CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Petition No. 272/MP/2021 along with IA No. 88/IA/2021

Coram:

Shri I. S. Jha, Member Shri Arun Goyal, Member Shri P. K. Singh, Member

Date of Order: 20.07.2022

In the matter of:

Petition under Section 79 of the Electricity Act 2003 read with Clause 9 and 10 of Billing, Collection & Disbursement Procedure dated 1.1.2021 seeking directions to quash and set aside the Bilateral Bills issued by Central Transmission Utility of India Limited on behalf of Power Grid Corporation of India Limited towards Bilateral Transmission Charges for the Connectivity Transmission Line (i.e., 400 kV Anuppur Jabalpur Transmission Line) for the Billing Months January 2021 to December 2021.

And

In the matter of:

MB Power (Madhya Pradesh) Limited 239, Okhla Industrial Estate, Phase-III, New Delhi-110 020.

...Petitioner

Versus

Central Transmission Utility of India Limited Plot No.2, Sector-29, Gurugram, Haryana-122 001

Respondent No. 1

Power Grid Corporation of India Limited B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

Respondent No. 2

Parties Present

Shri Amit Kapoor, Advocate, MB Power Shri Akshat Jain, Advocate, MB Power Shri Pratyush Singh, Advocate, MB Power Shri Abhishek Gupta, Advocate, MB Power Ms. Swapna Seshadri, Advocate, CTUIL Shri Aditya H. Dubey, Advocate, CTUIL Shri Mr. Anand K Ganesan, Advocate, CTUIL Shri R. Amal Nair, Advocate, CTUIL Ms. Sugandh Khanna, Advocate, CTUIL

ORDER

MB Power (Madhya Pradesh) Limited (hereinafter to be referred as 'the Petitioner') has filed the present Petition against the bilateral bills raised by CTUIL under Regulation 13(9) of the 2020 Sharing Regulations towards recovery of transmission charges for the capacity and element of the transmission system (i.e. 200 MW capacity in the 400 kV Anuppur-Jabalpur dedicated Transmission Line) for which it has already claimed transmission charges in the form of relinquishment charges for the period upto August 2028.

- 2. The Petitioner has made the following prayers:
 - a) Declare that Yearly Transmission Charges of the Connectivity Transmission Line (i.e., 400 kV Anuppur-Jabalpur Transmission Line) for entire Connectivity quantum of 1122 MW is already being recovered/claimed by PGCIL;
 - b) Quash and set-aside all the Bilateral Bills issued by CTUIL upon MB Power;
 - c) Direct CTUIL/PGCIL to not issue any further Bilateral Bills upon MB Power; and
 - d) Pass any such further order as this Hon'ble Commission may be deemed necessary in the interest of justice.
- 3. The Petitioner has also filed I.A 88/I.A/2021 with following prayers:
 - a) Grant *ad interim ex parte* stay on the recovery of Bilateral Bills issued by CTUIL or initiation of any coercive steps by the Respondents;
 - b) Restrain CTUIL/PGCIL from taking any adverse or coercive action arising out of or in relation to non-payment of Bilateral Bills;

- c) Direct CTUIL/PGCIL to grant 150 MW MTOA to MB Power; and
- d) Pass any other order or further relief(s) as may be deemed fit in the present facts and circumstances of the case.

Submissions of the Petitioner

- 4. The Petitioner has mainly submitted as under:
 - (a) The Petitioner has developed and operates a 1200 MW (2 x 600 MW) coal-based Thermal Power Project in District Anuppur in the State of Madhya Pradesh. Unit-I and Unit-II of the Project achieved Commercial Operation Date (**COD**) on 20.05.2015 and 07.04.2016, respectively.
 - (b) The Petitioner vide its application dated 25.02.2010 sought connectivity to ISTS for 1122 MW only (i.e., 1200 MW of total Installed Capacity 78 MW of Auxiliary consumption @ 6.5% of IC). Thereafter On 14.06.2010, the Petitioner entered into a Transmission Agreement with PGCIL which mentions the Connectivity quantum as 1122 MW.
 - (c) During 3rd Coordination Committee Meeting of IPPs (granted LTA in Western Region) held on 6.1.2012, the Petitioner stated that it has submitted the Bank Guarantee ("**BG**") for 1200 MW whereas its Connectivity is for 1122 MW only and requested to reduce the amount of BG on this account. In this regard PGCIL stated that its Commercial Department will take necessary action to reduce the BG amount.
 - (d) The Petitioner vide its letters dated 02.01.2012 and 29.11.2012, requested PGCIL to reduce the value of BG submitted for Rs. 60 Crores commensurate to the Connectivity quantum of 1122 MW.
 - (e) The Petitioner vide its letter dated 23.04.2018, informed PGCIL to relinquish 200 MW LTA granted for western region with immediate effect. Similar request was again made by MB Power on 03.05.2018. In response, PGCIL vide its letter dated 09.05.2018 accepted the relinquishment of 200 MW

LTA by MB Power and vide its letter dated 30.05.2018 informed that the relinquishment shall be with effect from 05.05.2018.

- (f) On 20.05.2019, PGCIL issued the methodology for calculation of stranded capacity and Relinquishment Charges payable by each relinquishing LTTC who have relinquished their LTA. In 2019, PGCIL in terms of the methodology provided in Order dated 08.03.2019 uploaded details on its website with respect to determination of stranded capacity and Relinquishment Charges payable by various LTTCs relinquishing their LTA quantum including the Petitioner.
- (g) The Petitioner vide its letter dated sought clarification from PGCIL relating to computation of such Stranded Capacity and Relinquishment Charges levied by it with respect to relinquishment of 200 MW LTA quantum by MB Power. In response, PGCIL vide its letter dated provided the requisite information/clarification pertaining to computation of Relinquishment Charges levied upon MB Power as under:

"The actual stranded capacity for MBPMPL has been computed for all identified transmission elements as mentioned above. Element-wise stranded capacities attributable to M/s MBPMPL in terms of surrender of 200MW are given as under:

From Bus	To Bus	kV	Line	Base Case Power Flow(MW)	Relinquished Case Power Flow(MW)	Stranded (MW)
Jabalpur PS	Bina (3)	765	S/c	594	583	11
MB Power	Jabalpur PS	765	0/c		Dedicated Line)

.....Accordingly, for MBPMPL-Jabalpur PS 765kV D/c line, entire YTC (proportionate to 200MW LTA relinquished out of 1130.8 MW LTA granted) has been considered for computation of stranded capacity charges for the dedicated line which was developed under ISTS.

