

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 150/MP/2021**

- Subject : Petition under Sections 79(1)(c) of the Electricity Act, 2003 for implementation of Ministry of Power's Order No. 3/7/2017-Trans-Pt(6) dated 25.03.2021 read with Regulation 111 of CERC (Conduct of Business) Regulations, 2009 read with the application provisions of Transmission Service Agreement dated 26.01.2016.
- Date of Hearing : 23.11.2021
- Coram : Shri P. K. Pujari, Chairperson  
Shri I. S. Jha, Member  
Shri Arun Goyal, Member  
Shri P. K. Singh, Member
- Petitioner : Warora Kurnool Transmission Limited
- Respondent : Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) & others (NVVNL)
- Parties Present : Shri Amit Kapur, Advocate, WKTL  
Ms. Poonam Verma, Advocate, WKTL  
Ms. Sakshi Kapoor, Advocate, WKTL  
Ms. Gyatri Aryan, Advocate, WKTL  
Shri Anank K. Ganesan, Advocate, Karnataka Discoms  
Ms. Ritu Apurva, Advocate, Karnataka Discoms  
Shri Jai Dhanani, Advocate, Karnataka Discoms  
Shri Bhavesh Kundalia, WKTL,  
Shri Afak Pothiawal, WKTL  
Ms. Padmalatha, PCKL

**Record of Proceedings**

Case was called out for virtual hearing.

2. The learned counsel for the Petitioner submitted that the present Petition has been filed seeking implementation of Ministry of Power order dated 25.3.2021 (MoP) vide which the Ministry of Power had reduced the Contract Performance Guarantee ('CPG') for Tariff Based Competitive Bidding transmission projects in line with Department of Expenditure's OM dated 12.11.2020. The learned counsel for the Petitioner mainly submitted as under:

(a) As per MoP order, CPG value of Rs. 13.5 lakh per km for total transmission line length has been reduced to Rs. 5.25 lakh per km. Further, CPG value of Rs 1.125 lakh per MVA for sub stations has been reduced to Rs 0.45 lakh per MVA. The said MoP order is applicable to certain categories of project including under construction projects where CPG is valid.

(b) The Commission granted liberty to the Petitioner by order dated 7.2.2021 in Petition No. 334/MP/2020 to seek appropriate relief for force majeure events after completion of the project. The Commission had further directed LTTCs not to take any precipitative action against the Petitioner observing that subsistence of TSA in the interregnum is vital to the completion/implementation of the project.

(c) The present Petition was mentioned on 29.6.2021. During the hearing, the Commission had directed the Petitioner to maintain the existing CPG of Rs 104.96 crore which was valid till 30.6.2021. Accordingly, the Petitioner has extended the validity of CPG till 31.3.2022.

(d) In terms of MoP order, the CPG of Rs 104.94 crore submitted by the Petitioner needs to be revised to Rs 61.59 crore. The revised amount has been recognized by the BPC, Power Finance Corporation Limited. The Petitioner has informed the LTTCs about revision in CPG amount as per MoP order and requested them for their consent. However, no LTTC has granted consent till date.

(e) In light of the above, the Petitioner has filed the present Petition praying for, *inter-alia*, a direction that MoP order is applicable to the Petitioner and, accordingly, a revised CPG of Rs 61.59 crore needs to be submitted by 30.6.2021.

2. The learned counsel appearing on behalf of TANGEDCO submitted that TANGEDCO has filed its reply and mainly submitted as under:

(a) The reduction in CPG is subject to certain conditions mentioned in paragraph 4 of the MoP order. One of the conditions is that the revision shall not be made for the contracts under dispute wherein arbitration/court proceedings have already been started or are contemplated.

(b) In case of the Petitioner, there is an ongoing dispute with regards to payment of Liquidated Damages (LD) on account of delay in completion of the transmission project. The Petitioner has also filed a Petition which is yet to be registered. Therefore, the MoP order is not applicable in the present case.

3. The learned counsel for Karnataka Discoms adopted the submissions made by the learned counsel for TANGEDCO and submitted that SCOD of the project was in 2019. However, there is no visibility on the completion of the project as on date. On account of delay in commissioning of the project, an LD of Rs 300 crore is liable to be paid to the LTTCs for delay of 180 days in terms of provisions of TSA.

4. After hearing the parties, The Petitioner was directed to file it rejoinder, if any, to reply filed by the Respondent, TANGEDCO within 7 days.

5. Subject to the above, the Commission reserved the order on admissibility of the Petition.

**By order of the Commission**

**Sd/-  
(T.D. Pant)  
Joint Chief (Law)**