BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN,
PLOT No -4 CHUNOKOLI, SHAILASHREE VIHAR
BHUBANESWAR-751021

FILE NO:01

CASE NO: ____ of 2025

IN THE MATTER OF:

Petition under Sections 61, 62 and 86 (1) (a) of the Electricity Act, 2003 read with Section 21 of the Orrisa Electricity Reform Act, 1995, Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2014 extended up to 31.03.2020 & OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and other enabling provisions seeking truing up of Multi Year Tariff for supply of power for FY 2019-20 to FY 2023-2024 and determination of multiyear tariff petition from FY 2024-25 to FY 2028-29 under Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024 for M/s Vedanta Ltd.in terms of the consolidated Power Purchase Agreement (PPA) dated 19.12.2012 executed between M/s Vedanta Limited and GRIDCO Ltd.

AND

IN THE MATTER OF:

M/s Vedanta Limited,
1st Floor, Module- C/2, Fortune Tower,
Chandrasekharpur, Bhubaneswar- 751023 ..... **PETITIONER**

AND

The Managing Director,
GRIDCO Ltd.
Bhoi Nagar,
Janpath, Bhubaneswar- 751022 .....**RESPONDENT**



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SECTION-A INTRODUCTION AND APPROACH TO THE PRESENT SUBMISSION

I. INTRODUCTION

1. The present petition is being filed by M/s Vedanta Limited herein called as **"Petitioner"** in accordance with the provisions of OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 for truing up of the cost of supply during the control year FY 2019-2024 and determination of the tariff for power supply from FY 2024 to FY 2029 as per OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024, from (4x600 MW) 2,400 MW thermal power plant of the Petitioner as per the terms of consolidated PPA dated 2012.

2. M/s Vedanta Limited (erstwhile known as M/s Sesa Sterlite Limited), the Petitioner herein is a Public Limited Company incorporated under the provisions of the Companies Act, 1956. The Petitioner has set up a thermal power plant of capacity 2,400 MW (4x600 MW), located at Brundamal, Jharsuguda and is engaged in the business of generation and supply of electricity in the State of Odisha.

3. The Petitioner entered into a Power Purchase Agreement (PPA) with Grid Corporation of Orissa Limited (herein after referred to as **GRIDCO**) on **28th September, 2006** (**Principal PPA**) for sale of 25% of power sent out from the Thermal Power station excluding the quantum of power generated in excess of 80% Plant Load Factor (PLF) and infirm power made available to the State of Odisha. The PPA was amended on **20th August 2009** (**Amended PPA**) in accordance with the State Thermal Power Policy dated 08th August,2008.Subsequently, GRIDCO and the Petitioner signed a **consolidated PPA** on **19th December 2012** incorporating the provisions of Principal PPA and Amended PPA.

4. It is submitted that Petitioner filed a petition before this Hon'ble Commission vide Case No. 20/2020 dated 30.06.2020 seeking approval of Multi Year Tariff for supply of power for the period FY 2019-20 to FY 2023-2024 in terms of the consolidated Power Purchase Agreement (PPA) dated 19.12.2012 executed between the Petitioner and GRIDCO Ltd. Consequently, the Hon'ble Commission directed the Petitioner to file a revised petition in accordance with OERC (Terms and Conditions of Determination of Generation Tariff) Regulations, 2020. In

response, the Petitioner filed an amended tariff petition on 21.12.2020 for the period FY 2019-20 to FY 2023-2024.

5. As per interim order no. 10 dated 07.09.2021 in Case No. 20/2020, the Hon'ble Commission directed the Petitioner to file true-up application for FY 2014-15 to FY 2018-19 by 18 Oct 2021.In accordance with said direction petitioner filed the true up details for the period from FY 2014-15 to FY 2018-19 on 02.06.2022.

6. This Hon'ble Commission vide its order dated 26.12.2023 passed in Case No. 20/2020, approved the Multi-Year Tariff for FY 2019-20 to FY 2023-24 and truing up cost for Fy 2014-15 to Fy 2018-19 for supply of power to GRIDCO/ Respondent No.1 in terms of the Consolidated Power Purchase Agreement (PPA) dated 19.12.2012 executed between the Petitioner and GRIDCO Ltd. A copy of consolidated PPA is annexed here and marked as **ANNEXURE -1.**

7. Notably, the Petitioner had filed its generation tariff applicable for the period FY 2019-20 basing on the operational parameters as per the OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2014 (hereinafter, "**Tariff Regulations, 2014**") and OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 (hereinafter, "**Tariff Regulations, 2020**") applicable for the tariff period from FY 2020-21 to FY 2023-24.

8. Further, the Petitioner had submitted that power is being supplied to the Respondent- GRIDCO from **Unit-II** (600 MW) only of its generating station (with installed capacity of 2400 MW) as per Order dated 27.01.2016 passed in Case No. 21 of 2015 and relying on Regulation 2.2 of the Tariff Regulations, 2014 (applicable for FY 2019-20) and Regulation 5(2) of Tariff Regulations, 2020 applicable for the tariff period from FY 2020-21 to FY 2023-24 however, this Hon'ble Commission proceeded to determine generation tariff for entire generating station i.e. 4x600 MW power stations.

II. APPROACH TO THE PRESENT SUBMISSION

9. It is submitted that as per Regulation 61 (2) of the OERC (Conduct of Business) Regulations, 2004, a generating company is required to file an application by 30th November each year to the Commission giving details of fixed and variable costs associated with generation of electricity in different power stations for

approval of Annual Revenue Requirement (ARR) and determination of tariff for the Generating Stations for sale of energy in the state of Odisha. Further, generating company is required to file True-Up petition at the end of Tariff Period along with the tariff petition filed for the next tariff period. As per Regulation 8(1) of Tariff Regulations 2020:

> *"8. 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 generating company shall submit for the purpose of truing up, details of capital expenditure and additional capital expenditure incurred for the period from 01.04.2020 to 31.03.2024, duly audited and certified by the auditors.*

Therefore, the Petitioner is required to submit for the purpose of truing-up, details of capital expenditure and additional capital expenditure incurred for the period 01.04.2019 to 31.03.2024, duly audited and certified by the auditors.

