

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Shri Ashok Basu, Chairman**
- 2. Shri K.N. Sinha, Member**

**Petition No 38/2003**

**In the matter of**

Continuation of the trading of electricity in terms of the notification dated 24.11.1999 issued by CERC

**And in the matter of**

Power Grid Corporation of India Ltd ... **Petitioner**

Vs

1. Himachal Pradesh State Electricity Board, Shimla
2. Uttar Pradesh Power Corporation Ltd., Lucknow
3. Power Development Department, Srinagar
4. Delhi Transco Ltd., New Delhi
5. Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Jaipur
6. Punjab State Electricity Board, Patiala
7. Chandigarh Electricity Department, Chandigarh
8. Haryana Vidyut Prasaran Nigam Ltd., Haryana
9. Bihar State Electricity Board, Patna
10. Damodar Valley Corporation, Calcutta
11. West Bengal State Electricity Board, Calcutta
12. Grid Corporation of Orissa Ltd., Bhubaneswar
13. Department of Power, Sikkim
14. Madhya Pradesh Electricity Board, Jabalpur
15. Maharashtra State Electricity Board, Mumbai
16. Gujarat Electricity Board, Vadodara
17. Goa Electricity Department, Goa
18. Union Territory of Dadar & Nagar Haveli, Silvassa
19. Electricity Department, Daman
20. Andhra Pradesh Transmission Corp. Ltd., Hyderabad
21. Karnataka Power Transmission Corp., Ltd., Bangalore
22. Kerala State Electricity Board, Trivandrum
23. Tamil Nadu Electricity Board, Chennai
24. Electricity Department, Pondicherry
25. Assam State Electricity Board, Guwahati
26. Meghalaya State Electricity Board, Shillong
27. Electricity Department, Imphal
28. Department of Power, Aizwal
29. Electricity Department, Kohima
30. Electricity Department, Agartala
31. Department of Power, Itanagar

32. Jharkhand State Electricity Board, Jharkhand
  33. Chhattisgarh State Electricity Board, Chhattisgarh
  34. Uttaranchal State Electricity Board, Uttaranchal
  35. Power Trading Corp., New Delhi
  36. NTPC Vidyut Vyapar Nigam Ltd., Noida
  37. Global Energy Ltd., Mumbai
  38. Koyala Energy Resources P. Ltd., New Delhi
- ..... **Respondents**

**The following were present:**

1. Shri V. Mittal, GM, PGCIL
2. Shri Sunil Agarwal, DGM, PGCIL
3. Shri R.K. Agarwal, PGCIL
4. Shri Yogesh Agarwal, KPTL
5. Shri R. Balachandran, KSEB

**ORDER**  
**(DATE OF HEARING: 30.01.2003)**

In the present petition, filed by Power Grid Corporation of India Ltd, it has been prayed that consequent to enactment of the Electricity Act, 2003 (hereinafter referred to as “the Act”), the Commission may allow continuation of the trading in electricity as an interim measure in terms of the notification dated 24.11.1999, operational guidelines for electricity traders dated 20.3.2003 issued by the petitioner in its capacity as the Central Transmission Utility and in terms of the relative priorities of various inter-regional exchanges decided under letter dated 2.6.2003.

2. The petition was listed for hearing on admission.
3. The Commission in terms of its notification dated 24.11.1999 had decided that any person could undertake transactions involving sale and purchase of inter-state energy, without obtaining specific approval of the Commission till the regulatory framework for the purpose was notified. Certain entities undertook

trading in electricity in terms of the liberty granted under notification of 24.11.1999, but the regulatory framework for this purpose was not notified by the Commission. Meanwhile, the Act came into force. Consequent to enactment of the Act, trading has become a regulated activity. Under Section 12 of the Act, no person can undertake inter-state trading in electricity, unless he is authorised to do so by a licence granted by the Commission or is exempted from obtaining a licence under Section 13. The Act further empowers the Commission to frame regulations for the purpose of trading in electricity. The regulations on the subject were not finalised by the Commission when the present petition was filed. Accordingly, the petitioner has sought continuation of trading of electricity in terms of the Commission's notification dated 24.11.1999 as an interim measure till notification by the Commission of the regulatory framework or the regulations under the Act.

4. After enactment of the Act, a number of entities had approached the Commission for grant of licence for inter-state trading. In the absence of the regulations, the Commission could not take a final view on the applications filed before it for grant of licence for inter-state trading. Therefore, the Commission decided that the applicants could undertake sale and purchase transactions involving inter-state transmission of energy in terms of the notification dated 24.11.1999 for a period up to 31.3.2004 at their own risk. The applicants were further directed to file fresh applications for grant of licence under Section 14 of the Act, in accordance with such terms and conditions as may be notified by the Commission.

5. Shri Virender Mittal appeared on behalf of the petitioner. In view of the above noted factual position, he did not press the petition.

6. Accordingly the petition is infructuous and is therefore dismissed at the admission stage itself.

7. Before parting with the case, we may add that the regulations for inter-state trading have been finalised by the Commission on 30.1.2004. Therefore, in future, grant of license for inter-state trading shall be regulated in terms of these regulations.

Sd/-  
**(K.N. SINHA)**  
**MEMBER**

Sd/-  
**(ASHOK BASU)**  
**CHAIRMAN**

New Delhi dated the 6<sup>th</sup> February 2004