Petroleum and Natural Gas Regulatory Board

In the matter of

Konaseema Gas Power Ltd  ...Complainant

-Vs-

GAIL (India) Ltd  ... Respondent/Applicant

For Complainant: Mr. Sanjay Bhat, Adv

For Respondent: Mr. Dinesh Agnani, Senior Adv with Ms. Leena Tuteja Adv and Ms. Dolly Sharma Adv. Mr. Chandra Prakash for GAIL (India) Ltd

Date: 16.07.2014

ORDER

Ld. Counsel for GAIL (India) Ltd. pointed out that the application under consideration dated 30.5.2014 was presented before the Board in the afternoon on 4.6.2014 stating therein that after reduction of MDQ to 'zero' w.e.f. 12.5.2013 the outstanding amount towards ship or pay charges remains Rs. 3,83,67,848.00 as on 31.3.2014 and these charges pertained to the period from 1.2.2013 to 11.5.2013. But the letter of credit of the Konaseema Gas Power Ltd. has not been made available to GAIL (India) Ltd. whereas it was obliged to maintain the letter of credit to cover such outstanding charges in compliance of the order dated 12.4.2013 passed by a bench of this Board.

Ld. Counsel exhibited a copy of the letter dated 8.7.2014 of Konaseema Gas Power Ltd. and submitted that the letter of credit has been renewed having validity from 6.12.2013 to 6.12.2014 and under these circumstances, GAIL (India) Ltd. does not want to press the application under consideration.
On the other hand, Ld. Counsel for Konaseema submitted that GAIL (India) Ltd. has been moving such frivolous applications in the past and the Board should take cognizance of the fact and should take appropriate steps to prevent re-occurrence of such practice. Ld. Counsel further submitted that GAIL (India) Ltd. has given credit of Rs. 3.98 crores for the excess amount charged in respect of the invoices, in compliance of the tariff order dated 10.5.2013 passed by the Board and thus, an amount of Rs. 3.83 crores remains payable to GAIL (India) Ltd. and the permission should be granted to reduce the amount of the letter of credit accordingly.

Apparently, GAIL (India) Ltd. was informed about the renewal of the letter of credit vide letter dated 8.7.2014 whereas the instant application was presented before the Board on 4.6.2014 and thus, the application cannot be said as a frivolous application.

The matter is listed for disposal of the application of GAIL (India) Ltd. which has not been pressed today by GAIL and as such, it is liable to be dismissed. The plea of Konaseema Gas Power Ltd. may be considered, if an application is moved to this effect before the Board.

**ORDER**

The application of GAIL (India) Ltd. is hereby dismissed, as “not pressed”.

(S.Krishnan)  (K.K.Jha)  (Subhash Chandra)  (Dr. B.Mohanty)
Chairperson    Member(KKJ)    Member(Legal)    Member(BM)