

**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 Himachal Hydel Projects (P) Ltd., in respect of Kurehed (4.5 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,<br>Vidyut Bhawan, Shimla-4.   |  |             |
| 2. M/s Himachal Hydel Projects (P) Ltd.<br>Regd. Office/Head office at Woodland House<br>Newland Estate, Circular Road,<br>Shimla. |  | Petitioners |

Petition No. 110/08

Decided on 31.5.2008

**CORAM  
YOGESH KHANNA  
CHAIRMAN**

Present:-

for H.P. State Electricity Board

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

For Himachal Hydel Projects (P) Ltd

Sh. Sushil Kumar,  
Sh.A.K.Puri.

**Order**

Through this joint petition the HPSEB and M/s Himachal Hydel Projects (P) Ltd. Shimla-171001 have prayed for the approval of the following modifications/amendments in the approved PPA in respect of Kurehed Hydro Electric Project (4.5 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 in 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 25.2.2008.

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 31<sup>st</sup> May, 2008.

(Yogesh Khanna)  
Chairman

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For Himachal Hydel Projects (P) Ltd

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

Sh. Sushil Kumar,  
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**ORDER**

**31.05.2008**

Heard. Order signed and placed below.

After needful, the file be consigned to the record room.

(Yogesh Khanna)  
Chairman.