

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION
BANGALORE**

Dated this 30TH DAY OF NOVEMBER 2006

- | | | | |
|----|---------------------|----|----------|
| 1. | Shri K.P.Pandey | .. | Chairman |
| 2. | Shri H.S.Subramanya | .. | Member |
| 3. | Shri S.D.Ukkali | .. | Member |

Case No.OP 14 / 2006

Between:

M/s.Nuziveedu Seeds Limited,
7C, "Surya Towers",
Sardar Patel Road,
SECUNDERABAD(AP)-500003

.. **Petitioner**

And

The Managing Director
Karnataka Power Transmission Corporation Limited
Cauvery Bhavan,
Bangalore-560009

The Managing Director,
BESCOM, K.R.Circle,
Bangalore-560001

.. **Respondents**

The Petitioner company had set up a wind power based project at a transferred capacity of 6.75 MW out of the sanctioned production capacity of 17.25 MW set up by M/s.Asian Wind Turbines Pvt.Ltd. by virtue of an Office Memorandum dated 09.02.2001 issued by KREDL. By another Office Memorandum dated 06.10.2001, the remaining capacity of 10.5 MW was also transferred to the Petitioner company. Consequently, 2 separate PPAs dated

26.10.2001 and 22.03.2002 were entered into with the KPTCL. However, by letter dated 20.06.2003, KPTCL had intimated the Petitioner that the PPA has been terminated with immediate effect in respect of 10.5 MW sanctioned capacity and that if the Petitioner intended to develop the project and sell power to KPTCL, it could enter into a fresh PPA as per the tariff, terms and conditions prescribed by KPTCL. Aggrieved by such cancellation, the Petitioner had filed a writ petition in WP No.44343/2003 before the Hon.High Court of Karnataka. When the matter had come up for admission on 20.02.2004, the counsel for the KPTCL undertook to pay tariff for the power generated at Rs.3.25 KWHR. The Hon.High Court had, then, stayed the termination of the PPA subject to the KPTCL paying tariff at such rate. The WP was finally disposed off on 27.02.2006 directing the Petitioner to approach the Commission for adjudication of the present dispute. Hence, this Petition. The Commission, by its order dated 27.03.2006, had continued the stay of termination until further order and had directed the KPTCL to make payment at the rate of Rs.3.25 KWHR during the pendency of the Petition.

In the present Petition, the Petitioner has prayed for directing the Respondents to honour the terms of the PPA dated 22.03.2002 and to make payments in terms thereof, including arrears from the date of termination.

Both the parties were heard on the dispute raised by the Petitioner. In the course of the hearing, the parties have filed a Joint Memo wherein they have agreed to the following:

JOINT MEMO

“Both the parties have discussed and have agreed to the following:

..3...

1. For the period 1.4.2003 to 31.8.2006, the tariff to be paid to the Petitioner company will be as per PPA (Now revived) and the difference if any will be paid by the Respondent company.
2. The Petitioner company shall be paid for the electricity supplied from 1.9.2006 at Rs.3.32 per unit from the base year of 2002-03 with 2% escalation non-cumulatively every year.
3. With the above modification, the PPA shall stand revived from the date of termination and shall continue to be in force till the period agreed to in the PPA.

The above kindly be recorded and the Petition may please be disposed off in terms of the same.

ADVOCATE FOR PETITIONER

for NUZIVEEDU SEEDS LTD.

ADVOCATE FOR RESPONDENT

for KARNATAKA POWER TRANSMISSION
CORPORATION LIMITED"

In terms of the above settlement agreed to between the parties, the PPA shall stand revived from the date of termination and shall continue to be in force till the date agreed to in the PPA. In respect of tariff payable, the Respondents would pay the tariff as per the PPA for the period 1.4.2003 to 31.08.2006. Regarding the tariff payable from 01.09.2006 onwards, the parties shall file a

modified PPA before the Commission as per terms agreed to between them for approval of the Commission.

The Petition is accordingly disposed.

Sd/-
(K.P.Pandey)
Chairman

Sd/-
(H.S.Subramanya)
Member

Sd/-
(S.D.Ukkali)
Member