For calculation of relinquishment charges, 66% of NPV for the transmission charges of stranded capacity for 12 years has been calculated as per the methodology prescribed in CERC order.....

(e) As mentioned in point (d) above, for MBPMPL- Jabalpur PS 765kV D/c dedicated line, entire YTC (proportionate to 200MW LTA relinquished out of 1130.8MW LTA granted) has been considered for computation of stranded capacity charges which was developed under ISTS. Accordingly, the

relinquishment charges of MBPMPL have been worked out to be proportionately more as compared to other LTTCs."

- (h) PGCIL vide its letter dated 8.1.2020 sought payment of Relinquishment Charges of Rs. 60.60 crore. The Petitioner vide its letter dated 21.01.2020, sought additional information from PGCIL relating to computation of Relinquishment Charges.
- (i) On 20.03.2020, PGCIL issued a Notification stating that the revised Relinquishment Charges payable by MB Power is Rs. 58.04 crore.

Bilateral Bills

- (j) On 24.05.2021, Central Transmission Utility of India Limited (**CTUIL**) on behalf of PGCIL issued a Bill under Regulation 13(9) of Sharing Regulations 2020 and sought payment of Rs. 6,21,71,279/- from the Petitioner towards Bilateral Transmission Charges for the subject Connectivity Transmission Line (i.e. 400 kV Anuppur-Jabalpur Transmission Line) for the Billing Months of January 2021 to May 2021.
- (k) CTUIL on behalf of PGCIL vide its letter dated On 02.06.2021, sought payment of Rs. 12,351,910/- from the Petitioner towards Bilateral Transmission Charges for the subject Connectivity Transmission Line for the Billing Month of June 2021.
- (I) On 01.07.2021, CTUIL vide its letter dated 1.7.2021 provided clarification with respect to the computation of Bilateral Bills dated 24.05.2021 and 02.06.2021. *The point wise clarification, was as follows:*
 - Connectivity quantum of MB Power: 1200 MW
 - Long Term Access (LTA) quantum in MW: 930.8 MW
 - Connectivity quantum not tied up under LTA for which the invoices has been raised: 269.2 MW (1200-930.8)
 - YTC of MB TPS (Anuppur)-Jabalpur Pooling Station400 kV D/C (triple Snowbird) line- Rs 6699.03 Lakh

(m) CTUIL on behalf of PGCIL vide its letter dated On 5.7.2021, sought payment of Rs. 12,763,640/- from the Petitioner towards Bilateral Transmission Charges for the subject Connectivity Transmission Line for the Billing Month of

July 2021.

(n) The Petitioner vide its letter dated issued a Bill Dispute Notice under

Clause 9 and 10 of Billing, Collection & Disbursement Procedure dated

01.01.2021 disputing the computation of Bilateral Transmission Charges raised

by CTUIL by way of Bilateral Bills dated 24.05.2021, 02.06.2021 and 05.07.2021

for the Billing Months of January 2021 to July 2021. However, CTUIL issued

another Bilateral Bill seeking payment of Rs. 1,23,51,910/- for the Billing Month

of August 2021. Since the earlier Bill Dispute Notice dated 07.07.2021 was not

replied by CTUIL, hence on 17.08.2021, the Petitioner issued yet another Bill

Dispute Notice under Clause 9 and 10 of Billing, Collection & Disbursement

Procedure dated 01.01.2021 disputing the Bilateral Bills dated 24.05.2021,

02.06.2021, 05.07.2021 and 03.08.2021 raised by CTUIL on MB Power for the

Billing Months January 2021 to August 2021.

(o) CTUIL vide its letter dated replied to Bill Dispute Notices dated

07.07.2021, 17.08.2021 & 17.09.2021, and *inter-alia* stated that Connectivity of

1200 MW quantum was granted vide intimation letter dated 19.04.2010 and

stated that Relinquishment Charges have been billed in line with the CERC

Connectivity Regulations and Billing for transmission charges for the subject

Connectivity Transmission Line has been done as per the CERC Sharing

Regulations, 2020. The two issues are separate and not interlinked and

therefore, terming the same as double billing is not correct.

5. The matter was listed for hearing on admission on 21.1.2022. During the

hearing, the Commission admitted the Petition and directed the parties to complete the

pleadings.

Submissions of Respondent CTUIL

- 6. CTUIL in its reply vide Affidavit dated 3.3.2022 has submitted as follows:
 - a) CTUIL has only applied Regulation 13(9) of the Sharing Regulations, which says that if a dedicated transmission line is built under coordinated planning and connectivity granted for a particular quantum on the same, but the quantum of LTA operationalised is lesser than the connectivity, the transmission charges for the difference between the two should be paid by the generating station for whom the dedicated transmission line was built.
 - b) Prior to the notification of Regulation 13(9) of the Sharing Regulations 2020, the charges of a dedicated transmission line under coordinated planning were being recovered from the pool charges independent of LTA quantum of the generator even though the line was servicing a higher connectivity.
 - c) After the notification of the Connectivity Regulations 2009, the Petitioner applied for connectivity for 1122 MW and LTA for 392MW from the same project as per Connectivity Regulations 2009. The said applications were further taken up in the 12th meeting of WR constituents held on 08.07.2010 regarding Connectivity/ Open Access applications, wherein the proposed transmission system for Connectivity was discussed considering injection of Gross Capacity of 1200MW from the MB Power's generation project.
 - d) The Petitioner further enhanced the LTA quantum up to 1130.8 MW through other separate LTA applications as under:
 - 392MW LTA was granted vide intimation dated 19.04.2010 with target beneficiaries as WR (200MW) & NR (192MW).
 - 200MW LTA was granted on 07.05.2015 with beneficiaries as UP-169 MW and NR-31 MW (target).
 - 144MW LTA was granted on 07.05.2015 with beneficiaries as NR-144 MW (target).
 - Further, LTA quantum of 420MW was also granted to MPPMCL from the above generation project vide intimation dated 07.12.2011 which was subsequently reduced to 394.8MW on account of auxiliary consumption.