10. Accordingly, M/s Vedanta Limited / Petitioner, as a generating company, is hereby filing the present submission before this Hon'ble Commission for Truing-up of total additional capital expenses of its generating station for the period from FY 2019-20 to FY 2023-24 in accordance with Section 61 of the Electricity Act, 2003. For the purpose of benchmarking/reference to norms, the Petitioner is referring to the Generation Tariff Regulations, 2014 for True-up for the period FY 2019-20 and Generation Tariff Regulations 2020 for True-Up for the period FY 2020-21 to FY 2023-24.

SECTION-B TRUING UP OF CAPITAL EXPENDITURE AND TARIFF FOR FY 2019-20 TO FY 2023-24

I. BACKGROUND

11. The Hon'ble Commission determined tariff for the said Generating Station of the Petitioner for FY 2019-20 to FY 2023-24 based on the norms and principles laid

down in the Tariff Regulations,2014 & Tariff Regulations,2020 vide its Order dated 26.12.2023 passed in Case No. 20/2020.

12. The Petitioner is hereby submitting this True-up Petition for FY 2019-20 to FY 2023-24 based on the facts provided in sub-sections II, III, **Error! Reference source not found.** and **Error! Reference source not found.**.

13. The applicable tariff filing forms for thermal power stations as per the formats prescribed under Tariff Regulations, 2014 and Tariff Regulations, 2020 have been duly filled and are enclosed as **ANNEXURE – 2 (Colly).**

II. CAPITAL EXPENDITURE AND ADDITIONAL CAPITALISATION.

14. It is submitted that this Hon'ble Commission vide its Order dated 26.12.2023 passed in Case No. 20 of 2020, approved the closing Capital Cost of the entire Generating Station for the year ended of **31st March 2024** of the Petitioner of 2400 MW (4x600 MW) as **Rs. 8190.51 Crores**.

In this regard it is submitted that Regulation 2.2 of the Tariff Regulations, 2014, and Regulation 5(2) of Tariff Regulations, 2020 provides that the tariff in respect of a generating station may be determined for the whole of the generating station of a unit or units of the generating stations. However, the first proviso to the Extended Tariff Regulation, 2014 provides that the tariff is to be determined unit wise till the time tariff cannot be determined for the whole of the generating station or for units, as per the conditions provided in the said Regulation. Further similar provision as provided in the OERC Tariff Regulation, 2014, is also available under second proviso to Regulation 5 (2) of Generation Tariff Regulation,2020.

15. It may be mentioned that norms in relation to Capital Expenditure for FY 2019-20 is provided under Regulation 3.1 and 3.2 of the OERC Generation Tariff Regulations 2014. The relevant extracts of the OERC Generation Tariff Regulations 2014 is reproduced herein below:

> *"3.1 Capital cost for a Project shall include –*
>
> *(a) The expenditure incurred or projected to be incurred, including interest During Construction (IDC) & Incidental Expenditure During Construction (IEDC) and financing charges, any gain or*

loss on account of foreign exchange risk variation during construction on the loan –

(i) Being equal to 70% of the funds deployed in the event of the actual equity in excess of 30% of the funds deployed by treating the excess equity as normative loan; or

(ii) Being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed, up to the date of commercial operation of the project, as admitted by the Commission, after prudence check:

Provided that any revenue earned during construction period up to COD on account of interest on deposits or advances, or any other receipts may be taken into account for reduction in incidental expenditure during construction.

(b) Capitalized initial spares subject to the ceiling norms specified as under:

(i) Coal-based thermal generating stations – 2.0% of original project cost.

(ii) Hydro generating stations including pumped storage Hydro-electric generating station – 1.0% of original project cost.

(c) Additional capital expenditure determined under Regulations 3.3 and 3.4 of these Regulations:

Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost.

3.2 The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff:

Provided further that prudence check may include scrutiny of the reasonableness of the capital expenditure, interest during construction, pre-operative expenses, use of efficient technology, cost overrun and time over run and such other matters as may be considered appropriate by the commission for determination of tariff:

Provided also that where the power purchase agreement entered into between the generating company and the beneficiaries provide for ceiling of actual expenditure, the capital expenditure admitted by the

Commission shall take into consideration such ceiling for determination of tariff:

Provided also that the Commission may issue guidelines for vetting of capital cost of hydro-electric projects by independent agency or expert and in that event the capital cost as vetted by such agency or expert may be considered by the Commission while determining the tariff for the hydro generating station:

Provided also that in case the site of a hydro generating station is awarded to a developer (not being a State controlled or owned company) by the State Government by following a transparent process of bidding, any expenditure incurred or committed to be incurred including the premium payable to the State Government by the project developer for getting the project site allotted, shall not be included in the capital cost:

Provided also that the capital cost in case of such hydro generating station shall include:

(a) Cost of approved Rehabilitation and Resettlement (R&R) plan of the project in conformity with National (R&R) Policy and (R&R) package as approved; and

(b) Cost of the developer's 10 contribution towards Rajiv Gandhi Grameen Vidyuthikaran Yogana (RGGVY) project in the affected area."

