

**PROPOSALS OF ARR & TARIFF**  
**OF**  
**ODISHA HYDRO POWER CORPORATION LIMITED**  
**FOR THE FY 2024-25**

**PRESENTATION ON 30.01.2024**

## Power Stations of OHPC

Name of Power Stations	Unit Details	Total Installed Capacity
Rengali Hydro Electric Project	50MWx5	250MW
Hirakud Hydro Electric Project	49.5MWx2; 32MWx2; 43.65MWx2; 37.5MWx1	287.80MW
Chiplima Hydro Electric Project	24MWx3	72MW
Upper Kolab Hydro Electric Project	80MWx4	320MW
Upper Indravati Hydro Electric Project	150MWx4	600MW
Balimela Hydro Electric Project	60MWx6; 75MWx2	510MW
Total Installed Capacity of OHPC	31 Units of different Capacity mentioned above	2039.8MW
Odisha Share of MHEP(Jt.)	50% of (17MWx3; 23MWx3)	60MW
Total Installed Capacity of OHPC (including MHEP)		2099.80 MW

## **BASIS OF TARIFF COMPUTATION OF OHPC FOR FY 2024-25**

- **Project Cost of old power stations:**

Historic Cost + Approved Additional Capitalization up to FY 2021-22+ Audited Additional Capitalization for FY2022-23 – PSDF Grant

- **Project Cost of UIHEP:**

Original Project Cost (Approved) + Approved Additional Capitalization up to FY 2021-22 + Audited Additional Capitalization for FY2022-23 – PSDF Grant

- **Decapitalization of Assets:**

Audited deletion deducted from the Historic Cost for Old Power Stations and from the Original Project Cost for UIHEP.

- **Resetting of decapitalization in respect of RM&U works:**

- Estimated decapitalization deducted from the project cost in case of CHEP during FY 22-23 .
- Estimated decapitalization deducted from the project cost in case of BHEP & HHEP during FY 23-24.
- Audited decapitalization in respect of RM&U works of CHEP,HHEP,BHEP recognized in Audited Account of FY 2022- 23.

In view of above, the differential decapitalization considered in present tariff for FY 2024-25.

- **IDC (Interest During Construction) for RM&U works of Unit-5&6 of HHEP considered from Zero date to SCOD without any time & cost overrun.**

- **Norms of Return on Equity, Interest on loans, and Interest on working Capital :** Considered in the manner as approved in the Tariff of OHPC for FY 2023-24.

## **BASIS OF TARIFF COMPUTATION OF OHPC FOR FY 2024-25 ....Contd**

- **Depreciation :**

Ref.: Order dtd. 16.08.2023 in Case No. 52 of 2023.

Till joint finalization of the Gross Fixed Asset of OHPC, it has been proposed to allow depreciation for the FY2024-25 at pre-1992 rate i.e @ 2.57% of total project cost or loan repayment whichever is higher as were allowed by the Hon'ble OERC upto FY2020-21.

- **Unapproved RoE of Rs 1.386 Crs and unapproved income tax of Rs1.33 Crs :**

Considered with reference to Order dtd. 16.08.2023 in Case No. 52 of 2023 of Hon'ble OERC in the matter of Review of Tariff Order of OHPC for FY2023-24

- **O&M Expenses :**

Average value of the audited O&M Expenditure of FY2021-22 & FY2022-23 has been escalated @5.72% for each FY2023-24 & FY2024-25.

- **Interest repayment & accumulated interest on Govt. investment at UIHEP :**

Not claimed in present Tariff as per the earlier directions of the Hon'ble Commission.

- **Loan servicing (both principal & interest repayment) towards the UIHEP normative loan of Rs78.74Crs :**

Not claimed in present Tariff as per the earlier directions of the Hon'ble Commission.