As evident from above, LTA of 1130.8 MW which would not have been possible had the connectivity been granted for 1122 MW. Out of the LTA of 1130.8 MW,

the Petitioner relinquished 200 MW capacity w.e.f from 05.05.2018. There is a claim of Rs. 58.04 crores made by CTUIL seeking relinquishment charges for this 200 MW quantum. However, the bilateral bills challenged in the present petition are for the difference between 1200 MW and 930.8 MW i.e. the quantum of connectivity vis a vis the quantum of LTA operationalised.

e) In the computation of relinquishment charges, the calculation of stranded capacity charges for the period falling short of 12 years (112 months in the instant case) and notice period charges (12 months) attributable to MB Power for the surrender of 200 MW LTA did include the YTC of 400 kV Anuppur-Jabalpur line. The YTC was proportionate to 200 MW LTA relinquished out of the 1130.08 MW LTA granted. The 400 kV Anuppur-Jabalpur line was built as part of the ISTS system, and 200 MW is now stranded in this dedicated transmission line. Therefore, the calculation of stranded capacity has been worked out as under:

$$Stranded Cap. Charges for DTL = \frac{YTC \ of \ dedicated \ line \ x \ 200 (i. e. \ LTA \ relinq.)}{1130.8 \ (i. e. \ LTA \ granted)}$$

Relinquishment dated: 05.05.2018, LTA effective date: 26.08.2015

- f) The levy of bilateral transmission charges is not the same as the levy of relinquishment charges. The bilateral bills only seek to recover the transmission charges for the difference between the connectivity quantum of 1200 MW and the LTA of 930.8 MW in operation i.e. 269.2 MW.
- g) It is an admitted position of the Petitioner that it had been a grantee of LTA for a cumulative quantum of 1130.8 MW which is in excess of the 1122 MW connectivity quantum originally applied by it. Even at present (including the grant of MTOAs to PTC from MB Power's generation project for a cumulative 201.3MW), the petitioner is cumulatively seeking to inject a maximum of 1132.1 MW power [930.8 MW LTA of its own and 201.3MW MTOA applied through PTC], which is also in access of its originally applied connectivity quantum of 1122MW.

- h) In compliance with the connectivity intimation, the Petitioner has signed the "Connection Agreement" with CTUIL as per FORMAT-CON-6. The Petitioner has never challenged the connectivity quantum of 1200 MW since its grant and a period of 12 years have passed in which the Petitioner has utilized the grant of above connectivity.
- i) The grant of Connectivity for the entire installed capacity was undertaken as per the practice in vogue. The grant of ISTS connectivity did not envisage any payment liability based on connectivity quantum and a number of generators had been granted ISTS connectivity in consideration of their installed capacity. It may be pertinent to note that reduction of LTA quantum on account of auxiliary consumption is permissible without any liability towards relinquishment charges as per Order dated 08.03.2019 in Petition No. 92/MP/2015. However, the connectivity quantum remains the same in such case. As per the applicable provisions of the CERC Sharing Regulations, 2020; now the connectivity quantum is also determinative of payment liability towards transmission charges for dedicated/connectivity transmission system. In such a case, it may be considered that for calculation of liability for connectivity/dedicated system under ISTS (in the CERC Sharing Regulations, 2020), the connectivity quantum may also be permitted for reduction in line with reduction of LTA quantum on account of auxiliary consumption.
- j) The petitioner has relied on its connectivity application dated 25.02.2010 FORMAT CON-2 which in para 5a sought for connectivity of 1122 MW. However, CTUIL vide its letter dated 19.04.2010 had granted the connectivity for 1200 MW with the consideration that the quantum of connectivity shall be equal to installed capacity of the generating station.
- k) MB Power has referred to the TSA dated 14.06.2010 but not to the connection agreement signed by it with CTUIL prior to physical interconnection as per the FORMAT CON-6. One of the enclosures to FORMAT CON-6 was

the intimation for grant of connectivity CON-3 which clearly depicts the quantum for 1200 MW as endorsed by MB Power.

I) The petitioner in its letters dated 2.01.2012 and 29.01.2012 requested to reduce the value of Bank Guarantee which was submitted by it for Rs. 60 cores which was formally denied by CTUIL. The Petitioner has not challenged

this aspect till the filing of the present Petition and any challenge is barred by

limitation.

m) The grant of connectivity to MB Power was made by CTUIL by its letter dated 19.04.2010. There was no objection raised by the Petitioner to the connectivity quantum of 1200 MW at any time prior to the present petition. A dispute ought to have been raised by MB Power within a period of 3 years from 19.04.2010 on the quantum of connectivity as per the law laid down as per the Hon'ble Supreme Court in AP Power Coordination Committee and Ors. v.

Lanco Kondapalli Power Ltd and Ors. 2016 3 SCC 468.

n) There is no merit in the prayer of MB Power seeking quashing of bilateral bills raised by CTUIL. The Petitioner is also raising an alternative argument seeking Power to Relax (Regulation 27 of the Sharing Regulations, 2020) and Power to Remove Difficulties (Regulation 28 of the Sharing Regulations, 2020) on the basis of financial hardship. This alternate case has to be considered on the various judgment rendered by the Appellate Tribunal and this Commission

on power to relax and power to remove difficulties.

Submissions of Petitioner

7. The Petitioner in its rejoinder vide affidavit dated 8.3.2022 to the rely filed by

CTUIL has submitted as under:

The primary question which needs to be decided by this Commission is a) "whether CTUIL can be permitted to claim/recover transmission charges for the same capacity and same element of the transmission system twice under two different heads".

Order in Petition No. 272/MP/2021 along with I.A. No. 88/IA/2021

b) CTUIL in its reply has admitted that the Petitioner had applied for grant

of Connectivity for 1122 MW only. However, it has not explained as to why

Connectivity of 1200 MW was granted to the Petitioner.

c) Relinquishment charges claimed from MB Power includes the upfront

Yearly Transmission Charges ("YTC") of the 400 KV Anuppur-Jabalpur

Dedicated Transmission Line corresponding to capacity of 200 MW for the

future period till August 2028. The Bilateral Bills are also raised claiming

transmission charges for the same capacity and the same element of the

transmission system i.e., 400 KV Anuppur-Jabalpur Transmission Line.

d) In terms of the CERC Sharing Regulations 2020, Connectivity quantum

may also be permitted for reduction (in line with reduction of LTA quantum) on

account of auxiliary consumption.

e) The Petitioner vide its application dated 25.02.2010 had sought

Connectivity for 1122 MW only (i.e., 1200 MW of total Installed Capacity - 78

MW of Auxiliary consumption @ 6.5% of Installed Capacity). In terms of the law

settled by this Commission in Orders dated 07.10.2019 and 16.03.2017

(referred at para 59 of the Petition, the allocated Connectivity quantum of MB

Power shall be 1122 MW only and not 1200 MW. The Petitioner is not required

to dispute a fact or position which the Petitioner is entitled to in law.

f) Even the Connectivity quantum of a generating station ought to be

reduced by the auxiliary consumption without any payment liability.

