



**पावरग्रिड**  
**POWERGRID**

**POWERGRID Comments on  
“Draft Central Electricity Regulatory Commission  
(Terms and Conditions of Tariff) (Second Amendment) Regulations, 2020”**

## Clause as per existing regulation

6. Treatment of mismatch in date of commercial operation: (1) In case of mismatch of the date of commercial operation of the generating station and the transmission system, the liability for the transmission charges shall be determined as under:

(a) Where the generating station has not achieved the commercial operation as on the date of commercial operation of the associated transmission system (which is not before the SCOD of the generating station) and the Commission has approved the date of commercial operation of such transmission system in terms of clause (2) of the Regulation 5 of these regulations, the generating company shall be liable to pay the transmission charges of the associated transmission system in accordance with clause (5) of Regulation 14 of these regulations to the transmission licensee till the generating station or unit thereof achieves commercial operation:

(b) Where the associated transmission system has not achieved the commercial operation as on the date of commercial operation of the concerned generating station or unit thereof (which is not before the SCOD of the transmission system), the transmission licensee shall make alternate arrangement for the evacuation from the generating station at its own cost, failing which, the transmission licensee shall be liable to pay the transmission charges to the generating company as determined by the Commission, in accordance with clause (5) of Regulation 14 of these regulations, till the transmission system achieves the commercial operation.

## Changes proposed in draft Amendment

“6. Treatment of mismatch in date of commercial operation: In case of mismatch between the date of commercial operation of the generating station and the transmission system, and between the transmission systems of two transmission licensees, the liability for the transmission charges shall be determined in accordance with provisions of *Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 and as amended from time to time.*”

Contd/-

## Clause as per existing regulation

## Changes proposed in draft Amendment

(2) In case of mismatch of the date of commercial operation of the transmission system and the transmission system of other transmission licensee, the liability for the transmission charges shall be determined as under:

(a) Where an interconnected transmission system of other transmission licensee has not achieved the commercial operation as on the date of commercial operation of the transmission system (which is not before the SCOD of the interconnected transmission system) and the Commission has approved the date of commercial operation of such transmission system in terms of clause (2) of Regulation 5 of these regulations, the other transmission licensee shall be liable to pay the transmission charges of the transmission system in accordance with clause (5) of Regulation 14 of these regulations to the transmission licensee till the interconnected transmission system achieves commercial operation:

(b) Where the transmission system has not achieved the commercial operation as on the date of commercial operation of the interconnected transmission system of other transmission licensee (which is not before the SCOD of the transmission system), the transmission licensee shall be liable to pay the transmission charges of such interconnected transmission system to the other transmission licensee or as may be determined by the Commission, in accordance with clause (5) of Regulation 14 of these regulations, till the transmission system achieves the commercial operation.

## Rational penalty

The treatment of the penalty imposed in certain mismatch cases under Sharing regulations may be irrational. For example:

- Tr. Licensee A may be implementing a 765kV D/C line (capital cost – Rs. 1000 Cr) whereas Transmission Licensee B/STU may be implementing the associated bays (capital cost – Rs. 60 Cr)
- In case of default by Transmission Licensee B/ STU, if it is made to pay tr. charges of line (approx. Rs. 180 Cr per annum) (3 times the capital cost of bays), it is irrational and is not as per the fair contract practices.

## POWERGRID suggestions

**Amount of penalty should be rational and equitable.**

### Mismatch involving TBCB licensee:

Payment of transmission charges in cases of mismatch by Transmission service provider (TSP) selected through TBCB is not envisaged in the TSA/Guidelines/other bidding documents governing TBCB transmission licensees.

TSA provides for predefined maximum liability of TSP limited to the amount of liquidated damages calculated in accordance with provisions of TSA and up to six (6) months of delay for the Element or the Project. Therefore, it is to be noted that

- Accordingly, TSP liability in all cases including mismatch cases may not legally and contractually exceed the pre-defined maximum LDs provided in TSA.
- Any additional liability through regulations in mismatch cases will lead to double penalty (One towards LTTCs and second towards other licensees) on TSP. It is neither equitable nor as per fair contract practices.

## Mismatch involving STU/Intra state network:

- Provisions of the Sharing Regulation, 2020 does not cover the incidents of mismatch involving downstream network of STUs/Intra State transmission licensee(s).
- However, in past there have been instances of mismatches of Transmission licensee with downstream network of STUs/Intra State transmission licensee(s).

## POWERGRID suggestions

*Suitable provisions pertaining to STU network may be inserted in Sharing Regulations.*

POWERGRID suggestions in mismatch cases between two transmission licensees or between transmission licensee & STU network are as follows;

- *DOCO of the completed Transmission system may be approved and tr. charges for the same may be included in PoC for recovery.*
- *However, for preventing the defaulting agencies to delay their systems indefinitely and/or to encourage them to complete their system within time, some penalty may be imposed upon them.*
- *The amount of penalty may be reasonable pre-estimated Liquidated damages as clearly specified in its TSA/ Regulations at the time of bidding/ investment approval or as decided by Hon'ble Commission on case to case basis for the period of mismatch.*
- *Penalty received from defaulting entity may be credited back to PoC pool.*



## Clause as per existing regulation

## Changes proposed in draft Amendment

### Regulation 59

59. Late payment surcharge: In case the payment of any bill for charges payable under these regulations is delayed by a beneficiary or long term customers as the case may be, beyond a period of 45 days from the date of presentation of bills, a late payment surcharge at the rate of 1.50% per month shall be levied by the generating company or the transmission licensee, as the case may be.

### Regulation 59

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“(2) The charges payable by a beneficiary or long term customer shall be first adjusted towards late payment surcharge on the outstanding charges and thereafter, towards monthly charges levied by the generating company or the transmission licensee, as the case may be, starting from the longest overdue bill.”



Amendment effectively addresses the issue of adjustment of LPS and settles the disputes.

However, to make the applicability of the clause to all the open access customers (LTA, MTOA) billed as per the exiting Sharing Regulations / new Sharing Regulations and to avoid the billing disputes, it is requested to modify the provisions as follows:-

#### *59. Late payment surcharge:*

*In case the payment of any bill for charges payable under these regulations is delayed by a **beneficiary, Long term customers or Medium term open access** customer as the case may be, ... ..*

*“(2) The charges **paid** by a **beneficiary, Long term customers or Medium term open access customer** shall be first adjusted towards late payment surcharge on the outstanding charges and thereafter, towards monthly charges levied by the generating company or the transmission licensee, as the case may be, starting from the longest overdue bill.”*

**THANK YOU**