

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION  
KEONTHAL COMMERCIAL COMPLEX,  
KHALINI, SHIMLA-2.

**HPERC ORDER-1 OF 2007.**

No. HPERC/ Secy./Order/AS/MST/2007-

Dated Shimla the 24<sup>th</sup> February,2007.

WHEREAS under Regulation 51 of the HPERC (Conduct of Business) Regulations, 2005, every licensee has to obtain prior approval of the Commission for making investment in its business;

AND WHEREAS the HPSEB, being a licensee, under the conditions specified by the Commission laying the general conditions of the licence, is required to make the investment in a prudent manner being guided by its duty to build, maintain and operate an efficient, co-ordinated and economical distribution/transmission system, and is to submit to the Commission investment plan as a part of the business plan, giving details of investment schemes;

AND WHEREAS under the HPERC (Treatment of Income of Other Business of Transmission and Distribution Licensee) Regulations,2006, prior intimation of other business for optimum utilization of assets and associated facilities, has to be given by the licensee to the Commission on the prescribed format;

AND WHEREAS under the HPERC (Approval of Hydro Electric Projects in the State of Himachal Pradesh) Directions, 2005, the licensee i.e. the HPSEB, whenever intending to set up new projects/generating stations, shall before starting construction, submit to the Commission, a petition for the approval of new projects;

AND WHEREAS the Commission has been approving the Investment of the HPSEB through the various Tariff Orders issued from time to time, based on the Annual Revenue Requirement projections of the HPSEB;

AND WHEREAS the Commission is of the considered opinion that in the interest of financial viability and prudent investment practices, the HPSEB should submit all its major investment proposals including those of equity/debt financing in new Projects/Special Purpose Vehicles/Companies/Joint Venture Projects through the ARR petition, or otherwise, as required under the HPERC (Terms and Conditions for Determination of Tariff) Regulations,2004;

NOW, THEREFORE, the Commission orders the HPSEB:-

- a) to submit to the Commission all new equity or debt based Investments, in new Projects/Special Purpose Vehicles/Companies/Joint Ventures of the State Govt. or the Central Government/Private Companies, other than Investments approved in the Tariff Orders.
- b) to give to the Commission intimation of other business for optimum utilization of assets and associated facilities on prescribed format; and
- c) to submit to the Commission the petition for approval of new Hydro Electric Project/Generating Stations before starting construction;

regularly, in accordance with the provisions contained in the Electricity Act, 2003 and the regulations framed thereunder. Non-compliance will attract the necessary consequential penal action under the said Act and the regulations framed thereunder. The said intimation be made within 30 days of a decision in this regard by the Full Board/WTM of the Board or an authority subordinate to it.

By order of the Commission

Sd/-  
Secretary