**Computation of Differential Decapitalization for FY2024-25 on account of RM&U works**

Details resetting of decapitalization for R&M works considered in Tariff Computation :

<b>Power Station</b>	<b>Unit No.</b>	<b>Estimated decapitalization of R&amp;M works approved (Rs. in Cr.)</b>	<b>Reference of approval</b>	<b>Actual Decapitalization as per Audited Account for FY2022-23 (Rs. in Cr.)</b>	<b>Differential decapitalization to be considered for finalization of project cost for FY2024-25 (Rs. in Cr.)</b>
<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>e</b>	<b>f = e - c</b>
<b>CHEP</b>	3	5.650	Tariff Order for 2022-23	1.437	-4.213
<b>HHEP</b>	5&6	2.750	Tariff Order for 2023-24	6.566	3.816
<b>BHEP</b>	1&2	6.680	Tariff Order for 2023-24	2.733	-3.947
<b>Total</b>		15.080		10.736	-4.344

## Final Decapitalisation considered in computation of Project Cost for FY2024-25

Total Decapitalization considered for computation of Project Cost for Tariff :

(Rs. in Cr)

Power Station	Decapitalization approved from FY2011-12 to FY2021-22	Differential Decapitalization of RM&U Works	Other Decapitalization in the Audited Account 2022-23	AppORTioned Decapitalization of Corporate Office proposed for the FY2022-23	Total Decapitalization as per Audited Account 2022-23	Total Decapitalization from FY2011-12 to FY 2022-23
1	2	3	4	5	6=3+4+5	7=2+6
RHEP	0.089		0.047	0.006	0.053	0.142
UKHEP	0.494		0.000	0.010	0.010	0.504
BHEP	7.214	-3.947	0.005	0.014	-3.928	3.286
HHEP	14.261	3.816	0.404	0.008	4.228	18.489
CHEP	6.928	-4.213	0.055	0.006	-4.153	2.775
Sub Total	28.986	-4.344	0.510	0.044	-3.790	25.196
UIHEP	4.912		0.369	0.023	0.393	5.305
<b>Total</b>	<b>33.898</b>	<b>-4.344</b>	<b>0.879</b>	<b>0.068</b>	<b>-3.398</b>	<b>30.500</b>

## PROPOSED ADDITIONAL CAPITALIZATION FOR FY2024-25 (Rs. in Crs)

Name of the Power Stations	New Addition excluding PSDF grant up to FY 2021-22 (Approved)	New Addition during FY2022-23 & IDC computed from Zero date to SCOD of HHEP	New Addition proposed for FY2024-25 including PSDF Grant
1	2	3	4=2+3
RHEP	64.060	7.338	71.398
UKHEP	27.620	7.888	35.508
BHEP	280.960	57.959	338.919
HHEP	390.870	30.764 (27.824 + 2.940 IDC)	421.634
CHEP	120.090	0.603	120.693
<b>Sub Total</b>	<b>883.600</b>	<b>104.552</b>	<b>988.152</b>
UIHEP	1282.81 (1194.79 + 88.020)	15.261	1298.071
<b>Total</b>	<b>2166.41</b>	<b>119.813</b>	<b>2286.223</b>

## PROJECT COST FOR PROPOSED TARIFF OF OHPC FOR FY 2024-25 (Rs. in Cr)

Name of the power stations	Historic Cost as on 01.04.96	New addition proposed for old power stations & New Addition of UIHEP excluding Original Project Cost in Tariff 2024-25	Decapitalisati on during FY2011-12 to 2022-23	Less PSDF Grant for FY 2022-23	Project Cost considered for Tariff calculation based on Historic Cost
1	2	3	4	5	6=2+3-4-5
<b>RHEP</b>	<b>91.09</b>	<b>71.398</b>	<b>0.142</b>	<b>0.000</b>	<b>162.347</b>
<b>UKHEP</b>	<b>108.31</b>	<b>35.508</b>	<b>0.504</b>	<b>2.690</b>	<b>140.624</b>
<b>BHEP</b>	<b>115.42</b>	<b>338.919</b>	<b>3.286</b>	<b>0.000</b>	<b>451.053</b>
<b>HHEP</b>	<b>72.75</b>	<b>421.634</b>	<b>18.489</b>	<b>0.000</b>	<b>475.895</b>
<b>CHEP</b>	<b>92.23</b>	<b>120.693</b>	<b>2.775</b>	<b>0.000</b>	<b>210.148</b>
<b>Sub Total</b>	<b>479.80</b>	<b>988.152</b>	<b>25.196</b>	<b>2.690</b>	<b>1440.066</b>
<b>UIHEP</b>	<b>1194.79 (approved project cost)</b>	<b>103.281</b>	<b>5.305</b>	<b>0.305</b>	<b>1292.461</b>
<b>Total</b>	<b>1674.59</b>	<b>1091.433</b>	<b>30.500</b>	<b>2.995</b>	<b>2732.527</b>