Accordingly, in such case, the Petitioner's Connectivity quantum ought to be

considered as 1122 MW only (i.e. Installed Capacity of 1200 MW – auxiliary

consumption of 78 MW @ 6.5% of the Installed Capacity) or at maximum

1130.8 MW (i.e., the total LTA quantum granted to the Petitioner)

Respondent CTUIL Submissions

8. CTUIL vide its affidavit dated 10.2.2022 has submitted as follows:

The Petitioner has reiterated its submission recoded in the Petition that Petitioner had

been a grantee of LTA for a cumulative quantum of 1130.8 MW which is in excess of

the 1122MW connectivity quantum originally applied by the Petitioner. Even at present,

(including the grant of MTOAs to PTC from Petitioner's generation project for a

cumulative 201.3MW), the Petitioner is cumulatively seeking to inject a maximum of

1132.1 MW power [930.8 MW LTA of its own and 201.3MW MTOA applied through

PTC], which is also in access of its originally applied connectivity quantum of 1122MW.

Hearing dated 10.3.2022

9. In response to the contentions of CTUIL, the learned counsel for the Petitioner

submitted that the order dated 16.3.2017 in PTC India Vs. PGCIL needs to be applied

in the instant case, wherein it has been held that the LTTC is liable to pay charges only

to the extent of applied quantum. The contention of the CTUIL that no issue was raised

by the Petitioner regarding Connectivity quantum is misplaced as in the 3rd

Coordination Committee Meeting of IPPs granted LTOA in WR held on 6.1.2012, the

issue of connectivity quantum was taken up by the Petitioner and no document has

been shown by CTUIL denying the same. Referring to the Transmission Service

Agreement entered between CTUIL and Petitioner dated 14.6.2010 and Connection

Agreement dated 23.1.2014, he submitted these documents reflect that the

connectivity was granted only for 1122 MW.

10. In response to a guery of the Commission, learned counsel for CTUIL submitted

that the relinquishment charges are calculated in accordance with order dated

8.3.2019 in Petition No. 92/MP/2015. The YTC is proportionate to 200 MW LTA

relinquished out of the 1130.80 MW LTA granted. The 400 kV Anuppur-Jabalpur

transmission line was built as part of the ISTS system and 200 MW is now stranded in this dedicated transmission line.

- 11. In response to another query of the Commission regarding whether granting of Connectivity equivalent to the installed capacity is flowing from any Regulations or is a matter of practice adopted by CTUIL, she submitted that the same has been consistent practice of CTUIL for all the generators. As regards the Petitioner's letters dated 2.1.2010 and 29.1.2010, she clarified that the letters written by the Petitioner were confined to reduction of Bank Guarantee value and was not related to connectivity quantum and the same was formally denied by CTUIL. She submitted that the Petitioner has also not paid any amount towards relinquishment charges as on date.
- 12. The Petitioner in its written submissions dated 1.4.2022 has submitted as follows:
 - a) Bilateral Bill for YTC of the Connectivity Transmission Line is required to be raised by CTUIL on the generating company for the Connectivity quantum of such generating company not tied up under LTA (i.e., quantum of Connectivity minus the quantum of operational LTA). Bilateral Bills issued by CTUIL are based on incorrect underlying parameters. Details of Petitioner's Power's Project, Connectivity and LTA are as under:-

Project In:	stalled	1200 MW (2X600 MW)
Capacity		
Location		District Anuppur, Madhya Pradesh
Project COD		20.05.2015 (Unit-1, 600 MW)
		07.04.2016 (Unit-2, 600 MW)
Connectivity Qu	antum	1122 MW
applied for by MB I	Power	(i.e., Project Installed Capacity of 1200 MW
		less Aux Consumption of 78 MW)
Connectivity		400 kV Anuppur-Jabalpur Transmission
Transmission Line		Line, constructed by PGCIL as part of
		ISTS, connecting MB Power's Project till

	Jabalpur Pooling Station of PGCIL.
Total LTA	1130.8 MW (operational since August
	2015)
LTA Relinquished	200 MW relinquished by MB Power with
	effect from 05.05.2018.
	Thus, MB Power had availed 200 MW LTA
	only for a period of 33 months i.e., 2 year
	and 9 months.
Relinquishment Charges	Rs 58.04 Crores (i.e., Rs. 56.81 Crores
claimed by PGCIL	towards stranded capacity of 200 MW
	created in the Connectivity Transmission
	Line and Rs 1.23 Crores towards stranded
	capacity of 11 MW created in the Down
	Stream Transmission System) for a future
	period upto August 2028 in terms of
	Regulation 18 of CERC Connectivity
	Regulations 2009.
Currently	930.8 MW (755.8 MW tied to Long Term
Operationalized (Billed)	PPAs with Uttar Pradesh and Madhya
LTA	Pradesh + 175 MW untied LTA)
Connectivity quantum	191.2 MW (1122 MW - 930.8 MW)
not tied up under	
Operationalized LTA	

- b) The Commission in its various Orders has held that the allocated LTA/Connectivity quantum of a LTTC shall be the quantum for which such LTTC had applied for (i.e., the quantum indicated in its application for grant of connectivity) and the LTTC is liable to pay charges only to the extent of applied quantum:
 - i. Order dated 07.10.2019 passed in Petition No. 187/MP/2017 titled Essar Power M.P. Limited vs. PGCIL & Ors.
 - ii. Order dated 16.03.2017 passed in Petition No. 306/MP/2015 titled **PTC India Ltd vs. PGCIL & Ors:-**
- c) Upon enquiry by MB Power through letters dated 31.05.2021, CTUIL by its letter dated 01.07.2021 clarified that it has considered the following details/data for computation of the Bilateral Transmission Charges under the Bilateral Bills raised upon MB Power:

