

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 96/MP/2015

Subject : Petition filed under Section 79 (1) (c) and Section 79 (1) (f) of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium term Open Access inter-State Transmission and related matters) Regulations, 2009.

Date of hearing : 24.3.2015

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member

Petitioner : M/s Chettinad Power Corporation Private Limited

Respondent : Power Grid Corporation of India Limited

Parties present : Shri Anand K. Ganesan, Advocate for the petitioner
Shri Swapnil Verma, CTU

Record of Proceedings

Learned counsel for the petitioner submitted as under:

(a) The petitioner proposed to set-up a 2x600 MW Thermal Power Plant (Project) along with captive jetty at village Erukattanchery, Kazhiappanallur and Manickapangu in the Nagapattinam District of Tamil Nadu.

(b) The petitioner applied for Long Term Access (LTA) to PGCIL on 23.9.2010 for 2X600 MW in accordance with Central Electricity Regulatory Commission (Grant of Connectivity, Long Term Access and Medium term Open Access) Regulations, 2009 (hereinafter 'Connectivity Regulations'). The application was accompanied by a demand draft of ₹9,00,000/- as non-refundable application fees and ₹1,11,00,000 @ ₹10,000/MW as bank guarantee in accordance with the Procedure issued under the Connectivity Regulations. The said bank guarantee has been extended till 8.9.2015.

(c) The project was accorded environmental clearance on 20.1.2011 which was challenged before the Hon`ble National Green Tribunal (NGT) and matter is listed for hearing before NGT on 25.3.2015.

(d) On 23.12.2011, CTU granted LTA to the petitioner.

(e) CTU vide letter dated 5.3.2015 directed the petitioner to sign the LTA Agreement within a period of 15 days failing which the bank guarantee shall be liable to be invoked and the LTA granted shall be liable to be cancelled.

(f) The petitioner could not sign the LTA due to the pendency of the appeal before NGT, since the very environmental clearance granted to the petitioner was under challenge and therefore, the financial closure and all further steps were dependent upon the same. The said disability is beyond the control of the petitioner and is demonstrably due to action of court.

(g) Learned counsel for the petitioner requested the Commission to stay the CTU's letter dated 5.3.2015 till disposal of the petition.

2. The representative of CTU submitted as under:

(a) The LTA granted to the petitioner has been kept alive for four years and application bank guarantee of ₹ 10,000/ MW should be invoked in case the petitioner does not sign LTA Agreement within stipulated time.

(b) CTU has issued notices to all 11 applicants who have not signed LTA Agreements.

(c) As per Regulation 15 of the Connectivity Regulations and Detailed Procedure approved thereunder, the petitioner is required to sign LTA agreement within 30 days of grant of LTA. However, since 2012 no action has been taken by the petitioner towards signing the LTA Agreement.

(d) CTU has been accommodating the request of the petitioner on the ground of force majeure events and other special clearances in consultation with all the constituents.

(e) The petitioner in its letter dated 14.8.2014 had informed CTU that its management has decided to give its acceptance towards invocation of bank guarantee, upon failure to sign the LTA Agreement within stipulated extended period i.e end of February, 2015.

(f) The representative of CTU referred to para 68 of Statement of Reasons of Connectivity Regulations and submitted that the reason for furnishing of the bank guarantee is to bring seriousness among the LTA applicants.

3. In response to the Commission's query as to whether CTU is blocking some LTA capacity for the petitioner, the representative of CTU submitted that consideration of load generation balance changes with such applications. In response to the Commission's further query regarding status of associated transmission system, the representative of CTU submitted that associated transmission system was part of

Nagapattinam-Cuddalore package for which regulatory approval has been taken by CTU. He further submitted that transmission lines are expected to be commissioned within one year. IL&FS is one of the developers under the scheme for whom system is being built.

4. After hearing the learned counsel for the petitioner and the representative of the CTU, the Commission directed the petitioner to serve copy of the petition on the respondent immediately. The respondent was directed to file its reply by 17.4.2015 with an advance copy to the petitioner who may file its rejoinder, if any, by 30.4.2015.

5. The Commission directed the petitioner to file the following on affidavit, by 13.4.2015:

- (a) Copy of the application for connectivity and Long term Access applied to CTU in 2010;
- (b) Copy of grant of LTA and Connectivity;
- (c) Associated Transmission System (ATS) for the project;
- (d) Minutes of 18th meeting of SR regarding LTA and connectivity applications.

6. The Commission directed CTU to file the following on affidavit, by 13.4.2015:

- (a) The date from which LTA would be effective.
- (b) Reasons for grant of extension of time for signing LTA Agreements.
- (c) Details of withdrawal/cancellation of the LTA granted on similar grounds. Whether notice has been issued to other generators?.

7. The Commission directed CTU to file on affidavit the details of efforts made by CTU to deal with the applications for LTA made by the 11 LTA applicants including the petitioner since the dates of receipt of LTA applications till date. The Commission further directed that till the next date of hearing, the bank guarantee shall not be encashed subject to the LTA applicants suitably extending the validity of the bank guarantee.

8. The petition shall be listed for hearing on 5.5.2015.

By order of the Commission

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