## Differential Unapproved RoE for the FY2023-24 (Rs. in Cr.)

Sl. No.	Name of the Power Stations	New additions upto FY 2021-22 (Approved)	Original Project Cost Approved for UIHEP	Less PSDF Grant for FY 2021-22	Asset reduction from New addition after FY1996-97 to be considered for computation of RoE.	Net New addition for computation of RoE for FY2023-24	Equity Capital Rate	Equity Capital	ROE @15.5% for Old power stations & @16% for UIHEP	RoE approved by OERC for FY2023-24	Differential unapproved RoE for the FY2023-24
1	2	3	4	5	6	7=3+4-5-6	8	9	10	11	12=10-11
1	RHEP	64.060	0.000	0.000	0.000	64.060	30%	19.218	2.979	2.975	0.004
2	UKHEP	28.230	0.000	0.610	0.000	27.620	30%	8.286	1.284	1.261	0.023
3	BHEP	282.130	0.000	1.170	0.000	280.960	30%	84.288	13.065	12.729	0.336
4	HHEP	391.300	0.000	0.430	0.000	390.870	30%	117.261	18.175	17.513	0.662
5	CHEP	120.100	0.000	0.010	0.000	120.090	30%	36.027	5.584	5.262	0.322
	<b>Sub Total</b>	<b>885.820</b>	<b>0.000</b>	<b>2.220</b>	<b>0.000</b>	<b>883.600</b>		<b>265.080</b>	<b>41.087</b>	<b>39.740</b>	<b>1.347</b>
6	UIHEP	89.180	1194.790	1.160	4.912	1277.898	25% & 30%	323.876	51.820	51.781	0.039
7	<b>Total</b>	<b>975.000</b>	<b>1194.790</b>	<b>3.380</b>	<b>4.912</b>	<b>2161.498</b>		<b>588.956</b>	<b>92.907</b>	<b>91.521</b>	<b>1.386</b>

## Return on Equity proposed for FY 2024-25 (Rs. in Cr)

Sl. No.	Name of the Power Stations	New Additions up to FY 2021-22 (Approved)	Original Project Cost Approved for UIHEP	New Additions for FY 2022-23 (Audited)	Less PSDF Grant for FY 2022-23	Total New Additions from 01.04.1996 to 31.03.2023 considered for Tariff 2024-25	Asset Reduction from New Addition after FY1996-97 to be considered for computation of RoE	Net New Addition for computation of RoE for FY2024-25	Equity Capital rate	Equity Capital	ROE @15.5% for Old power stations & @16% for UIHEP	Differential unapproved RoE for FY2023-24	Total RoE claimed for the FY2024-25
	1	2	3	4	5	6=2+3+4-5	7	8=6-7	9	10	11	12	13=11+12
1	RHEP	64.060	0.000	7.338	0.000	71.398	0.000	71.398	30%	21.420	3.320	0.004	3.324
2	UKHEP	27.620	0.000	7.888	2.690	32.818	0.000	32.818	30%	9.845	1.526	0.023	1.549
3	BHEP	280.960	0.000	57.959	0.000	338.919	0.000	338.919	30%	101.676	15.760	0.336	16.095
4	HHEP	390.870	0.000	30.764	0.000	421.634	0.000	421.634	30%	126.490	19.606	0.662	20.268
5	CHEP	120.090	0.000	0.603	0.000	120.693	0.000	120.693	30%	36.208	5.612	0.322	5.934
	<b>Sub Total</b>	<b>883.600</b>	<b>0.000</b>	<b>104.552</b>	<b>2.690</b>	<b>985.462</b>	<b>0.000</b>	<b>985.462</b>		<b>295.639</b>	<b>45.824</b>	<b>1.347</b>	<b>47.171</b>
6	UIHEP	88.020	1194.790	15.261	0.305	1297.766	5.305	1292.461	25% & 30%	328.264	52.522	0.039	52.561
7	<b>Total</b>	<b>971.620</b>	<b>1194.790</b>	<b>119.813</b>	<b>2.995</b>	<b>2283.228</b>	<b>5.305</b>	<b>2277.923</b>		<b>623.903</b>	<b>98.346</b>	<b>1.386</b>	<b>99.733</b>