Particulars	Data Considered by CTUIL	Actual		
Connectivity quantum of MB Power	1200 MW	1122 MW		
Operationalized LTA quantum of MB Power	930.8 MW	930.8 MW		
Connectivity quantum not tied up under operational LTA for which the Bilateral Bills have been raised on MB Power.	269.2 MW (1200 MW - 930.8 MW)	191.2 MW (1122 MW - 930.8 MW)		

- 13. The Petitioner has also filed I.A No. 88/IA/2021. The Petitioner has made the following submissions. With the following prayers:
 - a) Grant *ad interim ex parte* stay on the recovery of Bilateral Bills issued by CTUIL or initiation of any coercive steps by the Respondents;
 - b) Restrain CTUIL/PGCIL from taking any adverse or coercive action arising out of or in relation to non-payment of Bilateral Bills;
 - c) Direct CTUIL/PGCIL to grant 150 MW MTOA to MB Power; an
 - d) Pass any other order or further relief(s) as may be deemed fit in the present facts and circumstances of the case.
- 14. The Petitioner in its I.A mainly had raised issue of grant of MTOA of 150 MW to MB Power. The CTU has submitted that subsequently it had granted MTOA to PTC for the same transaction. Hence the prayer has been addressed accordingly. Other prayers have been dealt in subsequent paragraphs.
- 15. The present petition was heard on 10.3.2022 where Commission had reserved the Order. However as the Petition could not be disposed of, prior to the then Chairperson demitting office, the petition was reheard on 12.7.2022. During the course of hearing, the learned counsel for the parties submitted that the matter has already

argued at length and prayed to pass order based on documents available on record and

the Commission reserved the Order.

Analysis and Decision

16. The instant petition has been filed against the bilateral bills raised by CTUIL

under Regulation 13(9) of the 2020 Sharing Regulations and relinguishment

charges raised by CTUIL for Annupur-Jabalpur transmission line and the

Connectivity quantum of 1200 MW granted in place of 1122 MW applied for by

Petitioner.

17. Further, Petitioner has submitted that Petitioner's connectivity quantum has

been considered as 1200 MW instead of 1122 MW sought for. The Petitioner

had sought Connectivity for 1122 MW after reducing the auxiliary power

consumption (APC) of 78 MW @ 6.5% of the installed capacity of 1200 MW

and (ii) Connectivity quantum not tied up under operational LTA has been

considered by CTUIL as 268.20 MW (1200 MW - operational LTA i.e. 930.80

MW instead of 191.20 MW (1122 MW- 930.80 MW). CTUIL's website shows

that the connectivity granted to the Petitioner as 1122 MW. However, bills are

raised on the basis of 1200 MW.

18. Petitioner referred to Commission's order dated 7.10.2019 in Petition No.

187/MP/2017 and order dated 16.3.2017 in Petition No. 306/MP/2015 and

submitted that the LTA/Connectivity quantum allocated to a LTTC shall be the

quantum for which LTTC has applied for and LTTC is liable to pay charges only

to the extent of applied quantum.

19. Petitioner has submitted that 200 MW of LTA capacity was relinquished by MB

Power with effect from 5.5.2018. Accordingly, CTUIL vide letter dated 8.1.2020

and 26.2.2021 has claimed relinquishment charges amounting ₹58.04 crore.

The entire YTC of 400 kV Annupur-Jabalpur Connectivity transmission line

corresponding to Connectivity quantum of 1122 MW is being recovered by

CTUIL. Out of the Connectivity quantum of 1122 MW, YTC of 400 kV Annupur-

Jabalpur Connectivity Transmission Line corresponding to operational LTA

quantum of Petitioner i.e. 930.80 MW, is being recovered by CTUIL in terms of

Regulation 5 to 8 of the 2020 Sharing Regulations. The YTC of 400 kV

Annupur-Jabalpur Connectivity transmission line for the period upto August,

2028 corresponding to 200 MW (LTA quantum relinquished) amounting to

₹56.81 crore has already been claimed by CTUIL by way of relinquishment

charges. Therefore, the entire YTC of the Connectivity Transmission line i.e.

1130.98 (930.8 MW plus 200 MW) is already being recovered by

PGCIL/CTUIL.

20. Petitioner has submitted that Appeal No. 365 of 2019 has been filed before

APTEL challenging the manner and methodology of computation of

relinquishment charges by PGCIL/CTUIL. The Petitioner will abide by the

directions of APTEL in Appeal No. 365 of 2019 with respect to payment of

relinquishment charges. CTUIL has only claimed the relinquishment charges

amounting to ₹58.04 crore with respect to relinquishment of 200 MW LTA from

Petitioner and has not raised any invoice for the said relinquishment charges.

Order in Petition No. 272/MP/2021 along with I.A. No. 88/IA/2021

21.CTUIL has submitted that the bilateral bills raised are based on correct

parameters such as the Connectivity quantum and the Connectivity quantum

not tied-up under the LTA. There is no double recovery of transmission charges

by CTUIL as contended by the Petitioner. The question for determination

before the Commission is regarding the quantum of connectivity, nature and

scope of charges claimed by CTUIL. CTUIL raises bills in terms of Regulation

13(9) of the 2020 Sharing Regulations not only against the Petitioner but also

against similarly placed generators.

22. After the notification of the 2009 Connectivity Regulations, the Petitioner at first

applied for connectivity for 1122 MW and LTA for 392 MW from the same

project as per the 2009 Connectivity Regulations. The said applications were

taken up in the 12th meeting of WR constituents regarding Connectivity/ Open

Access applications held on 8.7.2010, wherein the proposed transmission

system for Connectivity was discussed considering injection of Gross Capacity

of 1200 MW from the Petitioner's generation project. The Petitioner further

enhanced the LTA quantum up to 1130.80 MW through other separate LTA

applications.

23.CTUIL has submitted that in case of all the generators who applied for

connectivity after the notification of the 2009 Connectivity Regulations, CTUIL

has granted the connectivity based on installed capacity. This has been the

consistent practice of CTUIL. The grant of ISTS connectivity did not envisage

any payment liability based on Connectivity quantum and a number of

generators were granted ISTS Connectivity considering their installed capacity.

