

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.** : 85/MP/2021 along with I.A No. 26/2021

**Subject** : Petition under Section 79(1)(f) of the Electricity Act, 2003 read with Section 79(1)(c) of the Electricity Act, 2003 challenging the levy of relinquishment charges by PGCIL.

**Date of Hearing** : 25.6.2021

**Coram** : Shri P. K. Pujari, Chairperson  
Shri I. S. Jha, Member  
Shri Pravas Kumar Singh, Member

**Petitioner** : Southern Power Distribution Company of Telangana Ltd. (TSSPDCL)

**Respondents** : Power Grid Corporation of India (PGCIL)

**Parties present** : Ms. Swapna Sheshdari, Advocate, TSSPDCL  
Mr. Damodar Solanki , Advocate, TSSPDCL  
Ms. Suparna Srivastava, Advocate, PGCIL  
Mr Tushar Mathur, Advocate, PGCIL  
Ms. Soumya Singh, Advocate, PGCIL  
Mr. D.N Sharma, TSSPDCL  
Mr. Mohd. Shahzeb, PGCIL

**Record of Proceedings**

The matter was called out for virtual hearing.

2. The learned counsel for the Petitioner submitted that the instant petition is filed against the wrongful levy of “relinquishment charges” by PGCIL. She submitted that initially the Petitioner applied for LTA for 2000 MW (1000 MW power from Marwa TPP and the balance 1000 MW from Generating Stations as decided by the Government of Chhattisgarh). Later, the Petitioner requested CTU to process LTA for only 1000 MW, for which the Petitioner had already entered into a PPA with Chhattisgarh State Power Distribution of Company Limited (CSPDCL) and the balance 1000 MW LTA application may be processed w.e.f. 1.11.2018 by which date PPA would be entered into by the Petitioner and CSPDCL. The Petitioner entered into “LTA Agreement without System Strengthening” dated 5.12.2016 for 2000 MW capacity. Thereafter, the Petitioner requested CTU to relinquish the balance 1000 MW LTA, for which, no injection source had been identified earlier and the PPA with CSPDCL for the balance 1000 MW quantum did not materialize. She submitted that the LTA was also not operationalized. CTU vide its letter dated 25.7.2018 informed the Petitioner about the relinquishment of LTA for the balance 1000 MW quantum



w.e.f. the date of commencement of LTA, i.e., 1.11.2018 and that the Petitioner shall be liable to pay relinquishment charges, which are being decided by the Commission in Petition No. 92/MP/2015.

3. The learned counsel for the Petitioner submitted that CTU while accepting the surrender of balance 1000 MW stated that the Petitioner shall be liable to pay relinquishment charges, which are being decided by the Commission in Petition No. 92/MP/2015. She submitted that no liability can be imposed upon the Petitioner for the balance 1000 MW, as there was no system strengthening and the LTA was granted based on the existing system by the CTU. Therefore, no such prejudice was caused to PGCIL. She submitted that recovery of relinquishment charges by the PGCIL is against the principles decided by the Commission in the order dated 8.3.2019 in Petition No. 92/MP/2015 as well as contrary to the directions issued by the Commission in the order dated 11.12.2019 in Petition No. 252/MP/2019.

4. The learned counsel for the Petitioner submitted that as per order dated 8.3.2019 in Petition No. 92/MP/2015, PGCIL had specified the methodology to calculate the stranded capacity and the relinquishment charges payable by each relinquishing long-term customer. Accordingly, PGCIL is not only required to publish the calculations pertaining to stranded capacity and the relinquishment charges payable by each relinquishing long-term customer on its website on 20.5.2019, but was also under the obligation to furnish the details of the computation of relinquishment charges. She submitted that PGCIL, without furnishing any details of load flow studies and how the stranded capacity was arrived at, made a claim of Rs.261.31 crore on the Petitioner on 31.12.2019 towards the relinquishment charges. She further submitted that PGCIL has not complied with the directions of the Commission in order dated 8.3.2019 in Petition No. 92/MP/2015. She submitted that Respondent cannot merely on the basis of publishing the chart on its website insist upon the payment from the LTTCs/ generator.

5. The Commission admitted the Petition and directed to issue notice to the Respondents. The Commission directed CTU to provide all the information/ details of the calculations for arriving at the relinquishment charges, to the Petitioner and all other relinquishing long term customers as directed in order dated 11.12.2019 in Petition No. 252/MP/2019 and also to upload the same on its website by 12.7.2021.

6. The Commission directed the Petitioner to serve copy of the Petition on the Respondents at earliest, if not already served and the Respondents to file their reply on affidavit by 26.7.2021 with an advance copy to the Petitioner, who may file its rejoinder, if any, by 2.8.2021.

7. It is observed that the Petitioner has also filed I.A. No. 26/IA/2021 for directions to PGCIL to refrain from making any further claims for relinquishment charges till the pendency of the proceedings. However, the learned counsel for the Petitioner did not raise the issue of IA during the hearing. The Petitioner may raise the same if the situation demands.



8. The Petition shall be listed for further hearing in due course for which separate notice will be issued.

**By order of the Commission**

sd/-  
(V. Sreenivas)  
Deputy Chief (Law)

