

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.246/MP/2016

Subject : Petition seeking deferment of Long Term Open Access and relinquishment of part allocation of Long Term Open Access under the Bulk Power Transmission Agreement dated 24.02.2010 under Regulation 18 read with Regulation 32 of the Central Electricity Regulatory Commission (Grant of Connectivity, Long Term Access and Medium Term Open Access in inter-State Transmission and related matters) Regulations, 2009.

Date of hearing : 22.12.2016

Coram : Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member

Petitioner : Coastal Energen Pvt. Limited(CEPL)

Respondent : Powergrid Corporation of India Limited

Parties present :ShriS.B.Uppadhy, Senior Advocate, CEPL
ShriMatrugupta Mishra, Advocate, CEPL
ShriPiyush Singh, Advocate, CEPL
Ms. SuparnaSrivastava, Advocate, PGCIL
Ms. Jyoti Prasad, PGCIL

Record of Proceedings

Learned senior counsel for the petitioner submitted that the present petition has been filed *inter-alia* seeking a direction to quash the letters dated 2.12.2016 and 7.12.2016 issued by CTU for opening of LC. Learned senior counsel for the petitioner further submitted as under:

(a) The petitioner has set up a 1200 MW power plant at village Tuticorin the State of Tamil Nadu. On 24.2.2010, the petitioner entered into a BPTA with PGCIL for availing of 1100 MW LTOA.

(b) During the 21st Standing Committee meeting held on 19.11.2016, the petitioner informed that it has tied up for 558 MW with TANGEDCO on long term basis and same is being scheduled on MTOA till June 2018. The petitioner in the said meeting also informed that it is relinquishing 542 MW LTA (280 MW in WR and 242 MW in SR) without any relinquishment charges on account of the Force Majeure event. Accordingly, the petitioner vide its letter dated 28.11.2016 relinquished 542 MW LTA.

(c) Under Regulation 18 of the Connectivity Regulations, the petitioner has a statutory right to relinquish the LTA before the expiry of the full term of the

LTA. In the event, there is stranded capacity due to the relinquishment of LTA by the petitioner, it shall have to make payment of compensation towards stranded capacity in the manner provided under Regulation 18 of the Connectivity Regulations. However, in the present case, the question of stranded capacity does not arise since as per the Connectivity Regulations, the LTA granted to the petitioner cannot be implemented in the absence of adequate number of long term power procurement exercise being conducted by the respective Discoms.

(d) Pursuant to relinquishment of LTA, CTU vide its letters dated 2.12.2016 and 7.12.2016 directed the petitioner to open the LC which is unjustified and erroneous.

2. Learned senior counsel for the petitioner requested the Commission to direct CTU not to take any coercive action against the petitioner till the next date of hearing. The Commission declined to issue any direction in this regard.
3. After hearing the learned senior counsel for the petitioner, the Commission admitted the petition and directed to issue notice to the respondent.
4. The Commission directed the petitioner to serve copy of the petition on the respondent immediately. The respondent was directed to file its reply by 7.1.2017 with an advance copy to the petitioner, who may file its rejoinder, if any, on or before 12.1.2017. The Commission directed that due date of filing the reply and rejoinder should be strictly complied with. No extension shall be granted on that account.
5. The petition shall be listed for hearing on 17.1.2017.

By order of the Commission

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