that any change in the schedule of the Project shall impact the cost of the transmission project and accordingly, the transmission charges payable. He further submitted that in view of the said judgment, Central Transmission Utility (CTU) which is responsible for planning and co-ordination relating to inter-State transmission system, has also filed petition before the Commission, seeking appropriate directions with regard to whether or not to implement the Transmission System Associated with IPPs of Nagapattinam / Cuddalore Area – Package-A. CTU has submitted in the petition that there is a lot of uncertainty of the time frame of actual materialization of the said generation project. This being the only project as of now getting connected to Nagapattinam Pooling Station, the utilization of HCPTC–XI corridor is under question. Under such circumstances, it would not be prudent to implement the HCPTC–XI corridor without getting clarity on materialization of at least one project in the vicinity as it shall not only unnecessarily burden the transmission charges but shall also cause over voltage problem in case it remains idle and accordingly, requested the Commission to issue necessary directions in this regard.

5. After hearing the learned counsel for the petitioner, the Commission directed to issue notice to long term transmission customers and list the matter for hearing along with Petition filed by CTU on 12.7.2012.

By Order of the Commission

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