Order in Petition No. 272/MP/2021 along with I.A. No. 88/IA/2021

- 24. After going through submissions of the parties and perusal of documents available on record, the following issue arises for our consideration:
 - a) Issue No.1: What shall be the quantum of connectivity to be considered for the Petitioner?
 - b) Issue No. 2: What shall be treatment of relinquishment on Connectivity Transmission Line (i.e. 400 kV Anuppur-Jabalpur Transmission Line) and double billing alleged by petitioner?

The above issues are being dealt in the succeeding paragraphs.

Issue No.1: What shall be the quantum of connectivity to be considered for the Petitioner?

25. In order to adjudicate upon the present issue, it is necessary to go through the connectivity application submitted by the Petitioner and the grant letter of CTUIL. We observe that the Petitioner vide its letter dated 25.2.2010 sought connectivity and LTA from CTUIL. The relevant extracts of the application dated 25.2.2010 is as under:

"

1	Name the Applicant	MB Power (Madhya Pradesh) Limited
4	Nature of the Applicant	
	Generator (other than captive) Captive Generator Bilk Consumer	Generator
5	Details for Connectivity	
5a	Capacity (MW) for which connectivity is required	1122 MW (1200 MW – Aux. consumption@ 6.5%)
		Note:- 35% of 1122 MW i.e. 393 MW to be provided to the host state of Madhya Pradesh as per the implementation Agreement signed with GoMP on 01-12-2009. A copy of the same is enclosed herewith as "Annexure D". Further, MPPTCL has also accorded its in-principle consent for purchase of its share of 35% power vide its letter dated: 28.08.2009 a copy of the same is enclosed as "Annexure E"

A perusal of above that the Petitioner in its application for the grant of connectivity had sought the connectivity of 1122 MW after deducting 6.5% towards auxiliary consumption from the installed capacity of 1200 MW.

26. We observe that PGCIL vide its letter dated 19.4.2010 granted connectivity and LTA to the Petitioner as under:

"

Intima	ation for grant of Connectivity					
1	Intimation No.	C/SEF/TA/C/W/10/01				
	Date:	19.04.2010				
2	Ref. application No.					
	Date:	25.02.2010				
3	Name of the Applicant	MB Power (Madhya Pradesh) Ltd.				
4	Address for Correspondence	213 B, Okhla industrial Estate Phase-III, New				
		Delhi- 110020				
5	Nature of the Application	Generator				
6	Details for Connectivity					
6a	Capacity (MW) for which	1200MW				
	connectivity is granted					
6b	Point at which Connectivity is	765/400kV Jabalpur Pooling Station at 400kV				
	granted	level				
6c	Date from which connectivity is	01-01-2013				
	granted					
6d	Transmission System Required for					
	Connectivity	(Triple)				
6e	, ,	CTU i.e. POWERGRID				
	transmission system required for					
	connectivity					
6f	Agencies between which	· • • • • • • • • • • • • • • • • • • •				
	agreement is to be signed for	POWERGRID				
	implementation of transmission					
	system required for connectivity					

We note that in the above intimation, the Petitioner has been granted connectivity of 1200 MW.

27. Subsequently, the parties entered into transmission agreement dated 14.6.2010. The annexure to it contains the Petitioner's application for connectivity but

it does not contain the intimation of grant by PGCIL. The relevant extracts of the transmission agreement is as under:

. . . .

A) Whereas MBPML is desirous to avail connectivity in accordance with Central Electricity Regulatory Commission (Grant of Connectivity, Long Term Access and Medium Term Open Access in inter-state transmission and related matters0 regulations 2009 dated 7.8.2009 and Electricity Act 2003 (including their amendments if any) to the inter-state Transmission system (ISTS) as per the details contained in the Annexure -1 (Format Con-2)

Annexure- 1

1	Name of applicant	MB Power (Madhya Pradesh)) Limited
2	Adress for correspondence 213 B	
	Okhla Industrial Estate, Phase-III	
4	Nature of the Applicant	Generator
	Generator (other than Captive)	
	Captive Generator	
	Bulk Consumer	
5	Details for connectivity	
5a	Capacity (MW) for which	1122 MW
	connectivity is required	(1200MW-Aux consumption @ 6.5%)

28. We note that during 3rd Coordination Committee Meeting of IPPs (granted LTA in Western Region) held on 6.1.2012, the Petitioner apprised CTUIL that it has submitted the Bank Guarantee (**BG**) for 1200 MW whereas its Connectivity is for 1122 MW only and requested to reduce the amount of BG on this account. In this regard PGCIL stated that its Commercial Department will take necessary action to reduce the BG amount. The relevant extracts of the Minutes of Meeting of 3rd Coordination Committee Meeting of IPPs is as under:

"Transmission system for connectivity of MB power (M.P) Limited ·

. . . .

M/s MB Power stated that they have submitted BG for 1200 MW whereas they have been granted connectivity for 1122MW. In addition, MP Tradeco has been granted LTA for 420 MW out of this capacity. They requested to reduce the amount of BG on this account. POWERGRID informed that their commercial deptt. Shall take necessary action to reduce the BG amount

- 29. Further, Petitioner vide its letters dated 2.1.2012 and 29.11.2012 requested PGCIL for reduction in Bank Guarantee (BG) submitted by it towards connectivity application. We observe that during the final hearing dated 10.3.2022, in response to query of the Commission regarding whether granting of Connectivity equivalent to the installed capacity is flowing from any Regulations or is a matter of practice adopted by CTUIL, it has been submitted by CTUIL that the same has been consistent practice of CTUIL for all the generators.
- 30. Regulation 8 of Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009, deals with grant of connectivity. The relevant extracts of Regulation 8 is as under:
 - "8. Grant of Connectivity
 - (1) The application for connectivity shall contain details such as, proposed geographical location of the applicant, quantum of power to be interchanged that is the quantum of power to be injected in the case of a generating station including a captive generating plant and quantum of power to be drawn in the case of a bulk consumer, with the inter-State transmission system and such other details as may be laid down by the Central Transmission Utility in the detailed procedure:

Provided that in cases where once an application has been filed and thereafter there has been any material change in the location of the applicant or change, by more than 100 MW in the quantum of power to be interchanged with the inter-State transmission system, the applicant shall make a fresh application, which shall be considered in accordance with these regulations.