## Proposed Interest on Loan for the FY 2024-25 (Rs. in Cr)

Sl. No.	Source of Loan	RHEP	UKHEP	BHEP	HHEP	CHEP	Sub Total	UIHEP	TOTAL
1	Normative Loan	0.679	0.526	6.982	9.360	3.279	20.825	3.469	24.294
2	Govt. Loan (Rs. 497.86 Cr) and Normative loan (Rs. 78.74 Cr) of UIHEP							0.000	0.000
	<b>Total</b>	<b>0.679</b>	<b>0.526</b>	<b>6.982</b>	<b>9.360</b>	<b>3.279</b>	<b>20.825</b>	<b>3.469</b>	<b>24.294</b>

## Depreciation for the FY 2024-25 (Rs. in Cr)

Sl. No.	Name of the Power Station	Project Cost	Depreciation @ 2.57%	Loan Re-payment	Depreciation considered @2.57% as per Pre-1992 Norms or Loan repayment whichever is higher.
1	2	3	4 = (3*2.57%)	5	6
1	<b>RHEP</b>	162.35	4.17	0.73	4.17
2	<b>UKHEP</b>	140.62	3.61	0.56	3.61
3	<b>BHEP</b>	451.05	11.59	7.66	11.59
4	<b>HHEP</b>	475.90	12.23	10.26	12.23
5	<b>CHEP</b>	210.15	5.40	3.60	5.40
	<b>Sub Total</b>	<b>1440.07</b>	<b>37.01</b>	<b>22.81</b>	<b>37.01</b>
6	<b>UIHEP</b>	1292.46	33.22	35.45	35.45
	<b>Total</b>	<b>2732.53</b>	<b>70.23</b>	<b>58.25</b>	<b>72.46</b>

## **PROPOSAL OF O&M EXPENSES FOR FY 2024-25 (Rs. in Cr)**

Sl. No.	Particulars	RHEP	UKHEP	BHEP	HHEP	CHEP	Sub Total	UIHEP	CO	Total
1	O & M expenses for FY 2023-24 approved by OERC	61.327	55.668	60.214	58.967	25.485	261.661	77.166		338.827
2	O & M expenditure for FY 2021-22 as per Audited Account.	47.840	42.780	42.060	42.900	20.250	195.830	62.220	46.550	304.600
3	O & M expenditure for FY 2022-23 as per Audited Account.	60.486	65.215	52.003	36.820	17.903	232.427	59.886	41.617	333.931
4	Average of Audited O&M expenditure (FY 2021-22 & FY 2022-23)	54.163	53.997	47.032	39.860	19.077	214.129	61.053	44.084	319.265
5	Escalation @5.72% for FY 2023-24	57.261	57.086	49.722	42.140	20.168	226.377	64.545	46.605	337.527
6	Escalation @5.72% for FY 2024-25	60.536	60.351	52.566	44.551	21.321	239.326	68.237	49.271	356.834
7	Corporate Office expenditure apportioned to different units based on Installed Capacity	6.039	7.730	12.319	6.952	1.739	34.778	14.493	49.271	98.542
8	O & M Expenses proposed for FY 2024-25	66.575	68.081	64.885	51.502	23.061	274.104	82.730		356.834
9	Less Amount receivable from DoWR towards Dam Maintenance Share of UIHEP for FY 2022-23							-10.800		-10.800
10	Total O&M Expenses proposed for FY 2024-25	66.575	68.081	64.885	51.502	23.061	274.104	71.930		346.034