16. It may also be mentioned that norms in relation to Capital Expenditure for FY 2020-21 to FY 2023-24 are envisaged under Regulation 9 of the Tariff Regulations 2020. The relevant extracts of the OERC Generation Tariff Regulations 2020 is reproduced herein below:

*"**9. CAPITAL COST OF THE PROJECT***
(1) Capital cost for a Project shall include:
(a) The expenditure incurred or projected to be incurred, including Interest During Construction (IDC) & Incidental Expenditure During Construction (IEDC) and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan

(i) Being equal to 70% of the funds deployed in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan or

(ii) Being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check;
Provided that any revenue earned during construction period up to COD on account of interest on deposits or advances, or any other receipts may be taken into account for reduction in incidental expenditure during construction.
(b) Capitalised initial spares subject to the ceiling norms specified as under:
(i) Coal-based thermal generating stations _ 2.0% of original project cost
(ii) Hydro generating stations including pumped storage hydro-electric generating station - 1.0% of original project cost
(c) Expenditure on account of additional capitalization and decapitalization
determined in accordance with these regulations
(d) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the date of commercial operation as specified under Regulation 13 of these regulations;
(e) Capital expenditure on account of ash disposal and utilization including handling and transportation facility;
(f) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal upto the receiving end of the generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;
(g) Capital expenditure on account of biomass handling equipment and facilities, for co-firing;
(h) Capital expenditure on account of emission control system necessary to meet the revised emission standards and sewage treatment plant;
(i) Expenditure on account of fulfilment of any conditions for obtaining environment clearance for the project;
(j) Expenditure on account of change in law and force majeure events;
(k) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under Perform, Achieve and Trade (PAT) scheme of Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries;
(l) Capital expenditure on account of renovation and modernisation as admitted by this Commission in accordance with these regulations;

17. The Hon'ble Commission vide its order dated 26.12.2023 passed in Case No. 20/2020, in accordance with the norms stipulated in Regulations 3.6 to 3.8 of the OERC Generation Tariff Regulations, 2014 and Regulation 9 of the OERC Generation Tariff Regulations, 2020, considered the following year wise average

capital cost for the period FY 2019-20 to FY 2023-24 of the entire generating station of the Petitioner:

Table-1- Capital Cost & Debt-Equity Mix approved by the Commission for FY 2019-24 (Rs. Cr)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	OERC Tariff Regulation, 2014	OERC Tariff Regulations, 2020			
Opening Capital Cost	8,094.54	8,190.51	8,190.51	8,190.51	8,190.51
Addition	95.97	-	-	-	-
Closing Capital Cost	8,190.51	8,190.51	8,190.51	8,190.51	8,190.51
Average Capital Cost (ACS)	8,142.53	8,190.51	8,190.51	8,190.51	8,190.51
Equity 30% of ACS	2442.76	2457.15	2457.15	2457.15	2457.15
Debt@70% of ACS	5699.77	5733.36	5733.36	5733.36	5733.36
Cumulative Depreciation up to Previous Year	3,111.07	3,515.84	3,922.85	4,329.86	4,736.87
Op. Debt Capital	2,588.70	2,217.52	1,810.51	1,403.50	996.49
Depreciation of Current Year	404.77	407.01	407.01	407.01	407.01
Closing Debt Capital	2,183.93	1,810.51	1,403.50	996.49	589.48
Avg. Debt Capital	2,386.32	2,014.02	1,607.01	1,200.00	792.99

18. In compliance with the aforementioned order, for the purpose of true-up for FY 2019-20 to FY 2023-24, the Petitioner has considered the following capital cost along with the additional capital cost for approval of this Hon'ble Commission:

Table-2-Capital Cost and additional capital cost computed by the Petitioner for FY 2019-24 (Rs. Cr)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Opening Gross Fixed Asset (GFA)	8094.24	8149.16	8188.99	8227.66	8362.29
(+) Additional capital cost	65.01	40.08	38.80	134.64	153.87
(-) Adjustments	10.09	0.25	0.13	0.00	0.00
Net Additional capital cost /(deduction)	54.92	39.83	38.67	134.64	153.87
Closing GFA	**8149.16**	**8188.99**	**8227.66**	**8362.29**	**8516.16**

19. With regard to the above, it is stated that the above additional capital expenditures are covered under the provisions of Regulation 3.4 (e) of Tariff Regulations, 2014 and Regulation 12(2)(b) of Tariff Regulations, 2020. The relevant provisions are cited hereinbelow:

Regulation 3.3 of Tariff Regulations, 2014:

ADDITIONAL CAPITALISATION

3.4 The capital expenditure incurred or projected to be incurred, on the following counts after the cut-off date may, in its discretion, be admitted by the Commission, subject to prudence check –

(a) Liabilities to meet award of arbitration or for compliance of the order or decree of a Court

(b) Change in law

(c) Deferred works relating to ash pond or ash handling system in the original scope of work

(d) Any additional works/ services, which have become necessary for efficient and successful operation of a generating station but not included in the original capital cost.

(e) In case of hydro generating station, any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) including due to geological reasons after adjusting for proceeds from any insurance scheme and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation.

(f) *Any undercharged liability towards final payment/ withheld payment due to contractual exigencies for work executed within the cut-off date, after prudence check of the details of such deferred liability, total estimated cost of package, reason for such withholding of payment and release of such payment etc.*

(g) *Expenditure on account of creation of infrastructure for supply of reliable power to rural households within a radius of five kilometers of the power station if, the generating company does not intend to meet such expenditure as part of its Corporate Social Responsibility:*

Provided that in respect of sub-regulation € above, any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, washing machines, heat convectors, mattresses carpets etc. brought after the cut-off date shall not be considered for additional capitalization for determination of tariff.

12. ***Additional Capitalization***

…

(2) The capital expenditure incurred or projected to be incurred, on the following counts after the cut-off date may, in its discretion, be admitted by the Commission, subject to prudence check:

a) Liabilities to meet award of arbitration or for compliance of the order or decree of a court.

b) Change in law or compliance of any existing law;

c) Deferred works relating to ash pond or ash handling system in the original scope of work.

d) Liability for works executed prior to the cut-off date;

e) Force Majeure evets;

f) Liability for works admitted by the Commission after the cut-off date to the extent of discharge of such liabilities by actual payments;

g) Raising of ash dyke as a part of ash disposal system.