(2) On receipt of the application, the nodal agency shall, in consultation and through coordination with other agencies involved in inter-State transmission system to be used, including State Transmission Utility, if the State network is likely to be used, process the application and carry out the necessary interconnection study as specified in the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007.

- 31. As per the above Regulation, the application for connectivity contains the quantum of power to be interchanged or injected in the grid. It is on the basis of this application, CTUIL has to process the connectivity application.
- 32. CTUIL has argued Petitioner enhanced the LTA quantum up to 1130.8 MW through other separate LTA applications as under:
 - 392 MW LTA was granted vide intimation dated 19.04.2010 with target beneficiaries as WR (200MW) & NR (192MW).
 - 200 MW LTA was granted on 07.05.2015 with beneficiaries as UP-169 MW and NR-31 MW (target).
 - **144MW LTA was granted on 07.05.2015** with beneficiaries as NR-144 MW (target).
 - Further, LTA quantum of 420MW was also granted to MPPMCL from the above generation project vide intimation dated 07.12.2011 which was subsequently reduced to 394.8MW on account of auxiliary consumption.

Thus, the LTA of 1130.8 MW would not have been possible had the connectivity been granted for 1122 MW.

33. Keeping in view Regulation 8 of 2009 Connectivity Regulations, we are of the view that once Petitioner applied for 1122 MW, CTU should have granted Connectivity for such a quantum as sought for by Applicant. We do not agree to CTU's justification that Petitioner availed Connectivity up to 1130.8 MW to justify its actions of granting Connectivity as per its practice against the Regulations. We observe that petitioner has raised issue of wrong quantum of Connectivity granted at a number of occasions. We are of the view that that maximum Connectivity for the Petitioner shall be considered as applied for i.e. 1122 MW. We also take note of the fact that Petitioner availed access of quantum for more than 1122 MW at a certain point in time which was later reduced. As per the Connectivity Regulations the open access can be obtained by an

entity upto its quantum of Connectivity since Connectivity is a prerequisite for access.

Accordingly the LTA, MTOA or STOA Access shall be granted for the Petitioner's

project limited to 1122 MW only. In case Petitioner wish to avail access beyond 1122

MW, it may apply for such quantum of Connectivity to CTU who shall consider the

same in accordance with regulations. Issue No. 1 is answered accordingly.

Issue No. 2: What shall be treatment of relinquishment on Connectivity

Transmission Line (i.e. 400 kV Annuppur-Jabalpur Transmission Line) and

double billing alleged by petitioner?

34. The Petitioner has stated that CTUIL vide its letter dated 24.05.2021, issued a

Bill under Regulation 13(9) of Sharing Regulations 2020 seeking payment of Rs. 6.21

crore towards Bilateral Transmission Charges for the subject Connectivity

Transmission Line (i.e., 400 kV Anuppur-Jabalpur Transmission Line) for the Billing

Months of January 2021 to May 2021.

35. The Petitioner has further stated that CTU has claimed the Relinquishment

Charges for relinquishment of 200 MW by MB Power as per the provisions of

Connectivity Regulations and as per the Commission's Order dated 08.03.2019 in

Petition No. 92/MP/2015 prescribing detailed procedure for computation of

Relinquishment Charges for stranded capacity of the Associated Transmission System

(not limited to Connectivity Transmission Line alone as claimed by MB Power). The

said amount is still outstanding and is yet to be paid by MB Power.

36. CTUIL has submitted that Transmission charges for the subject Connectivity

Transmission Line (i.e. 400kV Annupur-Jabalpur Transmission Line) for the untied

269.2 MW LTA (1200MW - tied LTA of 930.8MW) has been levied by the CTU as per

the provisions of the CERC Sharing Regulations, 2020 which came into force on 01.11.2020.

- 37. CTUIL has submitted that relinquishment Charges has been billed in line with the Connectivity Regulations and Billing for transmission charges for the subject Connectivity Transmission Line has been done as per the CERC Sharing Regulations, 2020. The two issues are separate and not interlinked and therefore, terming the same as double billing by the petitioner, is not correct.
- 38. We have considered the rival contention of the parties. The genesis of the dispute is towards the payments of the YTC of 400 kV Annupur-Jabalpur Connectivity Transmission Line. We observe that CTUIL has raised bill to Petitioner for Annupur to Jabalpur transmission line which is a dedicated line constructed as ISTS pursuant to Connectivity sought by Petitioner and hence is covered under regulation 13(9) of 2020 Sharing Regulations.
- 39. Further CTU has calculated relinquishment charges for Petitioner as follows:

For MB Power's Connectivity Transmission Line (i.e. 400 kV Anupur-Jabalpur Transmission Line), its entire YTC (proportionate to 200 MW LTA relinquished out of 1130.8 MW LTA granted) has been considered for computation of stranded capacity charges.

The Relinquishment Charges levied upon MB Power was uploaded on CTU website on 20.05.2019 and revised Relinquishment Charges was uploaded on 20.03.2020. Relevant extract of letter dated 23.03.2020 is as under:-

"Point d. & e.

Element-wise stranded capacities attributable to M/s MBPMPL in terms of surrender of 200MW along with the bifurcation of relinquishment charges separately for dedicated line and identified transmission system for LTA is tabulated below:

Transmiss	Base	Relinqu	Strand	% Stranded	YTC	Yearly	Remarks
ion	Case	ished	ed	Capacity	(Rs.	Strande	
System	Power	Case	Capac	Stranded Cap. x1	Lacs)	d	
	Flow	Power	ity	Loadability	,	Capacit	
	(MW)	Flow	(MW)	00)		v '	
	, ,	(MW)	` ´			Charge	

				(Loadability of 765KV line is 2500MW)		s (Rs. Lacs)		
Jabalpur PS – Bina (3 rd) 765KV S/c line	594	583	11	0.44	5832.2 4	25.7	Stranded Charges YTC x %Stranded 100	Сар.
MB Power – Jabalpur PS 765KV D/c line	Dedicate	ed Line			6699.0 3	1184.83	Stranded Charges for DT =\frac{YTCx \ 200(i.e.LTA re}{1130.8 (i.e.LTA grants)}	elinq.)
					Total	1210.5		

It may be mentioned that, as per para 123 of CERC order dated 08/03/2019, " ... The methodology shall not be applicable for dedicated transmission lines since it is the liability of the concerned generator to pay the transmission charges for such dedicated transmission line." Accordingly, for MBPMPL- Jabalpur PS 765kV D/c line, entire YTC (proportionate to 200MW LTA relinquished out of 1130.8MW LTA granted) has been considered for computation of stranded capacity charges for the dedicated line developed under ISTS.

