

**Before the  
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION  
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**Case No.23 of 2016 and MA No. 12 of 2016**

**Date: 8 December, 2016**

**CORAM: Shri. Azeez M. Khan, Member  
Shri. Deepak Lad, Member**

**Petition of Wat-ere-source Technologies Pvt. Ltd. regarding non-compliance of the Commission's Orders in Case No. 73 of 2014 and 80 of 2015 and for relief in respect of provision of power evacuation arrangement of Karwand Small Hydro Power Plant in Dist. Dhule**

M/s. Wat-ere-source Technologies Pvt. Ltd. .... Petitioner

1. Chief Engineer (Commercial), Maharashtra State Electricity Distribution Company Ltd. (MSEDCL)
2. The Principal Secretary (Energy), Government of Maharashtra

..... Respondents

**Appearance**

Representative/s of the Petitioner : 1. Shri D.S.Kulkarni (Rep)  
2. Shri D.R.Anand (Adv.)

Representative of Respondent No.1 : Ms. Deepa Chawan (Counsel)  
Representative of Respondent No.2 : None

**Daily Order**

Heard the Representative / Advocates of the Petitioner and Respondent No.1.

1. The Petitioner stated that:-
  - i) There are two main issues, viz: power evacuation arrangement of Karwand Small Hydro Power Project (SHP) and signing of Energy Purchase Agreement (EPA) with MSEDCL.
  - ii) Regarding power evacuation arrangement, MSEDCL has informed that it will require approximately 12 months, subject to clearances including Right of Way (ROW), to which the Petitioner has agreed.
  - iii) Regarding EPA signing, MSEDCL has proposed a revised draft EPA based on RE Tariff Regulations, 2015, which is different from the earlier draft EPA which was based on RE

Tariff Regulations, 2010. There is a dispute in respect of certain clauses of the revised draft EPA, including the treatment of subsidy /grant from the Govt. agencies (which is different in the Regulations of 2010 and 2015), which has financial implications on the project. Hence, EPA signing is pending.

- iv) The Government of Maharashtra (GOM), Water Resources Department (WRD) vide letter dated 17 November, 2016, has requested MSEDCL for early signing of EPA and to expedite the development of power evacuation arrangement. WRD has stated that otherwise the approval to the Karwand SHP may be terminated.
2. MSEDCL stated that, as per the directives of the Commission vide Daily Order dated 17 March, 2016, it has sent a copy of the revised draft EPA to the Petitioner on 19 March, 2016. However, the Petitioner has disagreements in respect of certain clauses of the revised draft EPA which is based on the RE Tariff Regulations, 2015. These contentions of the Petitioner on certain clauses of the revised draft EPA are baseless and /or irrelevant.
3. The Commission asked the Petitioner about specific issues/ disagreements with regard to the revised draft EPA. The Petitioner stated that there are certain modifications in the revised draft EPA as compared to the earlier draft, such as the governing Regulations, operating charges to be paid by seller for providing miscellaneous services, additional expenses, Capital Subsidy to be passed on MSEDCL etc.
4. The Commission directed both the Parties to sit together and discuss the disputed clauses of the revised draft EPA and provide their specific comments on the issues of agreements and disagreements. Thereafter, MSEDCL may submit the detailed outcome of the above discussion within four weeks.
5. The Petitioner stated that Labhkshatra Vikas Pradhikaran, Jalgaon (Nodal Agency) has issued a letter dated 5 July, 2016 for cancellation of agreement due to non-achievement of milestones of the project, and hence requested the Commission for an interim order restraining the Respondent No.2 from cancellation of the SHP till the disposal of main Petition.
6. Considering the steps being taken to resolve the issues regarding the draft EPA, etc. before the Commission, the Commission expects that GOMWRD will keep on hold the process of cancellation of agreement for erection of the 2x750 kW Karwand Small Hydro Power Project till the disposal of the Petition in Case No. 23 of 2016. The Secretariat of the Commission shall send a copy of the Daily Order to the GOMWRD (with copy to the Labhkshatra Vikas Pradhikaran, Jalgaon).

**Next date of hearing will be communicated by the Secretariat of the Commission.**

**Sd/-**  
**(Deepak Lad)**  
**Member**

**Sd/-**  
**(Azeez M. Khan)**  
**Member**