20. It is submitted that the Hon'ble Commission in its order dated 26.12.2023 passed in Case No. 20/2020 has provisionally approved additional capital cost

of Rs.95.97 Crores for the tariff period FY 2019-20 to FY 2023-24. A comparison of the approved vs actual additional capitalization is as below:

Table 3: Deviation in Additional Capitalization for FY 2019-20 to FY 2023-24 (INR Cr.)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Approved Additional Capitalization	95.97	-	-	-	-	95.97
Actual Additional Capitalization	54.92	39.84	38.67	134.64	153.87	421.93
Deviation (Actual – Approved)	**-41.05**	**39.84**	**38.67**	**134.64**	**153.87**	**325.96**

21. It is submitted that the Petitioner has incurred additional capital expenditure towards Buildings, Land & Land Rights for construction of Ash ponds, Plant & Machinery and equipment during the period FY 2019-20 to FY 2023-24. Year-wise details of additional capitalization incurred is as below:

Table 4: Details of Actual Additional Capitalization for FY 2019-20 to FY 2023-24 (INR Cr.)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Buildings		0.33	-	-		0.33
Furniture & Fittings	0.046	0.042	-	0.004	0.01	0.102
Land & Land Rights	62.99	16.76	16.47	30.51	58.08	184.82
Office Equipment	0.099	0.0405	0.10	0.06	0.10	0.39
Plant & Machinery	1.736	22.91	22.23	104.06	95.68	246.61
Vehicles	0.138	-	-	-	-	0.14
Sub-Total (Additions): A	65.01	40.08	38.80	134.64	153.87	432.40
(-) Adjustments: B	10.09	0.25	0.13	-	-	10.47
Net Additions: (A-B)	**54.92**	**39.84**	**38.67**	**134.64**	**153.87**	**421.93**

FY 2019-20

22. With regard to additional capital expenditure for FY 2019-20, it may be mentioned that through Notification dated 04.02.2020, this Hon'ble Commission had extended the applicability of OERC Generation Tariff Regulations, 2014 for a period of one year i.e., up to FY 2019-20 and the parameters fixed in the Regulations for FY 2018-19 were made applicable for FY 2019-20.

23. Accordingly, it is submitted that Regulation 3.4 of OERC Generation Tariff Regulations, 2014, allows for admission of capital expenditure incurred on the following counts after the cut-off date may, in its discretion, subject to prudence check:

(a) "Liabilities to meet award of arbitration or for compliance of the order or decree of a Court;

(b)Change in Law;

(c) Deferred works relating to ash pond or ash handling system in the original scope of work"

With regard to the above, it is stated that the Petitioner has incurred net additional capital expenditure of Rs 54,91,90,345 in FY 2019-2020 on account of following heads, which are allowable in terms of the above OERC Generation Tariff Regulation,2014 and the details of same are annexed here as **ANNEXURE - 3.**

FY 2020-24

24. It is submitted that regulation 12(2) of OERC Generation Tariff Regulation, 2020, provides for allowance of capital expenditure incurred or projected to be incurred, on the following counts within the original scope of work after the cut-off date may, in its discretion, be admitted by the Commission, subject to prudence check:

(a) Liabilities to meet award of arbitration or for compliance of the directions
or order of any statutory authority or order or decree of any court of law;
(b) Change in law or compliance of any existing law;
(c) Deferred works relating to ash pond or ash handling system in the original
scope of work;
(d) Liability for works executed prior to the cut-off date;
(e) Force Majeure events;

(f) Liability for works admitted by the Commission after the cut-off date to the
extent of discharge of such liabilities by actual payments;
(g) Raising of ash dyke as a part of ash disposal system.
It is stated that regulation 12 (3) of OERC Generation Tariff Regulation, 2020 provides allowance of capital expenditure incurred or projected to be incurred in case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:
(a) The useful life of the assets is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these regulations;
(b) The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;
(c) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and
(d) The replacement of such asset or equipment has otherwise been allowed by the Commission.
It is further stated that regulation 12 (4) of OERC Generation Tariff Regulation, 2020 provides allowance of capital expenditure in respect of existing generating station incurred or projected to be incurred on the following counts beyond the original scope, may be admitted by the Commission, subject to prudence check:
(a) Liabilities to meet award of arbitration or for compliance of order or directions of any statutory authority, or order or decree of any court of law;
(b) Change in law or compliance of any existing law;
(c) Force Majeure events;
(d) Need for higher security and safety of the plant as advised or directed by appropriate Indian Governmental Instrumentality or statutory authorities responsible for national or internal security;
(e) Deferred works relating to ash pond or ash handling system in additional to the original scope of work, on case-to-case basis:
Provided also that if any expenditure has been claimed under Renovation and Modernisation (R&M) or repairs and maintenance under O&M expenses, the same shall not be claimed under this Regulation,
(f) Usage of water from sewage treatment plant in thermal generating station. It is stated that the Petitioner has incurred the expenditures, which are allowable in terms of the aforesaid OERC Generation Tariff Regulation 2020.

With regard to the above, it is stated that the Petitioner has incurred net additional capital expenditure of **Rs 39,83,30,578 , Rs 38,66,72,391, Rs 134,63,56,533** and **Rs 153,87,09,915** on account of additional Capital Expenditure in FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 respectively , which are allowable in terms of the above OERC Generation Tariff Regulation 2020 and the details of same is annexed here as **ANNEXURE- 4, 5, 6, and 7 respectively.**

Considering the above facts, the Petitioner humbly prays before the Hon'ble Commission to approve the actual additional capitalization undertaken for the period FY 2019-20 to 2023-24.

