

Shanan Hydropower Project

Why in news?

The Centre has ordered that status quo be maintained on the Shanan hydropower project, over which Punjab and Himachal Pradesh have made competing claims.

What is the history of Shanan hydropower project?

- It is a *British-era 110-MW hydel project* which has been a point of contention between Punjab and Himachal Pradesh.
- **Location**- Uhl (a tributary of the Beas River) in Himachal Pradesh.
- **Control**- Punjab Power Corporation Limited (PSPCL).
- It is a profit-making entity, generating a revenue of Rs 200 crore per annum.
- **Lease Agreement**- It was originally leased to Punjab in 1925 signed by Raja Joginder Bahadur (then ruler of Mandi) and Col BC Batty, a British representative and Chief Engineer of Punjab.
- **Lease Expiration**- The 99-year-old lease came to an end on March 2, 2024.
- Himachal Pradesh contends that the project should remain under its control once the lease expires, it stated that they would not allow Punjab to stake claim on the project after the lease period.

What are the claims made by both States over Shanan hydropower project?

Punjab claim

Himachal Pradesh

<ul style="list-style-type: none"> • Historical significance- The project holds significance as it is used to supply electricity to undivided Punjab and Delhi before India's Independence. • Post partition- The supply to Lahore was discontinued and transmission line was halted at Verka village in Amritsar. • Punjab Reorganisation Act, 1966- During the reorganization of States in 1966 the hydel project was allocated to Punjab by a notification issued on 1967 by the Union ministry of irrigation and power. • Punjab approached the Supreme Court with a plea to ensure that the hydropower project stays with it even after the expiry of lease. • Due to this, Centre has issued a directive that ordered <i>to maintain the status quo</i> on the Shanan hydropower project favouring Punjab. • The Centre directed both States to maintain status quo with regard to functioning of the plant after the expiry of lease <i>period till a final decision</i> is taken by Ministry of Power. 	<ul style="list-style-type: none"> • Himachal Pradesh had been waiting for the lease to expire, keen to claim the power plant after several attempts failed in the past. • The project was allocated to Punjab in 1966 when Himachal Pradesh was a Union Territory at that time. • In 1971, Himachal Pradesh became a <i>full-fledged State</i> and the demand to hand over the project gained momentum. • Himachal Pradesh has contended that the land belongs to it and the entire project is within its boundaries, and it was wrongly given to Punjab. • The State also alleged that the project is in a poor condition, they argue that Punjab is not adequately repairing or maintaining it.
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What are the claims made by Punjab under Article 131?

- The Punjab government has filed an original suit against the Himachal Pradesh government and the Centre under Article 131 of the Constitution.

Article 131 deals with original jurisdiction of the top court in a dispute between the Centre and one or more states or a dispute between two or more states.

- The Punjab government asserts that it is the rightful owner and is currently in lawful possession of the power plant and its extension project.
- Punjab has requested a *permanent prohibitory injunction* to prevent the Himachal Pradesh government from disturbing their lawful possession and smooth functioning over the project.
- The Punjab government has also urged the Supreme Court to issue a "**mandatory injunction**" directing the Himachal Pradesh government not to depute any officer or team of officers to take over the project from its management and control.

Reference

[Indian Express- Dispute over Shanan hydropower project](#)



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