

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH

Petition No. 50 of 2023
alongwith IA No. 17 of 2023
Date of Hearing: 11.09.2023
Date of Order: 11.09.2023

Petition under Section 86 (1) (b) of the Electricity Act, 2003 as read with regulation 69 of the Conduct Of Business Regulations, 2005, seeking directions for Talwandi Sabo Power Limited (TSPL) - the Respondent herein, to apply for coal rationalization under the policy notified by the Ministry of Coal for rationalization linkage for Independent Power Producers (IPPs)

AND

In the matter of: Punjab State Power Corporation Limited, through its CE/Fuel, Shakti-Vihar, PSPCL, Patiala 147001, Punjab

...Petitioner

Versus

Talwandi Sabo Power Limited, Mansa-Talwandi Sabo Road, Village Banawala, District Mansa, Punjab – 151302

...Respondent

Commission: Sh. Viswajeet Khanna, Chairperson
Sh. Paramjeet Singh, Member

PSPCL: Sh. MG Ramachandran, Sr. Advocate
Sh. Ajay Bansal, SE/ARR
Sh. Sarvjit Singh, Dy. CE/Fuel
Sh. Dheeraj Kumar, ASE/Fuel-3
Sh. Jiwan Kumar Jindal, Sr.Xen - TR-5

TSPL: Sh. Vishrov Mukherjee, Advocate

ORDER

The Petitioner (PSPCL) has filed the present petition along with an IA for early hearing. The petition along with IA was taken up for hearing on admission.

The Petitioner prayed for admission of the petition and urgent interim orders in the matter stating that there is an urgent and immediate need for TSPL to apply for the coal rationalization scheme notified by the Coal India Limited for which the

cut-off date is 15.09.2023, in order to protect the interests of the consumers considering the potential savings during the course of the PPA. It was submitted that in response to an expression of Interest (**Eoi**) issued by the Coal India for Linkage Rationalization, though TSPL has intimated its willingness to apply for the rationalization of its entire 6.72 MMTPA from Mahanadi Coalfields Limited (**MCL**) to South-Eastern Coalfields Limited (**SECL**), but it is insisting that the processing fees of Rs. 6.72 Crore and the Earnest Money Deposit (**EMD**) of Rs. 67.20 Crore required under the SOP, be payable by PSPCL. It was further submitted that, in view of the current dispensation prevailing between the parties in terms of the Order dated 02.05.2016 passed by the Hon'ble Supreme Court in Civil Appeal No. 4085-4086 of 2016, PSPCL is liable to only pay the energy charges as per the PPA. However, PSPCL submitted that keeping in view the urgency and the public interest involved, it is willing to lend an advance to the TSPL pending final decision in the petition.

The Ld. Counsel for the respondent TSPL submitted that it needs time to file a reply to the petition and that final relief cannot be granted in an IA. It was argued that Hon'ble APTEL's Judgment on the issue of obligation to supply the coal has not been stayed by the above referred Hon'ble Supreme Court Order. Moreover, it is PSPCL who is going to benefit from the rationalisation of the linkage, as such it should bear the cost for the same. However, responding to the offer of an advance made by PSPCL, TSPL agreed for the same with the rider that it should not be called an advance and thus PSPCL should not make adjustments from its monthly bills till the decision in the matter by the Commission.

After hearing the parties, the Petition is admitted. Issues have been raised by Ld. Counsels which need further detailed deliberation and examination. However, the proposed rationalisation scheme entailing an estimated annual saving of about Rs 367/- crore as calculated in TSPL's communication to PSPCL is a win-win situation for all the stakeholders and will also have a positive impact on tariff for the end consumers and has an urgency due to a limited window available for the necessary application. The Commission is acutely conscious of the urgency in applying for the rationalisation since the window closes on 15.09.2023 and strongly agrees with the view of both parties that such an opportunity should not be missed. Accordingly the Commission directs the

TSPL to immediately proceed to apply under the said EoI issued by Coal India Limited for transfer of its existing linkage from MCL to the SECL. As offered and agreed by both parties, PSPCL shall provide the required funds to facilitate the submission of the application by TSPL. There shall be a moratorium on the adjustments of the said credit provided on account by PSPCL from TSPL's monthly bills for a month or till next date of hearing, whichever is later. The actual obligation to bear the charges shall be as per the final decision made in this Petition after considering the issues in the petition and as raised by Ld. Counsel during the hearing.

TSPL is directed to file its reply to the petition within two weeks with a copy to the PSPCL (through hard copy & soft copy) and PSPCL should file its rejoinder thereto within one week thereafter with a copy to TSPL (through hard copy & soft copy).

The Petition shall be taken up for hearing on 11.10.2023 at 11.30 AM.

Sd/-
(Paramjeet Singh)
Member

Sd/-
(Viswajeet Khanna)
Chairperson

Chandigarh
Dated: 11.09.2023