

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 96/MP/2015**

Subject : Petition filed under Section 79 (1) (c) and Section 79 (1) (f) of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium term Open Access inter-State Transmission and related matters) Regulations, 2009.

Date of hearing : 11.8.2015

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

Petitioner : M/s Chettinad Power Corporation Private Limited

Respondents : Power Grid Corporation of India Limited

Parties present : Shri Anand K Ganesh, Advocate for the petitioner  
Shri Sitesh Mukherjee Advocate, PGCIL  
Ms. Akansha Tyagi, Advocate, PGCIL  
Ms. Ashima Mandla, PGCIL  
Ms. Jyoti Prasad, PGCIL  
Shri Ruth Elwin, PGCIL

**Record of Proceedings**

Learned counsel for the petitioner submitted requested for time to file written submission and submitted as under:

(a) The basic premise of PGCIL that the bank guarantee is in the nature of liquidated damages to be appropriated by PGCIL is misconceived. The bank guarantee furnished is only in the nature of security provided by the petitioner in favour of PGCIL.

(b) The regulations provide for an enabling clause for encashing the bank guarantee in case the applicant does not fulfill the conditions of execution of LTA and withdrawn the LTA application, which is to secure any damages that may have been caused to PGCIL.

(c) There is no provision whatsoever for the amount of bank guarantee to be in the nature of liquidated damages. Unless and until PGCIL is in a position to

prove any loss suffered, it is not open to PGCIL to contend that it is entitled for bank guarantee as liquidated damages.

(d) PGCIL has proceeded on the basis that there is a default on the part of the petitioner to enter into the LTA and therefore coercive steps need to be taken at this stage. However, PGCIL itself appreciated the factual position being beyond the control of the petitioner and granted extension of time since 2011 for execution of the LTA.

2. Learned counsel for PGCIL submitted that in terms of clause 23.5 (iii) of the Detailed Procedure issued under Connectivity Regulations, PGCIL is entitled to cancel the LTA and invoke the application bank guarantee unequivocally. He further submitted that PGCIL in compliance with its obligations under the Act and Connectivity Regulations made constant efforts to deal with the extension requests of the petitioner and other similarly placed applicants in the best possible manner.

3. After hearing the learned counsels for the parties, the Commission directed the petitioner and respondent to file their written submissions by 4.9.2015. The Commission directed that due date of filing the written submissions shall be complied with and no further extension on that account shall be granted.

4. Subject to the above, the Commission reserved the order in the petition.

**By order of the Commission**

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