## Proposed Interest on Working Capital for the FY 2024-25 (Rs. in Cr)

Sl. No.	Description	RHEP	UKHEP	BHEP	HHEP	CHEP	Sub Total	UIHEP	Total
1	Interest on Loan	0.68	0.53	6.98	9.36	3.28	20.83	3.47	24.29
2	RoE	3.32	1.55	16.10	20.27	5.93	47.17	52.56	99.73
3	O & M Expenses	66.58	68.08	64.88	51.50	23.06	274.10	71.93	346.03
4	Depreciation	4.17	3.61	11.59	12.23	5.40	37.01	35.45	72.46
5	Total	74.75	73.77	99.55	93.36	37.67	379.11	163.41	542.52
6	O & M Expenses for One Month	5.55	5.67	5.41	4.29	1.92	22.84	5.99	28.84
7	Maintenance spares @15% of O & M Expenses	9.99	10.21	9.73	7.73	3.46	41.12	10.79	51.91
8	Receivable equivalent to 45 days of Annual Fixed Cost	9.57	9.09	12.27	11.51	4.64	47.10	20.68	67.77
9	Total Working Capital	25.11	24.98	27.41	23.53	10.03	111.05	37.46	148.51
10	Interest on Working Capital calculated @ 11.5%	2.887	2.873	3.153	2.706	1.153	12.771	4.308	17.079

## **COMPONENTS OF AFC (ANNUAL FIXED COST) OF OHPC FOR FY 2024-25**

- **Return on Equity (ROE):**

OHPC has proposed **Rs 99.733Crs** as RoE. The RoE @ 15.5% is considered for new addition of Rs985.462Crs old power stations of OHPC & @ 16% for UIHEP on new capital addition of Rs1292.461Crs after 01.04.1996 totaling to Rs2277.923Crs. Income tax of core business amounting to **Rs17.02Crs** paid for FY 2022-23 to be reimbursed from GRIDCO. Also an unapproved Income Tax of Rs1.33Crs of FY2023-24 as per audited account is claimed.

- **Interest on Loan:**

OHPC has proposed to approve the interest on loan for **Rs24.294Cr**. The Interest on different Loans have been calculated based on the norms of Hon'ble OERC for the Normative Loans.

- **Depreciation:**

OHPC has proposed to approve **Rs 72.460Crs** towards Depreciation for the FY 2024-25. Depreciation @ 2.57% of the Project Cost or Loan Repayment whichever is higher is considered as Depreciation.

- **Operation & Maintenance (O&M) Expenses:**

OHPC has proposed to approve **Rs 346.034Crs** towards O&M Expenses for the FY 2024-25 for the different Power Stations of OHPC. The O&M expenses for the FY 2024-25 have been computed escalating the average of actual O&M expense of FY2021-22 & FY2022-23 @ 5.72% twice. OHPC has deducted Rs 10.80Cr from O&M Expenses of UIHEP towards the Receivable from DoWR for FY 2022-23.

- **Interest on Working Capital:**

OHPC has proposed before the Hon'ble Commission to approve **Rs 17.079Crs** towards Interest on Working Capital for the FY 2024-25 for the different Power Stations of OHPC. Interest on working capital is calculated @ 11.50% as per the OERC (Terms & Conditions for Determination of Generation Tariff) Regulations, 2020.

## Proposed ARR and Tariff of OHPC for FY 2024-25

(Rs. in Cr.)

Components	RHEP	UKHEP	BHEP	HHEP	CHEP	Sub Total	UIHEP	Total
Saleable Design Energy (MU) considering AUX @1% & deducting 16.64MU from HHEP for CSPDCL	519.75	823.68	1171.17	660.52	485.10	<b>3660.22</b>	1942.38	<b>5602.60</b>
Return on Equity	<b>3.324</b>	<b>1.549</b>	<b>16.095</b>	<b>20.268</b>	<b>5.934</b>	<b>47.17</b>	<b>52.561</b>	<b>99.733</b>
Interest on Loan	<b>0.679</b>	<b>0.526</b>	<b>6.982</b>	<b>9.360</b>	<b>3.279</b>	<b>20.83</b>	<b>3.468</b>	<b>24.294</b>
Depreciation	<b>4.172</b>	<b>3.614</b>	<b>11.592</b>	<b>12.231</b>	<b>5.401</b>	<b>37.01</b>	<b>35.450</b>	<b>72.460</b>
O & M expenses	<b>66.575</b>	<b>68.081</b>	<b>64.885</b>	<b>51.502</b>	<b>23.061</b>	<b>274.10</b>	<b>71.930</b>	<b>346.034</b>
Interest on Working Capital	<b>2.887</b>	<b>2.873</b>	<b>3.153</b>	<b>2.706</b>	<b>1.153</b>	<b>12.77</b>	<b>4.308</b>	<b>17.079</b>
Total Cost	<b>77.638</b>	<b>76.643</b>	<b>102.707</b>	<b>96.067</b>	<b>38.827</b>	<b>391.881</b>	<b>167.718</b>	<b>559.599</b>
Less Non-Tariff Income	0.159	0.664	0.100	0.220	0.020	<b>1.163</b>	0.499	<b>1.662</b>
Adjustment of Non-Tariff Income of FY2021-22	0.607	0.777	1.239	0.699	0.175	<b>3.497</b>	1.457	<b>4.954</b>
Less sale of power to CSPDCL				3.321		<b>3.321</b>		<b>3.321</b>
Total ARR for FY2024-25	<b>78.086</b>	<b>76.756</b>	<b>103.846</b>	<b>93.225</b>	<b>38.982</b>	<b>390.895</b>	<b>168.676</b>	<b>559.571</b>
Average Tariff (P/U) for 2024-25 (Proposed)	<b>150.24</b>	<b>93.16</b>	<b>88.67</b>	<b>141.14</b>	<b>80.36</b>	<b>106.80</b>	<b>86.84</b>	<b>99.88</b>



