

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

Petition No. 118/MP/2012

Subject : Petition filed under Regulation 32 of CERC (Grant of Connectivity, Long-term Access and Medium-term Open access in inter-state transmission and related matters) for keeping the Long Term Access for Phase-II under abeyance and reduction of Long Term Access quantum from 1600 MW to 800 MW for Lanco Babandh Power Limited (LBPL).

Date of hearing : 26.4.2012

Coram : Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member

Petitioner : Lanco Babandh Power Limited, Gurgaon

Respondents : Power Grid Corporation of India, Gurgaon
Central Electricity Authority, New Delhi

Parties present : Shri Mahavir Singh, LANCO
Shri Gaurav Prasad, LANCO

The representative of the petitioner submitted that the petition has been filed for keeping the Long Term Access for Phase-II (Unit-III and Unit-IV) under abeyance and after allowing revision in the LTA schedule for reduction of Long Term Access quantum from 1600 MW to 800 MW for Lanco Babandh Power Limited (hereinafter referred to as "LBPL"). He further submitted that the revision in the Long Term Access schedule has been claimed under Regulation 32 of Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-Term Open access in inter-state transmission and related matters), 2009 (hereinafter referred to as "Connectivity regulations").

2. The representative of the petitioner also submitted as under:-

- (a) Long Term Access (LTA) was approved by CTU (PGCIL) on 29.4.2009 and BPTA for the total LTA capacity of 1600 MW consisting of 800 MW from Phase-I (2X660 MW) and 800 MW from Phase-II (2X660 MW) was signed on 24.2.2010;
- (b) Para 9.0 of the BPTA, dated 24.2.2010 provides that no party shall be liable for any claim for any loss or damage whatsoever arising out of the terms and the Agreement to the extent that such a failure is due to force majeure events;
- (c) The petitioner in its letter dated 16.1.2012 to PGCIL has intimated that Phase-I of project of 1320 MW has received all the necessary permits and clearances and is an advanced stage of construction and is expected to be commissioned by 30th October, 2013. The development of Phase-II of 1320 MW is delayed due to delay in certain clearances and approval from State/Central Government agencies pertaining coal linkage, environment clearance, water and financial closure. Accordingly, petitioner has requested PGCIL for keeping the LTA for Phase-II in abeyance and the petitioner will approach PGCIL for revival of LTA once clarity on clearance is available; and
- (d) PGCIL in its letter dated 31.1.2012 indicated that the request of the petitioner for revision of quantum of power and schedule of commissioning for LTA would be revised based on the decision in the meeting of the Standing Committee on Long Term Access; and
- (e) The issue was deliberated in the meeting of Standing Committee on Connectivity/Open Access with constituents of Eastern Region held on dated 8.2.2012. It emerged that transmission capacity would not get stranded because there are other applicants to utilize the transmission capacity in the region. However, Standing Committee did not take any decision in the light of the CERC regulations and advised LBPL to approach CERC for the same.

3. In response to Commission's query whether the petitioner can exit by surrendering the LTA, without compensating for the same under the Connectivity Regulations, the representative of the petitioner submitted that as per the Connectivity Regulations, the compensation is paid by long term customer for the stranded transmission capacity. The Standing Committee has accepted the difficulty of the petitioner as genuine and the transmission corridor would not get stranded as there are other applicants to utilize it.

4. After hearing the representative of the petitioner, the Commission directed to admit the petition and issue notices to the respondents.

5. The Commission directed the petitioner to serve copy of the petition to the respondents immediately who may file their response by 23.5.2012 and petitioner may file its rejoinder, if any, on or before 31.5.2012.

6. The petition shall be listed for hearing on 12.6.2012.

By order of the Commission,

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