III. TRUING-UP OF ANNUAL FIXED CHARGES.

25. Regulation 4.3 of OERC Generation Tariff Regulations 2014 provides for the components of Annual Fixed Cost of the Generating Station. The relevant extract of the regulation is reproduced herein below:

> *"**Annual Fixed Cost***
> *4.3 The annual fixed cost (AFC) of a Generating Station shall consist of the following components-*
> *a) Return on Equity;*
> *b) Interest on loan capital;*
> *c) Depreciation;*
> *d) Interest on Working Capital;*
> *e) Operation and maintenance expenses;"*

26. Further, Regulation 19 of the Tariff Regulations, 2020 provides for the components of Annual Fixed Cost of the Generating Station. The relevant extract of the Regulation is reproduced hereinbelow:

> *"19. **Annual Fixed Cost***
> *(1) The annual fixed cost (AFC) of a Generating Station shall consist of the following components-*
> *a) Return on Equity;*
> *b) Interest on loan capital;*
> *c) Depreciation;*
> *d) Interest on Working Capital;*
> *e) Operation and maintenance expenses;*
> *f) Income Tax;*
> *Less:*
> *g) Non-Tariff Income*

(2) The Annual Fixed Cost for OHPC and OPGC (Unit-I and II) will be determined by the Commission by taking into account the notification(s) issued by the Government of Odisha from time to time and their PPAs."

27. In accordance with the aforementioned regulations, this Hon'ble Commission through Order dated 26.12.2023, had calculated capacity charges of each year of the tariff period FY 2019-24 of the 2400 MW thermal power station of the Petitioner and accordingly approved the capacity charges for different years as below:

Table-27-Annual Capacity Charges approved by the Commission for FY 2020-24:

Particulars	***FY 2019-20***	***FY 2020-21***	***FY 2021-22***	***FY 2022-23***	***FY 2023-24***
	OERC Tariff Regulations, 2014	***OERC Tariff Regulations, 2020***			
Return on Equity	*390.84*	*344.0*	*344.00*	*344.00*	*344.00*
Interest on term loan	*219.06*	*184.89*	*147.52*	*11.16*	*72.80*
Depreciation (SLM)	*404.77*	*407.01*	*407.01*	*407.01*	*407.01*
O&M expenses	*441.12*	*503.28*	*521.04*	*539.28*	*558.24*
Interest on Working Capital	*115.86*	*116.54*	*116.82*	*117.12*	*117.46*
Annual Capacity Charges	***1,571.65***	***1,555.72***	***1,536.39***	***1,517.57***	***1,499.51***

28. Accordingly, this Hon'ble Commission directed that GRIDCO shall pay the capacity charges to the Petitioner in proportion to their share from the 2400 MW generating station as per approved PPA/ Orders of the Commission issued from time to time. Further, it was opined that as per Regulation 27(6) of the Tariff Regulations, 2020, the capacity charges for a calendar month of FY 2019-20 in the form of monthly fixed charge shall be calculated in accordance with the norms and formula given in the Regulations 4.29 to 4.31 & 6.9 of the Tariff

Regulations, 2014 and for the period FY 2020-21 to FY 2023-24 in accordance with the norms and formula given in the Regulations 27(1) to 27(5) of the OERC Generation Tariff Regulations, 2020.

29. Accordingly, the Petitioner has considered the capital cost of entire 2,400 MW (apportioned for 600 MW unit) for fixed cost computations.

A summary of the actual fixed charges including additional capital cost incurred by petitioner for 2,400 MW Thermal Generating Station of the Petitioner is as below:

Table 1: Actual Annual Fixed Charges including Additional Capital Cost for FY 2019-20 to FY 2023-24 (INR Cr.)

Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Total**
O&M Expenses	441.12	503.28	521.04	539.28	558.24	2562.96
Depreciation	402.15	402.29	403.47	406.80	412.08	2,026.79
Interest on Loan Capital	227.10	193.25	158.79	127.16	107.06	813.36
Interest on Working Capital	122.88	129.47	125.26	139.72	149.71	667.03
Return on Equity	390.04	343.36	345.00	349.27	355.81	1783.48
Income Tax				15.33	6.76	22.10
Total Fixed Charges	**1,583.28**	**1,571.65**	**1,553.56**	**1577.57**	**1589.66**	**7875.71**

Table 2: Deviation in Annual Fixed Charges for FY 2014-15 to FY 2018-19 (INR Cr.)

Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Total**
O&M Expenses	-	-	-	-	-	-
Depreciation	-2.62	-4.72	-3.54	-0.21	5.07	-6.02

Interest on Loan Capital	8.04	8.36	11.27	17.00	34.26	78.93
Interest on Working Capital	7.02	12.93	8.44	22.60	32.25	83.23
Return on Equity	-0.80	-0.64	1.00	5.27	11.81	16.64
Income Tax				15.33	6.76	22.10
Total Fixed Charges	**11.63**	**15.93**	**17.17**	**60.00**	**90.15**	**194.87**

30. The Petitioner submits that the True-Up amount for the entire 2,400 MW Thermal Generating Station is INR 194.87 Crores. Considering that the Petitioner has signed PPA with GRIDCO for supply of 25% share of power from 4x600 MW TPP, i.e. 600 MW power from **Unit-II** of its Thermal Generating Station at full cost the Petitioner respectfully prays to the Hon'ble Commission to allow recovery of True-Up amount of INR **48.71Crores** from GRIDCO for the period from FY 2019-20 to FY 2023-24.

31. The component wise details of approved and actual costs and reasons for incurring additional cost on account of additional capital are provided in the following paragraphs.