## Proposed Capacity Charges & Energy Charges of OHPC for FY 2024-25

Name of Power Station	Annual Fixed Cost (AFC) (Rs. in Crs.)	Annual Energy Charges (AEC) (Rs. in Crs.)	Annual Capacity Charges (ACC) (Rs. in Crs.)	Saleable design energy (MU)	Energy Charge Rate (ECR) (in P/U)
RHEP	78.086	39.043	39.043	519.75	75.118
UKHEP	76.756	38.378	38.378	823.68	46.593
BHEP	103.846	51.923	51.923	1171.17	44.334
HHEP	93.225	46.613	46.613	660.52	70.570
CHEP	38.982	19.491	19.491	485.10	40.180
UIHEP	168.676	84.338	84.338	1942.38	43.420
<b>Total</b>	<b>559.571</b>	<b>279.786</b>	<b>279.786</b>	<b>5602.60</b>	

## Approved Tariff (FY 2023-24) Vrs Proposed Tariff (FY2024-25) of OHPC Power Stations

(Rs. in Cr.)

Components of Tariff	Approved for FY 2023-24	Proposed for FY 2024-25	Absolute Increase or decrease	Reasons for Increase or decrease
<b>Project Cost</b>	2612.32	2732.527	120.207	Capitalization of R&M of Unit-1 & 2 of BHEP; RM&U of Unit-5 & 6 of HHEP; Capital Maintenance of Unit-2&4 of UIHEP & Other small Additional Capitalization
<b>Return on Equity</b>	91.52	99.733	8.213	Effect of increase of Project Cost
<b>Interest on loan</b>	21.88	24.294	2.414	Effect of increase of Project Cost
<b>Depreciation</b>	67.14	72.460	5.320	Effect of increase of Project Cost; Depreciation @2.57% of the Project Cost or Loan Repayment whichever is higher is considered
<b>O&amp;M</b>	338.83	346.034	7.204	Average O&M expenses for FY2021-22 & FY2022-23 has increased w.r.t average of O&M expense for FY2020-21 & FY2021-22
<b>IoWC</b>	14.450	17.079	2.629	Combined impact of above four components also MCLR as on 01.04.2023 has increased to 8.5%.
<b>Total Cost</b>	<b>533.819</b>	<b>559.60</b>	<b>25.781</b>	<b>As furnished above.</b>
<b>Non Tariff Income</b>	11.485	1.662	(-)9.823	Non-Tariff Income is considered as per clause-41, 26(1) of OERC Regulation 2020.
<b>Sale of power to CSPDCL</b>	3.5	3.321	(-)0.179	Due to decrease in energy charge rate.
<b>Total ARR</b>	<b>523.79</b>	<b>559.571</b>	<b>35.781</b>	<b>As per the above</b>
<b>Average Tariff (P/U)</b>	<b>93.49</b>	<b>99.88</b>	<b>6.39</b>	<b>As per the above</b>



