

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram :

Shri V.S.Verma, Member

Shri M. Deena Dayalan, Member

Date of hearing : 11.7.2013

Petition No. 127/MP/2012 with I.A No. 20/2013

Sub : Application under Section 63 of the Electricity Act, 2003 for adoption of transmission charges with respect to the Transmission System being established by the Vemagiri Transmission System Ltd.

Petitioner : Vemagiri Transmission System Limited

Respondents : 1. Samalkot Power Limited
2. Spectrum Power Generation Limited

Petition No. 128/TL/2012

Sub : Application under Section 14 of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 with respect to Transmission licence to Vemagiri Transmission System Ltd.

Petitioner : Vemagiri Transmission System Ltd.

Respondents : Samalkot Power Ltd. and others

Petition no. 156/MP/2012

Sub : Miscellaneous application for termination of Bulk Power Transmission Agreement/Long Term Access Agreement dated 24.12.2010 and Termination of Tri-partite Transmission Service Agreement dated 15.12.2011.

Petitioner : Spectrum Power Generation Ltd., Hyderabad

Respondents : PGCIL and others

Parties present : Shri U. K. Tyagi, VTSL
Shri V.Vamsi, VTSL
Shri A. M. Pavgi, PGCIL
Shri H. M. Jain, SPGL
Shri Manju Gupta, SPGL
Shri Sanjay Sen, Senior Advocate, SPGL
Shri Matrugupta Mishra, Advocate, SPGL
Ms. Shally Bhasin, Advocate, SPL
Shri Lakshmeesh Kamath, Advocate, SPL
Ms Shagun Parashar, Advocate, SPL

Record of Proceedings

Learned counsel for the Samalkot Power Limited (SPL) submitted that Samalkot Power Limited has filed I.A No. 20 of 2013 seeking direction to CTU to return bank guarantee to SPL as no steps have been taken by VTSL for implementation of the transmission system. The proposed transmission project on the basis of which the BPTA was entered into stands repudiated without an established transmission system. Therefore, PGCIL has by its conduct has rendered performance of the BPTA dated 24.12.2010 impossible. In terms of bank guarantee, it has to be renewed for one month before its expiry i.e. on 31.7.2013. However, in the present circumstances, there is no occasion to renew it. Since, the transmission system is not forthcoming and there cannot be open access without an established transmission, bank guarantee may be returned accordingly.

2. Learned senior counsel for the Spectrum Power Generation Limited (SPGL) requested that the bank guarantee should be returned immediately as no expenditure has been incurred by the petitioner on the project. He further supported his argument by placing reliance on the Commission's order dated 8.6.2012 in Petition No. 189/MP/2012 under which the Commission had directed CTU to return bank guarantee to Lanco Babandh Power Limited. Learned senior counsel submitted that the Commission in its order dated 9.5.2013 in the present petition had directed to CEA and CTU to undertake necessary review and re-examination of the entire matter afresh. However, linking the validity of its bank guarantee with CEA and CTU report is not proper as they are both independent activities and as and when a new system emerges the BPTA and bank guarantee would be furnished by the LTTCs pertinent to that system.

3. The Representative of CTU submitted that due to uncertainty of availability of gas SPL is clearly stating that it will not bear the charges of complete transmission system after withdrawal of SPGL. In accordance with the direction given by CERC vide its order 9.5.2013, review of the transmission systems is being carried out in association with CEA and in consultation with Southern Region constituents. In this regard, Standing Committee Meeting on Power System Planning of Southern Region is being scheduled in this month. Thereafter, the report on the reviewed transmission system would be submitted by 8.8.2013 before CERC.

4. Representative of the petitioner submitted that in case the Bank Guarantees of SPL and SPGL are returned, the Contract Performance Guarantees submitted by Power Grid to SPL and SPGL under the TSA should also be returned.

5. It was brought to the notice of the Commission by the Staff that CEA has sought time till 16.8.2013 to file required report.

6. The Commission directed the CEA and CTU to file required report/information on or before 20.8.2013 positively.

7. The petitions shall be listed for hearing 27.8.2013.

By order of the Commission,

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