

**No. L-7/143/158/2008-CERC**  
**Central Electricity Regulatory Commission**  
**New Delhi**

Coram:  
Dr. Pramod Deo, Chairperson  
Shri R. Krishnamoorthy, Member  
Shri S. Jayaraman, Member  
Shri V. S. Verma, Member

**In the matter of**

Central Electricity Regulatory Commission (Procedure, terms and Conditions for grant of trading licence and other related matters) (Second Amendment Regulations, 2009).

**STATEMENT OF REASONS**

The Commission, in exercise of its powers under Section 178 of the Electricity Act, 2003 (the Act), had published the draft of the Central Electricity Regulatory Commission (Procedure, terms and Conditions for grant of trading licence and other related matters) (Second Amendment) Regulations, 2009 (hereinafter referred to as “the draft regulations”) to invite suggestions and comments from the stakeholders, through the public notice dated 12.8.2009.

2. Suggestions and comments have been received only from Tata Power Trading Company Limited (TPTCL) in response to the public notice. TPTCL have made the following suggestions in the matter:

- (a) It may be suitably clarified in the regulations that the license granted by the Central Commission to any person for inter-State trading covers intra-State trading and will obviate the need to separately obtain individual intra-State trading licence.

(b) The above may be qualified by adding that whenever a trader concludes a transaction within a State, he has to abide by all the terms and conditions as prescribed by the concerned State Commission including the trading margin requirements, if any. If there are no such restrictions, then trading margin cap, fixed by the Central Commission will apply.

3. We have given our thoughtful consideration to the above suggestions.

4. As regards the suggestion at sub-para 2(a) above, we feel that there is no need to mention in the proposed amendment regulations that inter-State trading licence granted by this Commission will entitle the licensee to conduct intra-State trading also because Rule No. 9 of the Electricity Rules, 2005 already provides for it.

5. As regards the suggestion at sub-para 2(b) above, we feel that the issue does not directly arise in the context of the amendments proposed in the draft regulations.

6. In view of the above we direct that the draft regulations be finalized as such and be notified in the Official Gazette, to come into force from the date of their publication.

Sd/=  
**(V.S.Verma)**  
**Member**

Sd/=  
**(S. Jayaraman)**  
**Member**

Sd/=  
**(R. Krishnamoorthy)**  
**Member**

Sd/=  
**(Dr. Pramod Deo)**  
**Chairperson**

**New Delhi, dated 16<sup>th</sup> October 2009**