Operation and Maintenance Expenses

32. With regard to the above component, it is submitted that the Hon'ble Commission vide Notification dated 04.02.2020, had extended the OERC Generation Tariff Regulations, 2014 for a period of one year, i.e. FY 2019-20. Clause (a) of Regulation 4.28 of the OERC Generation Tariff Regulations 2014 provides the following O&M expense norms for 600 MW units of coal based thermal based generating stations as under:

Table 3: Normative O&M Expenses for FY 2014-15 to FY 2018-19 (in INR Lakh/MW)

Year	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19 & 2019-2020**

O&M cost 600 MW and above sets (Rs lakhs/ MW)	**14.40**	**15.31**	**16.27**	**17.30**	**18.38**

33. Further, Regulation 25(1) of OERC Generation Tariff Regulations, 2020 provides the normative operation and maintenance expenses for 600 MW series, as under:

Year	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
O&M cost for 600 MW and above sets (Rs lakh /MW)	**18.38**	**20.97**	**21.71**	**22.47**	**23.26**

34. The Petitioner humbly submits that it has managed the O&M expenses well within the O&M expenses as allowed by this Hon'ble Commission and the same has been claimed for its generating station for the period from FY 2019-20 to FY 2023-24 as per Tariff Regulations 2014 and Tariff Regulations, 2020. Details of the O&M expenses approved and claimed by the Petitioner is as below:

Table 8: O&M Expenses approved by the Commission for FY 2019-2024

Particulars	*FY 2019-20*	*FY2020-21*	*FY2021-22*	*FY2022-23*	*FY2023-24*
	Tariff Regulations, 2014	*Tariff Regulations, 2020*			
O & M Expenses Rs. in Lakh / MW for 600MW and above sets	*18.38*	*20.97*	*21.71*	*22.47*	*23.26*
O&M Expenses Approved (Rs. Cr.)	***441.12***	***503.28***	***521.04***	***539.28***	***558.24***

Table 9: Actual O&M Expenses incurred by the Petitioner during FY 2019-24

Particulars	Units	Control Period as per Tariff Regulations, 2014 and 2020				
		2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
O&M Expense norms for Unit (per 600 MW)	Rs. Cr.	110	126	130	135	140
No of Units	No.	4	4	4	4	4
O&M expense in Rs. Cr	Rs. Cr.	441.12	503.28	521.04	539.28	558.24
Total O&M expense	**Rs. Cr.**	**441.12**	**503.28**	**521.04**	**539.28**	**558.24**

Table 10: Deviation in O&M Expenses for FY 2014-15 to FY 2018-19 (INR Cr.)

Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Total**
Approved	441.12	503.28	521.04	539.28	558.24	
Actual/ Claimed	441.12	503.28	521.04	539.28	558.24	
Deviation (Actual – Approved)	**-**	**-**	**-**	**-**	**-**	**-**

35. It is to highlight the fact that the Petitioner has managed O&M expenses as per the norms for the period FY 2019-20 to FY 2023-24. Considering the above facts, the Petitioner humbly requests the Hon'ble Commission to approve the O&M expenses in the manner prayed above.

Depreciation

36. It is submitted that the norms in relation to computation of depreciation for FY 2019-20 are provided under Regulation 4.18, 4.19, 4.21, 4.22 and 4.23 of the OERC Tariff Regulations, 2014. The relevant extract of the OERC Tariff Regulation, 2014 is reproduced herein below:

> *"**Depreciation***
> *4.18 Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof. The value base for the purpose of*

depreciation shall be the capital cost of the asset admitted by the Commission.

4.19 The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

…

4.21 Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-A to these regulations for the assets of the generating station:

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 15 years from date of commercial operation shall be spread over the balance useful life of the assets.

…

4.22 In case of the existing projects, the balance depreciable value as on 1 Apr 2014 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31 Mar 2014 from the gross depreciable value of the assets.

4.23 Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

Provided that in case of multiple units of a generating station weighted average life for the generating station shall be applied.

37. Further, norms in relation to computation of depreciation for FY 2020-21 to FY 2023-24 are provided under Regulation 23 of the Tariff Regulations, 2020, as extracted hereinbelow:

"23. ***Depreciation***

(1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof. The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

…

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-A to these regulations for the assets of the generating station:

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 15 years from date of commercial operation shall be spread over the balance useful life of the assets.

…

(5) In case of the existing projects, the balance depreciable value as on 01.04.2020 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.03.2020 from the gross depreciable value of the assets.

…

(7) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

Provided that in case of multiple units of a generating station weighted average life for the generating station shall be applied.

38. Accordingly, the Hon'ble Commission has calculated depreciation based on approved capital cost as mentioned in this True-Up submission.

39. The Petitioner has abided by Regulations 4.18, 4.19 and 4.21 of Tariff Regulations 2014 and Regulation 23 of Tariff Regulations, 2020 and has considered the salvage value of capitalized asset as 10% while allowing depreciation up to a maximum of 90% of capital cost of the asset. Applying these norms, depreciation has been computed at station-level (i.e., for 2,400 MW generation station) and subsequently apportioned for Unit-II (i.e., for 600 MW unit).

40. The Petitioner has computed depreciation for the period FY 2019-20 to FY 2023-24 in accordance with the above provisions and rates of depreciation as prescribed under Tariff Regulations 2014 and Tariff Regulations, 2020. The same has been annexed here as **ANNEXURE – 8**.

Table 4: Deviation in Depreciation for FY 2019-20 to FY 2023-24 (INR Cr.)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Approved Depreciation	404.77	407.01	407.01	407.01	407.01	2032.81
Actual Depreciation	402.15	402.29	403.47	406.80	412.08	2,026.79
Deviation (Actual – Approved)	**-2.62**	**-4.72**	**-3.54**	**-0.21**	**5.07**	**-6.02**

41. The Petitioner respectfully prays to the Hon'ble Commission to approve the above depreciation for the period from FY 2019-20 to FY 2023-24.

