

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

IA No. 22/2011 in Suo-Motu Petition No. 114/ 2011

- Subject** : Non-compliance of the provisions of Central Electricity Regulatory Commission (Fixation of Trading Margin) Regulations, 2010- Application for intervention on behalf of MP Power Trading Company Ltd.
- Date of hearing** : 29.9.2011
- Coram** : Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member
- Applicant** : MP Power Trading Company Ltd. (MP Tradeco)
- Respondent** : National Energy Trading and Services Ltd., New Delhi
- Parties present** : 1. Sh. M. G. Ramachandran, MP Tradeco
2. Sh. Pramod Chowdhary, MP Tradeco
3. Sh. Manoj Dubey, MP Tradeco
4. Sh. Sitiesh Mukherjee, Advocate, NETSL
5. Sh. Vibhu Sharma, Advocate, NETSL
6. Sh. A. Navendra, NETSL
7. Sh. Prashant Srivastava, NETSL

Record of Proceedings

Suo-motu Petition No. 114/2011 has been initiated against National Energy Trading and Services Ltd., New Delhi (NETSL) for non-compliance of Central Electricity Regulatory Commission (Fixation of Trading Margin) Regulations, 2010. Order in the same petition has been reserved after hearing of the matter on 9.6.2011.

2. IA No. 22/2011 has been filed by Madhya Pradesh Power Trading Company Ltd. (MP Tradeco) seeking permission to intervene in the suo-motu petition and to be impleaded as a party to the proceeding.

3. Learned counsel for MP Tradeco referring to the Power Sale Agreement dated 28.4.2010 between MP Tradeco and NETSL (formerly Lanco Power Trading Ltd.) submitted that as per Clause 9 of the said agreement NETSL was under obligation to transfer any extra gain in the rate of power to MP Tradeco. Therefore, NETSL has violated the provisions of Regulation 4 of Central Electricity Regulatory Commission (Fixation of Trading Margin) Regulations, 2010 (hereinafter "the trading margin regulations") and the extra gain made on the power purchase from MP Tradeco should be refunded to the applicant. Therefore, MP Tradeco has interest in the outcome of the proceeding and accordingly it may be impleaded as a party.

4. Learned counsel for NETSL opposed the prayer of MP Tradeco for impleadment as a party. The learned counsel further submitted that MP Tradeco is a trader and if the interpretation of Regulation 4 of the trading margin regulations is accepted, then MP Tradeco which is a trading company has also violated the trading margin regulations and should be prosecuted. The learned counsel further submitted that the present proceeding cannot be allowed to be used for pursuing the commercial interest of MP Tradeco.

5. Learned counsel for MP Tradeco submitted that MP Tradeco is an aggregator of power within the State of Madhya Pradesh and does not charge any trading margin from the distribution licensees of the State.

6. The Commission after hearing the parties clarified that impleadment of MP Tradeco would serve no useful purpose at this stage since the order in the said petition has been reserved. However, the submissions made in the IA would be kept in view while passing the order in the main petition. The Commission directed MP Tradeco to file any further documents/submissions in the matter after serving copies on NETSL by 20.10.2011.

sd/-
(T. Rout)
Joint Chief (Law)