

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 2/SM/2016

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A.K Singhal, Member

Shri A.S Bakshi, Member

Dr. M.K. Iyer, Member

Date of Order: 16.3.2016

In the matter of

Non-compliance of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009.

And

In the matter of:

Newfields Advertising (P) Limited
3/4-A, Asaf Ali Road,
New Delhi- 110002.

...Respondent

ORDER

The Commission vide order dated 22.8.2014 in Petition No. 12/SM/2014 directed the respondent to explain the reasons for not undertaking trading in electricity. Based on submission and difficulty projected by the respondent, the Commission vide order dated 5.1.2015 in Petition No, 12/SM/2014 allowed one year time to the respondent to undertake trading in electricity and to comply with the provisions of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2009, as amended from time to time (Trading Licence Regulations). Relevant portion of said order dated 5.1.2015 is extracted as under:

“25. We have considered the submission of the respondents. The respondents in their replies and business plan have submitted that due to stiff market competition, volatility

and uncertainty in State Regulations coupled with high transmission constraints, etc. they could not undertake trading in electricity. The respondents have further submitted that they are making efforts to undertake trading in electricity and they have entered into agreement with various utilities for sale and purchase of electricity. Considering the sincere efforts being made by the respondents to undertake trading in electricity, we allow the respondents one year time from the issue of this order to comply with the provisions of Trading Licence Regulations. If these licensees do not undertake trading within a period of one year, then their case will be processed for revocation of licence.”

2. It is noted that the respondent is not undertaking trading in electricity as per Regulation 7 (n) of the Trading Licence Regulations. In accordance with the Regulation 14 of the Trading Licence Regulations, where the licensee in the opinion of the Commission, makes willful and prolonged default in doing anything required of him by or under the Act or the Rules or the Regulations, the Commission may revoke the licence after serving a notice of not less than three months. We are of the view that the respondent has not only failed to comply with our directions but has also failed to comply with the provisions of the Trading Licence Regulations. In our view, the licensee is not entitled to hold the licence when it has consistently failed to undertake trading of electricity in violation of Regulation 7 (n) of the Trading Licence Regulations. Accordingly, we direct the respondent to file its response within a period of one month as to why its licence should not be revoked for non-compliance of the Commission’s direction and for failure to undertake trading in electricity. This order shall also be treated as notice under Regulation 14 (2) of the Trading Licence Regulations and the licence of the licensee shall be revoked after expiry of the period of three months from the date of issue of this order after giving an opportunity of hearing to the licensee.

Sd/-
(Dr. M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson