

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 166/MP/2015**

Subject : Petition seeking termination of Transmission Service Agreement and Long Term Access granted to the respondent on account of its default in establishing payment security along with prayer for compensation and declaratory relief.

Date of hearing : 18.8.2015

Coram : Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member  
Dr. M.K. Iyer, Member

Petitioner : Power Grid Corporation of India Limited

Respondent : M/s PTC India Limited

Parties present : Shri Akansha Tyagi, Advocate, PGCIL  
Shri Gautam Chawla, Advocate, PGCIL  
Shri M.M. Mondal, PGCIL  
Shri A.M. Pavgi, PGCIL  
Ms. Jyoti Prasad, PGCIL

**Record of Proceedings**

Learned counsel for the petitioner submitted that the present petition has been filed to declare that PGCIL is entitled to terminate the TSA executed with PTC on 22.6.2011 and Long Term Open Access granted on 16.6.2008. Learned counsel further submitted as under:

(a) On 16.6.2008, PTC, the respondent, was granted LTOA for inter-State transmission system for transfer of power from the proposed generating station of Lanco Amarkantak Power Limited (1x300MW) in Chhattisgarh to Haryana Power Generation Corporation Ltd.

(b) On 27.7.2009, the respondent executed BPTA with PGCIL. In terms of the BPTA, the respondent is required to pay all transmission charges of PGCIL, including regional transmission charges, corresponding to 300 MW power from the Pathadi Stage-II and to open a Letter of Credit (LC).

(c) Subsequently, in terms of Regulation 14 of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010, the respondent entered into a TSA on 22.6.2011. As per Clause 3.6.1 of TSA, DICs are required to open LC in favour of CTU within one month from the effective date.

(d) On 31.7.2014, the petitioner informed the respondent that the transmission system, except the dedicated transmission line, has been commissioned and requested to open LC of ₹ 13.82 crore towards payment security mechanism. In response, PTC vide its letter dated 22.8.2014 informed the petitioner that Lanco has terminated the PPA for supply of power to Haryana on 11.1.2011 and the said termination had challenged by PTC which is pending before various forums. The respondent requested for extension of time to open LC.

(e) Subsequently, the petitioner vide its letter dated 17.12.2014 informed the respondent that LOTA shall commence from January, 2015 and requested to open LC within 7 days of issuance of the letter failing which the respondent would be liable to action as per the provisions of the regulations.

(f) On 22.1.2015, the respondent requested the petitioner to defer/suspend the operation of the LTA till the pendency of the appeals before the Hon`ble Supreme Court.

(g) As per Clause 16.2 of the TSA, if DIC fails to comply with the prevailing regulations, it would amount to material breach of the TSA. Since the respondent has failed to open LC, the petitioner is entitled to terminate the TSA. Accordingly, the present petition has been filed seeking permission of the Commission to allow it to terminate the LTOA and claim compensation from the respondent for the breach of the terms and conditions of the TSA.

3. After hearing the learned counsel for the petitioner, the Commission admitted the petition and directed to issue notice to the respondent.

4. The Commission directed the petitioner to serve copy of the petition on the respondent immediately. The respondent was directed to file its reply by 18.9.2015 with an advance copy to the petitioner who may file its rejoinder, if any, by 30.9.2015.

5. The petition shall be listed for hearing on 8.10.2015

**By order of the Commission**

**Sd/-  
(T. Rout)  
Chief (Law)**