Further, the Stranded Capacity Charges and Notice Period Charges have been calculated as follows in line with the methodology prescribed in CERC order:

Stranded Charges

Capacity = 66% of NPV of Rs. 1,210.5 Lacs for the period falling short of 12 (twelve) years of access rights at discount rate* (9.33%) =

Rs. 5,042 Lacs

[Time period considered: 26/08/15 (LTA effectiveness) to 05/05/18 (LTA rel.)- as already published on CTU website]

Notice Period Charges

66% of NPV of Rs. 1,210.5 Lacs for the period falling short of a notice period of one (1) year at discount rate* (9.33%) =

Rs. 761 Lacs

[Date of notice: 23/04/18 - as already

published on CTU website]

We observe that MB-Power - Jabalpur PS is a 400 kV line which has been mentioned as 765kV line by CTU vide its letter dated 23.3.2020.

40. Regulation 18 of the 2009 Connectivity Regulations provides that "A long-term customer may relinquish the long-term access rights fully or partly before the expiry of the full term of long-term access, by making payment of compensation for stranded capacity".

41. We note that the petitioner had made two different applications i.e. application

for connectivity and application for long term access. The Petitioner acquired both

connectivity as well as long term access. For the purpose of connectivity, the Petitioner

has entered into Transmission agreement dated 14.6.2010, wherein the petitioner has

agreed to pay the transmission charges for 400 kV Anuppur-Jabalpur Transmission

Line). The relevant extracts of Transmission Agreement is as under:

1. In accordance with Central Electricity Regulatory Commission (Grant of Connectivity,

Long Term Access and Medium Term Open Access in inter state transmission and related matters) regulation 2009 dated 07.08.2009 and Electricity Act 2003 (including amendment thereof, if any) and in accordance with the terms mentioned above.

POWERGRID agrees to provide connectivity required by MBPMPL from the date and

in the manner mentioned in the Annexure 1 of this agreement.

2. MBPMPL, its successor or assignee shall pay the transmission charges in

accordance with the Tariff regulation/Tariff order issued by Central Electricity Regulatory Commission from time to time of POWERGRID transmission system

mentioned at Annexure-2 from the date of commercial operation of the transmission system.

42. We are of the view that that the connectivity line and transmission lines under

LTA are distinct and distinguishable. The charges towards the connectivity line/

dedicated transmission line constructed under ISTS are not dependent upon the usage

of long term access. Similarly, when a LTA grantee relinquishes its right under long-

term access, it does not relinquish the connectivity right emerging from its connectivity

grant.

43. However as per calculations of relinquishment charges by CTU, it is noted that

CTU has been applying 66% of NPV for transmission charges for dedicated

transmission line constructed as ISTS also. We have also perused Order dated

8.3.2019 in 92/MP/2015 where methodology for calculation of relinquishment have

been directed. The following is noted:

"123. The methodology shall be applicable for the cases where the LTAs have been granted with identified system augmentation and generation projects have sought full or part relinquishment. The methodology shall not be applicable for dedicated transmission lines since it is the liability of the concerned generator to pay the transmission charges for such dedicated transmission line. ... 124......

Step 3- <u>The transmission lines/substations covered under the system augmentation in terms of the respective BPTA/LTA agreements of generators</u> which have relinquished the capacity or abandoned the project shall be segregated and separately listed for use in Step 4 below.

Step 4-Flow in Step 1 (Base case), Step 2 (Relinquished scenario) and Step 3, i.e., in the transmission lines covered under BPTA/LTA agreements of generators who have relinquished the capacity or abandoned their projects shall be captured."

The above clearly provides that methodology is only for transmission lines covered under BPTA/LTA Agreement. The said Annupur-Jabalpur line is not covered under LTA Agreement and has been planned and constructed by PGCIL under Connectivity granted to petitioner and Transmission Agreement entered into by petitioner. Since the Petitioner did not relinquish connectivity, for which there is no provision in Regulations to relinquish connectivity such lines constructed for purpose of Connectivity cannot be treated as relinquished on relinquishment of LTA. Hence, CTU is directed to revise the relinquishment charges without considering the said Annupur -Jabalpur line which is the Connectivity line / Dedicated line.

44. Regulation 13(9) is as under:-

"13. Treatment of transmission charges and losses in specific cases

[..]

(9) Where a dedicated transmission line has already been constructed or is under construction by an inter-State transmission licensee under coordinated transmission planning of the Central Transmission Utility, the Yearly Transmission Charges for such dedicated transmission line shall be payable by the concerned generating station to the inter-State transmission licensee (including deemed inter-State transmission licensee) from the COD of the dedicated transmission line till operationalization of Long Term Access of the generating station. After operationalization of Long-Term Access, Yearly Transmission Charge for the dedicated transmission line proportionate to the quantum of Long Term Access operationalized qua the quantum of Connectivity for the dedicated transmission line shall be considered in accordance with Regulations 5 to 8 of

these regulations and the balance transmission charges shall continue to be paid by the generating station."

As per above Regulation, after operationalization of Long-Term Access, Yearly

Transmission Charge for the dedicated transmission line proportionate to the quantum

of Long Term Access operationalised qua the quantum of Connectivity for the

dedicated transmission line shall be considered in accordance with Regulations 5 to 8

of the Sharing Regulations and the balance transmission charges shall continue to be

paid by the generating station

45. In line with the above Regulation, We are of the view that CTUIL has correctly

raised the bill under Regulation 13 (9) of 2020 Sharing Regulation. For the purpose of

determining YTC for dedicated transmission line, CTUIL has considered the

connectivity quantum of 1200 MW. We have already observed above that the

Connectivity granted to the petitioner stands at 1122 MW and therefore, CTUIL is

directed to revise bills considering the connectivity quantum of 1122 MW within one

month from date of issue of this Order.

46. Issue No. 2 is answered accordingly.

47. Petition No. 272/MP/2021 and I.A No. 88/IA/2021 are disposed of in term of

above.

Sd/

Sd/

Sd/

(P. K. Singh) Member

(Arun Goyal) Member

(I. S. Jha)

Member