

**BEFORE THE CENTRAL ELECTRICITY REGULARITY COMMISSION
NEW DELHI**

**Petition No. 17/99
Application Nos. 24/99**

Present

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

In the matter of:

For seeking approval of Commission for sale of power to M/s Jindal Vijayanagar Steel Ltd., (JVSL) in Karnataka after purchase of the same from MSEB

In the matter of:

M/s Power Trading Corporation of India LTD
1115-16, Hemkunt Chambers,
89, Nehru Place,
New Delhi – 110019

.... Petitioner

The following were present:

For Petitioner

1. Shri R.K. Madan, CMD, PTC
2. Shri M.Kumar, GM, PTC

Order

(Heard on 16.11.1999)

M/s. Power Trading Corporation of India Limited (herein after called PTC) has filed this petition Under Section 13 of the Electricity Regulatory Commissions Act 1998 (ERC Act). Praying for approval of tariff for sale of power by PTC to M/s. Jindal, Vijaynagar Steel Limited as per the details of the transaction set out in para 7 of the petitions.

2. As per the petition M/s. Jindal vijaya nagar Steel limited (JVSL) had approached PTC for purchase of Power from Maharashtra State Electricity Board (MSEB) and sale of the same to JVSL. This transaction is to fulfil the obligation of JVSL to return to the Karnataka Power Transmission Corporation (KPTC), which had earlier supplied power to JVSL for a period of 4 months, at their request. The return of power by JVSL with the approval of the Karnataka Government is to be at 1.3 times the energy originally drawn by JVSL from KPTC. It is further stated that even though JVSL had purportedly taken up the matter with MSEB to supply energy to KEB on their behalf, MSEB anticipated difficulty in collecting the tariff from JVSL. In the circumstances, PTC was approached by JVSL to facilitate the composite activity of purchasing power from MSEB and selling the same to JVSL for the purpose of returning the power back to KPTC. It is also stated that the tariff and the other terms and conditions have been agreed to between the parties.
3. At today's hearing on behalf of PTC, Shri R.K. Madan, CMD submitted that the jurisdiction of the commission has been invoked under section 13 of the ERC Act, 1998. He clarified that the specific operative sub-sections are 13 (C) which gives Central Electricity Regulatory Commission (Commission) the jurisdiction to regulate the inter – state transmission of Energy, and Section 13 (D) which enjoins the Commission to promote Competition. The Commission's approval is sought for the entire transaction, and not for the tariff alone. He also confirmed that PTC would submit rules for trading for approval by the commission. Pending these rules for trading he prayed for approval of the present transaction so that the power flow could take place.

4. We have considered the petition in detail. It is certain that under section 13 (C) of the ERC Act the commission has the jurisdiction to regulate inter-state transmission of power. However, the terms and conditions for inter – state transmission of power. However, the terms and conditions for inter-state transmission (trading) have not be announced so far. The commission is seized of this matter and purpose to bring out the terms and conditions for inter-state transmission (trading) for all categories of transactions, namely firm and non firm, in due course. Meanwhile as per the existing provisions of law as contained in the Indian Electricity Act of 1910 and the Electricity (supply) Act of 1948 inter state transmission (trading) transactions do took place. The commission is desirous, for the promotion of competitive markets, for an expansion of such transactions. The legal provisions mentioned earlier, act as a barrier to the development of such markets, and the expansion of trading activities. However, while they exist in the law, these provisions have to be complied with. So long as these transactions comply with the legal provisions, the commission will refrain from regulating them, till the formal rules in this regard are announced. PTC has started that the proposed transaction will comply with all the relevant provisions of the two acts. In these circumstances, there is no need for separate approval from the commission. A separate notification permitting such transactions as an interim arrangement until further orders is being issued by the commission accordingly, We dispose of this petition without further orders for a formal approval order accordingly.

Sd/-	Sd/-	Sd/-	Sd/-
(A.R. Ramanathan)	(G.S.Rajamani)	(D.P. Sinha)	(S.L. Rao)
Member	Member	Member	Chairman

New Delhi

The 16th October, 1999.