

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 972/MP/2025**

Subject : Petition under Section 79 (1)(c) of the Electricity Act, 2003 seeking return of Conn – BG2 submitted by the Petitioner to the Central Transmission Utility of India Limited under Regulation 8 (ii) of the Central Electricity Regulatory Commission (Connectivity and General Network Access to The Inter-State Transmission System) Regulations, 2022, in view of surrendering of connectivity on account of withdrawal of Generation Project.

Petitioner : Assam Power Distribution Company Limited (APDCL)

Respondent : Central Transmission Utility of India Limited (CTUIL) & Anr.

Date of Hearing : **22.5.2026**

Coram : Shri Jishnu Barua, Chairperson  
Shri Ramesh Babu V., Member  
Shri Harish Dudani, Member  
Shri Ravinder Singh Dhillon, Member

Parties Present : Ms. Swapna Seshadri, Advocate, APDCL  
Ms. Aishwarya Subramani, Advocate, APDCL  
Shri Vaibhav Sharma, Advocate, APDCL  
Shri Harsha V Rao, Advocate, APDCL  
Ms. Poonam Verma Sengupta, Advocate, NREGSPTL  
Shri Saunak Rajguru, Advocate, NREGSPTL  
Shri Pradyumn Amit Sharma, Advocate, NREGSPTL  
Shri Shubham Arya, Advocate, CTUIL  
Ms. Pallavi Saigal, Advocate, CTUIL  
Ms. Harsha Parekh, Advocate, CTUIL

**Record of Proceedings**

During the hearing, the learned counsel for the Petitioner made detailed oral arguments and mainly submitted as follows:

- (a) CTUIL's reliance on Regulation 24 of the GNA Regulations, 2022, regarding the encashment of BGs is wholly incorrect/ misplaced. The purpose of Conn BG2, in terms of Regulation 8 (ii) read with Regulation 7 (ii) of the GNA Regulations, 2022, is to secure the cost of the Associated Transmission System (ATS) and terminal bays for DTL.
- (b) In the present case, APDCL has been forthcoming to settle the claims of NERGS, subject to adjudication by this Commission, in the event the parties do not arrive at a consensus. Hence, the only liability of CTUIL, i.e., its obligation towards the TSP, stands fulfilled if such a claim is settled by APDCL. There remains no surviving obligation on CTUIL to secure the ATS/ terminal bays of DTL in terms of Regulation 8 (ii). Hence, the purpose of the bank guarantee submitted under the GNA Regulations, 2022 stands absolved.



- (c) Neither the Transmission Project nor the Generation Project have/are being set up, and there are no charges to be secured by way of the present Conn – BG2. The retention and encashment of the Conn – BG2 in this case will amount to a simpliciter penalty, which is not the purpose of the GNA Regulations.
- (d) It would amount to unjust enrichment of CTUIL, if the Conn-BG2 is allowed to be encashed/ retained by CTUIL. APDCL, having undertaken to reimburse the expenditure actually incurred by the project developer upon adjudication by the Commission, and there being no system, the transmission charges of which are sought to be secured by way of the Conn-BG2, there is no real purpose of encashment/ retention of the said bank guarantee.
- (e) This Commission *vide* Order dated 7.1.2020 in Petition No. 159/MP/2020 titled *Toramba Renewable Energy Private Limited v. Power Grid Corporation of India Limited*, had directed the discharge of the bank guarantees submitted by the Petitioner therein, as Power Grid Corporation of India Limited has not incurred any expenses towards the connectivity granted. The reasoning in the above order applies squarely to the present case as well. First, no asset will remain stranded or unutilised, and second, no expenditure has been incurred by CTUIL in relation to the connectivity granted to APDCL. Accordingly, APDCL, being similarly situated to the Petitioner in the aforesaid case, is entitled to the return of the bank guarantee.
- (f) This Commission ought to exercise its powers under Regulations 41 & 42 of the GNA Regulations, 2022, to deal with this situation that has not been contemplated while framing the GNA Regulations, namely, when the transmission project itself does not come, due to reasons beyond the control of either of the parties or unforeseen circumstances.

2. In response, the learned counsel for the Respondent, CTUIL, mainly submitted that CTUIL has already filed its reply in the matter, and the same may be considered by the Commission. The learned counsel also submitted that CTUIL denies the allegation that the retention or encashment of Conn-BG2 would amount to unjust enrichment or a penalty. He further added that CTUIL is merely a custodian and implementing authority under the Regulations.

3. The learned counsel for the Respondent, NERGS, submitted that NERGS has no privity of contract with the Petitioner. The learned counsel also reiterated that the only security available with CTUIL for payment of compensation to NERGS is the Conn-BG2 furnished by the Petitioner to CTUIL. Therefore, if CTUIL returns the Conn- BG2 to the Petitioner, CTUIL ought not to take umbrage at such return of Conn-BG2 to the Petitioner, to claim inability to pay the compensation to NERGS.

4. Considering the submissions made by the learned counsel for the parties, the Commission permitted the parties to file their respective written submissions, if any, within a week, with a copy to the other side.

5. Subject to the above, the Commission reserved the matter for order.

**By order of the Commission**  
**Sd/-**  
**(T.D. Pant)**  
**Joint Chief (Law)**

