

BEFORE THE CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 15/99

Present:

1. Shri S.L. Rao, Chairman
2. Shri D.P. Sinha, Member
3. Shri A.R. Ramanathan, Member

In the matter of:

Approval under Regulation 86 for tariff for purchase of power from Maharashtra State Electricity Board (MSEB) and sale of power to M/s Jindal Vijaynagar Steel Ltd. (JVSL)

And

In the matter of:

Power Trading Corporation of India Ltd. (PTC) a company incorporated under the Companies Act, 1956 having its registered office at 11th Floor, Hemkunt Chambers, 89 Nehru Place, New Delhi - 110 019

---Petitioner

and

1. Maharashtra State Electricity Board (MSEB)

Parkashgarh, 4th Floor, Bandra (East).
Mumbai - 400 052

2. Jindal Vijaynagar Steel Ltd. (JVSL)
P.O. Vijaynagar (Tornagallu), Distt. Bellary,
Karnataka - 538 257

----Respondents

The following were present:

1. Shri R.K. Madan, CMD, PTC
2. Shri Mahendra Kumar, GM(Coml.), Power Grid Corporation of India Ltd.
3. Shri D.K. Dogra, Sr. Manager(Coml.), PTC

ORDER

(Date of hearing 28.10.1999)

Power Trading Corporation of India Ltd. (PTC) has submitted the Petition for admission by the Commission. This petition seeks that the petitioner company may be allowed to purchase power from Maharashtra State Electricity Board (MSEB) on the terms and conditions and rates as detailed in the Draft Power Purchase Agreement between the PTC and MSEB annexed to the petition; and that the power purchased from MSEB may be allowed to be supplied by PTC to Jindal Vijaynagar Steel Ltd. (JSVL) through the inter-regional transmission lines. The rate and terms and conditions for supply of this power to JSVL by PTC are said to be contained in the Draft Power Purchase Agreement annexed to the petition. The prayer is for approval of the tariff and terms and conditions for purchase and sale of power.

At today's hearing Shri R.K. Madan, CMD, PTC appeared and pressed for admission of the petition. The Commission was distressed that the petitioner had no response to the following issues which would enable consideration of admission of the petition: -

- a. The specific provision under which the jurisdiction of the Commission is invoked by the petitioner;
- b. The non-joinder of Karnataka Power Transmission Corporation (KPTC) whose obligations have also been covered in the draft agreement;
- c. Lack of approval of respective Governments under Section 43(2) of electricity (Supply) Act, 1948;
- d. The agreements are not executed by the concerned parties, making the petition incomplete;
- e. No mention of specific tariffs for which approval of the Commission is sought.

In the course of the hearing, the Commission expressed its keenness to carry out the mandate given to it under Section 13(d) of the ERC Act, 1998 to promote competition, efficiency and economy in the electricity industry. For this purpose, the Commission is anxious to promote trading activities in the electricity industry. The Commission would prefer to regulate the rules for trading than the tariff for each trading transaction. The Commission has to work within the legal framework. The petition submitted to the Commission must ensure that the legal requirements are followed.

The representatives of PTC could not satisfy the Commission on the above preliminary issues, and chose to withdraw the petition, with liberty to file a fresh petition.

As prayed by the petitioners, the petition is allowed to be withdrawn, and liberty granted to file a fresh petition. The cheque received towards fee from the petitioner shall be returned to the petitioners.

Sd/-

(A.R. Ramanathan)
Member

Sd\-

(D.P. Sinha)
Member

Sd/-

(S.L. Rao)
Chairman

New Delhi, the 28th October, 1999

