

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri Bhanu Bhushan, Member**
- 3. Shri A.H. Jung, Member**

**Petition No.142/2006
(Suo Motu)**

In the matter of

Inter-State Trading in electricity

ORDER

An application made by Global Energy Limited seeking licence to undertake inter-State trading in electricity was rejected by the Commission vide its order dated 28.8.2006 in Petition No.31/2004. While disposing of the said application, the Commission had also observed that the interim orders based on which the applicant could undertake inter-State trading in electricity would cease to have effect.

2. It has come to the notice of the Commission that Global Energy Limited is purchasing power in the State of Arunachal Pradesh and selling to the utilities in other States, particularly, Uttar Pradesh Power Corporation Limited. In this manner Global Energy Limited is undertaking trading in electricity as defined in sub-section (71) of Section 2 of the Electricity Act, 2003 (the Act). Section 12 of the Act prescribes that no person can undertake trading in electricity unless he is authorised to do so by a licence issued under Section 14 of the Act.

3. The purchase and sale of electricity by Global Energy Limited has been examined in the light of the principles laid down in the judgment of the Appellate

Tribunal for Electricity dated 16.11.2006 in Appeal No.81/2006 (Gajendra Haldea Vs Grid Corporation of Orissa Ltd.). By applying those principles to purchase and sale of electricity by Global Energy Limited, it follows that the transaction is identical to the transaction between Grid Corporation of Orissa Limited and PTC, considered by the Appellate Tribunal, in its judgment dated 16.11.2006 and is thus of the nature of inter-State trading in electricity.

4. In the above circumstances, Global Energy Limited is directed to furnish the details of sale and purchase of electricity undertaken since 27.1.2006, so as to be governed by Regulation 2 of the Central Electricity Regulatory Commission (Fixation of Trading Margin) Regulations, 2006 in view of para 69 of the judgment of the Appellate Tribunal. These details shall include the quantum of electricity purchased, the source of purchase, (including that purchased from the State Govt of Arunachal Pradesh) rate(s) of purchase, weighted average rate of purchase, person to whom sold and rate of sale, separately for each transaction. Global Energy Limited is further directed to explain as to why penal provisions of the Act be not invoked for undertaking inter-State trading in electricity without a licence from this Commission.

5. A reply shall be submitted by Global Energy Limited latest by 20.12.2006.

6. A copy of this order be sent to Uttar Pradesh Power Corporation Ltd.

7. List this matter before the Commission on 27.12.2006 for further directions.

Sd/-
(A.H.JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRPERSON

New Delhi dated the 30th November, 2006