

**BEFORE THE HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION
Keonthal Commercial Complex, Khallini, Shimla-2**

In the matter of:

Approval of Power Purchase Agreement to be executed by Himachal Pradesh State Electricity Board with M/S Taraila Power Ltd., in respect of Taraila-III (5.0 MW capacity), situated in Chamba District of Himachal Pradesh under Section 86(1)(b) of the Electricity Act, 2003.

And

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|----------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------|
| 1. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Shimla-4. | | |
| 2. M/s Taraila Power Limited
Regd. Office/Head office at Plot No. 125
Road No. 71, Nav Nirman Nagar,
Jubilee Hills, Hyderabad (AP)-500033 | | Petitioners |

Petition No. 107/08

Decided on 31.5.2008

**CORAM
YOGESH KHANNA
CHAIRMAN**

Present:-

for H.P. State Electricity Board

For Taraila Power Ltd.

Sh. V.K.Kaushal,
Director(PSP)

Sh. Dharam Pal Reddy.

Order

Through this joint petition the HPSEB and M/s Taraila Power Ltd. prayed for the approval of the modifications/amendments in the approved PPA in respect of Taraila-III Hydro Electric Project (5.0 MW capacity) situated in Chamba District of Himachal Pradesh. The modification concerning the change in tariff, is proposed to be conditioned as –

“However this rate of tariff shall be subject to change depending upon the decision of the Hon’ble Appellate Tribunal for Electricity at New Delhi/Apex Court on the appeal filed by the HPSEB against the tariff order of the HPERC on Small Hydro Power Projects tariff and other issues dated 18.12.2007.”

The orders of the Commission are always subject to the decision of the Appellate Tribunal/The Apex Court. Thus the Commission finds no reason to make such stipulations in the PPAs. Besides this Sh.V.K. Kaushal, appearing for the Board, has conceded to restrict the proposed amendment from Rs. 2.50 per Kwh to 2.87 per Kwh.

Keeping in view the above submission, the Commission in exercise of the powers vested in it under section 86(1)(b) of the Electricity Act, 2003, accords its consent for –

- (a) omission of the State Govt. Guarantee clause;
- (b) incorporation of stipulation with regard to royalty and water usage as per Govt. of H.P. Hydro Policy, 2006;
- (c) change of tariff, in clauses 6.2, 6.4 and 16.5, from Rs. 2.50 per Kwh to Rs. 2.87 per Kwh.

in the Power Purchase Agreement approved vide Commission order dated 31.03.2008.

The copies of the executed PPA be furnished to the Commission within a period of 30 days from the date of this order.

It is so ordered and signed on the 31st May, 2008.

(Yogesh Khanna)
Chairman

Present:-

for H.P. State Electricity Board
For Taraila Power Ltd.

Sh. V.K.Kaushal,
Director(PSP)
Sh. Dharam Pal Reddy.

ORDER

31.05.2008

Heard. Order signed and placed below.
After needful, the file be consigned to the record room.

(Yogesh Khanna)
Chairman.