

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 24/TT/2023

Subject : Petition for approval of transmission tariff from 1.4.2019 to 31.3.2024 for 400 kV D/C Mahan-Sipat line alongwith associated bays at Mahan and Sipat and 2x50 MVAR line reactors at Sipat Pooling Substation, 2x50 MVAR line reactors at Mahan Pooling Sub-station and 1x80 MVAR, 420 kV switchable bus reactor at Mahan TPS alongwith its associated 400 kV bay under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff Regulations, 2019).

Date of Hearing : 26.7.2023

Coram : Shri Jishnu Barua, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member

Petitioner : Essar Power Transmission Company Limited

Respondent : Essar Power M.P. Limited/ Mahan Energen Limited (MEL)

Parties present : Ms. Swapna Seshadri, Advocate, EPTCL
Ms. Shivani Verma, Advocate, EPTCL
Shri Paritosh Bhasin, Advocate, EPTCL
Shri Hemant Singh, Advocate, Respondent No.1
Shri Robin Kumar, Advocate, Respondent No. 1

Record of Proceedings

The instant petition has been filed by Essar Power Transmission Company Limited (EPTCL) for approval of the transmission tariff from 1.4.2019 to 31.3.2024 for the 400 kV D/C Mahan-Sipat line along with associated bays at Mahan and Sipat and 2x50 MVAR line reactors at Sipat Pooling Substation, 2x50 MVAR line reactors at Mahan Pooling Sub-station and 1x80 MVAR, 420 kV switchable bus reactor at Mahan TPS along with its associated 400 kV bay, and for the determination of the tariff in respect of Stage-II transmission assets from 1.4.2019 to 31.3.2024.

2. Learned counsel for the Petitioner submitted that the Commission permitted the Petitioner to file an amended petition vide RoP dated 6.4.2023. Accordingly, the



Petitioner has filed the amended petition including the prayer for the creation of a “Payment Security Mechanism”.

3. The learned counsel for Mahan Energen Limited (MEL) submitted as follows:
 - a. MEL has filed Appeal No. 71/2023 against the Commission’s order dated 14.3.2022 in Petition No.145/TT/2018, and the APTEL, vide interim order dated 24.1.2023 has stayed the payment towards invoices raised by CTUIL for the period from September 2018 till October 2021. However, MEL was directed to pay the transmission charges from 1.11.2021. Accordingly, MEL is paying the charges. As the matter is sub-judice before the APTEL, EPTCL cannot seek for the opening of a Letter of Credit (LC), which has not been allowed by the APTEL.
 - b. MEL has relinquished the LTA and it has neither an LTA nor a MTOA and MEL is not required to open the Letter of Credit (LC).
 - c. Provisional tariff for the 2019-24 tariff period may be granted at the earliest, as MEL is paying a higher tariff determined for the 2018-19 tariff period in 2019-24.

4. In response, the learned counsel for the Petitioner submitted as follows:
 - a. The users of transmission services of the inter-State transmission licensees are expected to provide payment security mechanisms by way of LC. Accordingly, the prayer of EPTCL is as per law and not against the interim order passed by the APTEL on 24/01/2023.
 - b. The capital cost recovery by way of transmission charges cannot be compared to open access charges, and they are different. Any surrender or relinquishment of an open access capacity by MEL will not affect its liability to pay the transmission charges to EPTCL. The payment security demanded by EPTCL is to secure the recovery of its transmission tariff and not the payment of long-term or medium-term open access charges.
 - c. Opening and maintaining LC is a statutory requirement. As per Rule 6 of the Electricity (Late payment surcharge & Related Matters) Rules, 2022 transmission users and distribution licensees have to maintain an unconditional, irrevocable, and adequate payment security mechanism.
 - d. It is wrong to suggest that MEL is being asked to pay a higher amount of tariff for the 2019-24 tariff period since the billing has to continue on the basis of the tariff determined for the 2018-19 tariff period.

5. The Commission directed the Petitioner to submit on affidavit, by 18.8.2023, with a copy to the Respondents, whether any ACE is projected in the 2019-24 Tariff Period? If so, the details thereof.



6. After hearing the learned counsels of the parties at some length, the Commission directed the Petitioner and MEL to file their written submissions with a copy to each other by 18.8.2023.

7. Subject to the above, the Commission reserved its order in the matter.

By order of the Commission

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

