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भारत सरकार
GOVERNMENT OF INDIA
विद्युत मंत्रालय
MINISTRY OF POWER

DO No.23/23/05-R&R

28th August 2006

Dear Dr. Aditi,

Please refer to your DO letter dated 16.5.06 in which you have sought clarification as to which Regulatory Commission should approve the PPA in case of inter-State projects.

2. Your attention is drawn to Rule 8 of Electricity Rules 2005 which prescribes that the tariff determined by CERC for generating companies under clause (a) or (b) of sub-section 1 section 79 of the Act shall not be subject to re-determination by SERC and with this condition, the State Commission may determine whether a distribution licensee in the State should enter into PPA or procurement process with such generating companies based on the tariff determined by CERC.

3. Therefore, the concerned SERC has the jurisdiction to regulate electricity purchase and procurement process of a distribution licensee under section 86(1)(b) of the Act except the tariff and tariff related matters of the PPA.

4. It is further clarified that the PPA, in cases where tariff has been determined through competitive bidding process under section 63 of the Act and in accordance with the relevant guidelines issued by the Central Government, is finalised within the bidding process and the Appropriate Commission is required to adopt the tariff in accordance with the provisions of the law.

With regards,

Yours sincerely,


(Alok Kumar)

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Issued
29/8/06