## **Tariff for CSPDCL for FY 2024-25 on drawl of Power from HHEP, Burla**

<b>Details in respect of HHEP</b>	<b>Amount (Rs in Crs)</b>
<b>Salable Design Energy of HHEP</b>	<b>677.16 MU</b>
<b>Project Cost (Up-valued cost as on 01.04.1996 + Capitalization up to 31.03.2023 –Decapitalization upto 31.03.2023)</b>	<b>533.31Crs</b>
<b>Return on Equity (@ 18.7086%)</b>	<b>29.93 Crs</b>
<b>Interest on Loan</b>	<b>11.50Crs</b>
<b>Depreciation (@ 5.28%)</b>	<b>28.16 Crs</b>
<b>O &amp; M expenses (Escalated @ 4.77%)</b>	<b>61.78 Crs</b>
<b>Interest on Working Capital (@ 12.0%)</b>	<b>3.73 Crs</b>
<b>Total ARR</b>	<b>135.10 Crs</b>
<b>Average Tariff (p/u)</b>	<b>199.506</b>

**Tariff @ 199.506 paisa / unit is derived considering CERC norms & Revalued Project Cost of HHEP for billing to CSPDCL for FY 2024-25.**

## **PROJECTED TARIFF OF MACHHKUND (JT.) HEP FOR 2024-25**

<b>Present Installed Capacity of MHEP (Jt.) Scheme (MW)</b>	<b>120</b>
<b>(50%) Odisha Share as per New Agreement dated 23.10.2020 (MW)</b>	<b>60</b>
<b>Design Energy of MHEP for Generation (MU)</b>	<b>525</b>
<b>Normative Auxiliary Energy Consumption (AUX) (%)</b>	<b>1%</b>
<b>Normative Auxiliary Energy Consumption (AUX) (MU)</b>	<b>5.25</b>
<b>Saleable Design Energy for sharing between Andhra Pradesh &amp; Odisha (MU)</b>	<b>519.75</b>
<b>(50%) Saleable Design Energy Share of Odisha (MU)</b>	<b>259.875</b>
<b>Drawl of Total Share of Odisha Energy by GRIDCO (MU)</b>	<b>259.875</b>
<b>O&amp;M Escalation factor @ 5.72 % for two years over the O&amp;M Bill of MHEP for FY 2022-23.</b>	<b>1.1177</b>
	<b>(Rs. in Crs.)</b>
<b>1. Total Audited Cost of O&amp;M Bill of MHEP (Jt.) for the FY 2022-23</b>	<b>57.5011</b>
<b>2. 50% O&amp;M Expenditure share (Orissa share of Actual O&amp;M Expenditure for 2022-23 )</b>	<b>28.7506</b>
<b>3. O&amp;M Expenditure for FY 2024-25 applying the escalation factor</b>	<b>32.1337</b>
<b>4. Total Expected Expenditure during the FY 2024-25</b>	<b>32.1337</b>
<b>5. Tariff (Paise/Kwh)</b>	<b>123.651</b>

## **TRUING UP OF ARR OF OHPC FOR THE BLOCK PERIOD FROM FY2019-20 TO FY2023-24 & RECONCILIATION OF PROJECT COST**

- In the Order dated 08.06.2023 in Case No. 53 of 2022 & Case No.19 of 2023 regarding approval of true-up of ARR and Tariff of individual power stations of OHPC from FY2016-17 to FY2020-21, Hon'ble OERC had made the following observations at para no. 10.
- *“Para no- 10: Basing on the above discussion we are not inclined to accept the truing up application in its present form. However, we draw the attention to a general provision in OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 with regard to truing up which is reproduced below:*

*“8.(1) The Commission shall carry out truing up exercise at the end of the Tariff Period along with the tariff petition filed for the next tariff period, with respect to the following:*

*(a) the capital expenditure including additional capital expenditure incurred up to 31.03.2024, as admitted by the Commission after prudence check at the time of truing up.*

*(b) the capital expenditure including additional capital expenditure incurred up to 31.3.2024, on account of Force Majeure and Change in Law.”*
- *The above Regulation relates to approval of any additional capital expenditure which has not been specifically allowed in each year's tariff order. **Accordingly, the Petitioner has the liberty to approach the Commission under the above Regulation once the control period of the present Tariff Regulations expires on 31.03.2024.**”*
- The copy of the Order dtd.08.06.2023 is enclosed at **Annexure-22** of Tariff Application 2024-25 for kind reference.
- OHPC shall file Reconciliation of Project Cost and Truing Up of ARR from FY2020-21 to FY2023-24 mentioned above before filing of ARR & Tariff application for the FY2025-26. The consequential effect of Truing Up shall be given in the Tariff of OHPC for FY2025-26 as an additional effect.

**Details of In-principle approval of proposed capital maintenance work of UIHEP, Mukhiguda**

<b>Sl No</b>	<b>Name of the Unit</b>	<b>Name of work</b>	<b>Estimated capital addition (Rs)</b>	<b>Period of shut down for availing capacity charge benefit</b>	<b>Remarks</b>
<b>1</b>	Unit 1 to 4 of UIHEP, Mukhiguda	Design, Engineering, Manufacturing, Supply, Erection, Testing & Commissioning of new MIVs with new MIV seal control system.	52,76,53,200	03 months for replacement of each MIV with Seal Control System.	(1) Zero date for installation of each MIV shall be decided in consultation with SLDC (2) The capacity (MW) of the Unit under Capital Maintenance shall be deducted from the total Installed Capacity for computation of PAFM.

- For elimination of potential threat to the plant, above Capital Maintenance work is required to be carried out on urgency basis. In this regard, OHPC prays before the Hon’ble Commission to accord the in principle approval of the said Capital Maintenance work of UIHEP, Mukhiguda amounting to Rs 52,76,53,200 during submission of ARR & Tariff application for FY2024-25. In this regard, we pray before the Hon’ble Commission to consider the case in priority.

## **PERFORMANCE OF OHPC IN THE RECENT YEARS**

OHPC has proven track record of having outstanding performance resulting in the overall benefit across the entire power sectors thereby balancing the tariff and continuously benefiting to the ultimate consumers of the state. The brief highlights of the major performance of OHPC during the past several years are as under:-

- Maintaining its weighted Plant Availability factor as approved by Hon'ble OERC.
- Provides stability to Grid by quick ramp up, ramp down facility, absorbing & generating of reactive power, providing black start facilities etc. However OHPC not getting any incentive whereas all hydro generating station in the central sector are suitably compensated through Ancillary Service Regulation of CERC.
- Generation even crosses the 6000MU (against DE of 5676 MU) during the years having better hydrology condition.
- Due to timely need based Capital Maintenance, the reliability of machines has been improved.
- Due to timely need based RM&U, the useful life and reliability of machines have been improved.
- The generating tariff of OHPC has been maintained continuously at its lowest thereby, providing the cheapest power (i.e. less than 100 paise per Unit) to the State of Odisha. It is also one of the cheapest in the country.



## **PRAYER**

OHPC prays before the Hon'ble Commission to kindly approve the following in the ARR & Tariff Order of OHPC Power Stations for the FY 2024-25:

- i) The ARR amounting to Rs 559.571Crs. of OHPC Power Stations at an average tariff @ 99.88 Paise/Unit;
- ii) The ACC, AEC & ECR of different Power Stations of OHPC as shown in the Table-27 of Tariff application;
- iii) The miscellaneous reimbursement of Rs33.753Crore by OHPC from GRIDCO;
- iv) The tariff for energy billing to CSPDCL @ 1.99506 Rs / kWh considering Up-valued cost of HHEP and the norms of CERC (Terms & Conditions of Tariff) Regulations, 2019;
- v) The tariff of MHEP (Joint Scheme) @ 1.23651 Rs/unit with provision of Rs 32.1337 Crores in the ARR of OHPC & GRIDCO to enable OHPC to make payment of O&M cost to APGENCO as per the new Agreement;
- vi) The average available Installed Capacity as 1798.80 MW for payment of SLDC charges;
- vii) Approval of Table No-21 of Tariff application towards Schedule of Payment for recovery of 90% of Project Cost along with interest in respect of UIHEP;
- viii) To allow OHPC for Reconciliation of Project cost of different power stations of OHPC including corporate office for all previous years and submission of Truing Up of Capital cost From FY2020-21 to, FY2023-24 after completion of block period and after finalization of audited account of OHPC for FY 2023-24;
- ix) To accord the in principle approval of capital maintenance work for procurement & installation of 4 nos of MIVs with seal control system of UIHEP as proposed under Table-42 of Tariff application ;
- x) To Condone any inadvertent omission, errors, shortcomings and permit the Petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date;

THANK YOU.....