Interest on Loan Capital

42. It is submitted that the norms in relation to computation of Interest on Loan Capital for the period FY 2019-20 is provided under Regulation 4.9 to 4.17 of the OERC Generation Tariff Regulations 2014. The relevant extract of the OERC Generation Tariff Regulations 2014 is reproduced herein below:

> *"**Interest on Loan Capital***
>
> *4.9 The loans arrived at in the manner indicated in Regulation 3.6, 3.7 and 3.8 shall be considered as gross normative loan for calculation of interest on loan.*
>
> *4.10 The normative loan outstanding as on 1 Apr 2014 shall be worked out by deducting the cumulative repayment as 31 Mar 2014 from the gross normative loan.*
>
> ***4.11 The loan repayment for each year of the tariff period 2014-15 to 2018-19 shall be deemed to be equal to the depreciation allowed for that year.***
>
> *4.12 Notwithstanding any moratorium period availed by the generating company the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.*
>
> ***4.13 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:***

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the generating station, does not have actual loan then the weighted average rate of interest of the generating company as a whole shall be considered.

4.14 The interest on loan shall be calculated on the normative average loan of the respective years by applying the weighted average rate of interest.

4.15 The generating company shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such refinancing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company, in the ratio of 1:1.

4.16 The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

4.16 The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

4.17 In case of dispute, any of the parties may make an application in accordance with the Conduct of Business Regulations, as amended from time to time:

Provided that the beneficiaries shall not withhold any payment on account of the interest claimed by the generating company during the pendency of any dispute arising out of re-financing of loan"

43. Further, the norms in relation to computation of Interest on Loan Capital for the period FY 2020-21 to FY 2023-24 are provided under Regulation 22 of the OERC Generation Tariff Regulations 2020. The relevant extract of the OERC Generation Tariff Regulations 2020 is reproduced herein below:

The relevant extract of the OERC Generation Tariff Regulations 2020 is reproduced herein below:

"22. ***Interest on Loan Capital***

(1) The loans arrived at in the manner indicated in Regulation 16 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 01.04.2020 shall be worked out by deducting the cumulative repayment as 31.03.2020 from the gross normative loan.

(3) The loan repayment for each year of the tariff period shall be deemed to be equal to the depreciation allowed for corresponding year/period. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset.

(4) Notwithstanding any moratorium period availed by the generating company the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized at the beginning of each year applicable to the project:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the generating station, does not have actual loan then the weighted average rate of interest of the generating company as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the respective years by applying the weighted average rate of interest.

(7) The generating company shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such refinancing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company, in the ratio of 1:1.

(8) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

(9) In case of dispute, any of the parties may make an application in accordance with the Conduct of Business Regulations, as amended from time to time:
Provided that the beneficiaries shall not withhold any payment on account of the interest claimed by the generating company during the pendency of any dispute arising out of re-financing of loan"

44. As per the provisions of Regulation 4.13 of Generation Tariff Regulations 2014 and Regulation 22(5) of Generation Tariff Regulations, 2020, the gross normative loan is to be considered for the purpose of calculation of interest on loan and computation of tariff, and the rate of interest on loan is to be considered as the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project.

45. This Hon'ble Commission is guided by aforementioned Clauses Tariff Regulations 2014 and 2020 in determining the interest on loan capital. Therefore, the Hon'ble Commission through Order dated 26.12.2023 passed in Case No. 20/2020, considering the applicable provisions of generation tariff Regulations regarding interest on loan capital, basing on the normative average loan balance of the respective year, has estimated the interest on loan capital for the tariff period from FY 2019-20 to FY 2023-24 for the generating station.

46. In compliance with the aforementioned norms, the Petitioner has computed interest on loan for the period FY 2019-20 to FY 2023-24. Petitioners have considered normative loan component of 70% of the additional capitalization during each year of the tariff period. Further, the repayment for each year has been considered equal to the actual depreciation for the respective year as computed above. Annual additions in the following table are attributed to additional capital expenditure considered by the Petitioner for the period FY 2019-20 to FY 2023-24:

Table 5:Actual Interest on Loan Capital from FY 2019-20 to FY 2023-24 (INR Cr.)

Sl. No	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	2	3	4	5	6	7

A	Loan-1					
1	Gross loan – Opening	5,665.97	5,704.41	5,732.29	5,759.36	5,853.60
2	Cumulative repayments of Loans up to previous year	3,010.50	3,412.12	3,814.38	4,217.85	4,624.65
3	Net loan – Opening	2,655.47	2,292.29	1,917.91	1,541.51	1,228.96
4	Receipts during the year	38.44	27.88	27.07	94.24	107.71
5	Repayment during the year	401.62	402.27	403.46	406.80	412.08
6	Net loan – Closing	2,292.29	1,917.91	1,541.51	1,228.96	924.59
7	Average Net Loan	2,473.88	2,105.10	1,729.71	1,385.23	1,076.77
8	Rate of Interest on Loan	9.18%	9.18%	9.18%	9.18%	9.94%
9	Interest on loan	227.10	193.25	158.79	127.16	107.06
10	Add : Finance Charges	-	-	-	-	-
B	Loan-2					
1	Gross loan - Opening					
2	Cumulative repayments of Loans upto previous year					
3	Net loan - Opening					
4	Receipts during the year					
5	Repayment during the year					
6	Net loan - Closing					
7	Average Net Loan					
8	Rate of Interest on Loan					
9	Interest on loan					
10	Add : Finance Charges					
C	Total Loan					
1	Gross loan - Opening	5,666	5,704	5,732	5,759	5,854
2	Cumulative repayments of Loans upto previous year	3,010	3,412	3,814	4,218	4,625

3	Net loan - Opening	2,655	2,292	1,918	1,542	1,229
4	Receipts during the year	38	28	27	94	108
5	Repayment during the year	402	402	403	407	412
6	Net loan - Closing	2,292	1,918	1,542	1,229	925
7	Average Net Loan	2,474	2,105	1,730	1,385	1,077
8	Rate of Interest on Loan	9.18%	9.18%	9.18%	9.18%	9.94%
9	Interest on loan	227	193	159	127	107
10	Add : Finance Charges	-	-	-	-	-

47. As per the Tariff Regulations 2014 and Tariff Regulations 2020, the Petitioner has computed weighted average rate of interest for term loan at the station level availed in each year for the period FY 2019-20 to FY 2023-24. A comparison of the approved vs actual rate of interest is as below:

Table 6: Deviation in rate of interest for the period FY 2019-20 to FY 2023-24 (%)

Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
Approved rate of interest	9.18	9.18	9.18	9.18	9.18
Actual rate of interest	9.18	9.18	9.18	9.18	9.94
Deviation (Actual – Approved)	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.76%**

48. A comparison of the approved and actual interest on loans for the period FY 2019-20 to FY 2023-24 is given below:

Table 7: Deviation in Interest on Loan Capital from FY 2019-20 to FY 2023-24 (INR Cr.)

Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Total**
Approved Interest on Loan	219.1	184.9	147.5	110.2	72.8	**734**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Actual Interest on Loan	227.10	193.25	158.79	127.16	107.06	**813.36**
Deviation (Actual – Approved)	**8.04**	**8.36**	**11.27**	**17.00**	**34.26**	**78.93**

49. The Petitioner hereby prays to the Hon'ble Commission to approve the actual interest paid on loans for the period FY 2019-20 to FY 2023-24.

Interest on Working Capital

50. It is submitted that the norms in relation to computation of Interest on Working Capital for the control period from FY 2019-20 is provided under Regulations 4.24, 4.26 and 4.27 of the Tariff Regulations 2014. The relevant extract of Tariff Regulations, 2014 is provided herein below:

> *"**Interest on Working Capital***
> *4.24 The working capital shall cover:*
> *(a) For Coal-based thermal generating stations*
> *(i) Cost of coal, if applicable, for 1 month for pit-head generating stations and **two months for non-pit-head generating stations**, for generation corresponding to the normative annual plant availability factor;*
> *(ii) **Cost of secondary fuel oil for one month for generation corresponding to the normative annual plant availability factor,** and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;*
> *(iii) **Maintenance spares @ 20% of operation and maintenance expenses** specified in Regulation 4.28;*
> *(iv) **Receivables equivalent to one month of capacity charges and energy charges for sale of electricity calculated on the normative annual plant availability factor;** and*
> *(v) **Operation and maintenance expenses for one month.***
> *4.26 Rate of interest on working capital shall be on normative basis and shall be equal to the **SBI Base Rate plus 300 basis points as on 1 Apr 2014***

or on 1 Apr of the year in which the generating station or a unit thereof, is declared under commercial operation, whichever is later.

4.27 Interest on working capital shall be payable on normative basis notwithstanding that the generating company has not taken loan for working capital from any outside agency."

51. Further, the norms in relation to computation of Interest on Working Capital for the control period from FY 2020-21 to FY 2023-24 is provided under Regulation 24 of the Tariff Regulations 2020. The relevant extract of Tariff Regulations, 2020 is provided herein below:

"24. ***Interest on Working Capital***

(1) The working capital shall cover:

(a) For Coal-based thermal generating stations

(i) Cost of coal, if applicable, for 1 month for pit-head generating stations and ***two months for non-pit-head generating stations****, for generation corresponding to the normative annual plant availability factor;*

(ii) Advance payment for thirty (30) days towards cost of coal for generation corresponding to the normative annual plant availability factor;

(iii) ***Cost of secondary fuel oil for one month for generation corresponding to the normative annual plant availability factor,*** *and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;*

(iv) ***Maintenance spares @ 20% of operation and maintenance expenses*** *specified in Regulation 4.28;*

(v) ***Receivables equivalent to one month of capacity charges and energy charges for sale of electricity calculated on the normative annual plant availability factor;*** *and*

(vi) ***Operation and maintenance expenses for one month.***

…

(3) Rate of interest on working capital shall be on normative basis and shall be equal to the ***SBI Base Rate plus 300 basis points as on 01.04.2020*** *or on 1 Apr of the year in which the generating station or a unit thereof, is declared under commercial operation, whichever is later.*

…

(4) Interest on working capital shall be payable on normative basis notwithstanding that the generating company has not taken loan for working capital from any outside agency."

52. Considering the above provisions of the Tariff Regulations, the Commission has computed the working capital requirements and interest on working capital for the entire generating station of the petitioner for the tariff period FY 2019-20 & FY 2020-21 to 2023-24. The year wise interest on working capital approved by this Hon'ble Commission are given in the table below:

Table-26 Interest on Working Capital approved by the Commission for FY 2020-24 (Rs Crore)

Particulars	**FY 2019-20**	**FY2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**
	OERC Tariff Regulations, 2014	**OERC Tariff Regulations, 2020**			
Cost of Coal	413.26	415.88	415.88	415.88	415.88
Cost of Secondary Fuel Oil	7.69	7.69	7.69	7.69	7.69
O&M Expenses	36.76	41.94	43.42	44.94	46.52
Maintenance Spare @ 20% of O&M Expenses	88.22	100.66	104.21	107.86	111.65
Receivable	345.29	517.91	515.49	513.14	510.88
Working Capital Requirements	**891.22**	**1,084.08**	**1,086.69**	**1,089.51**	**1,092.62**
Rate of Interest (%)	13.00	10.75	10.75	10.75	10.75
Interest on Working Capital	**115.86**	**116.54**	**116.82**	**117.12**	**117.46**

53. The detailed computations of various components of working capital and interest on working capital is represented in the tables below:

Table 8: Actual Interest on working capital for FY 2019-20 to FY 2023-24 (INR Cr.)

Sl. No.	Particulars	Norms considered	2019-20
1	Coal Cost (Non pit head)	2 Months	444.15
2	Coal Cost (Pit head)	1 Month	-
3	Liquid Fuel Stock	1 Month	8.36
4	O & M expenses	1 Month	42.09
5	Maintenance Spares	20 % of O & M Expense	88.22
6	Receivables	1 Month	362.38
7	**Working capital Loan Requirement**		**945.20**
8	Rate of Interest		13.00%
9	**Interest on Working Capital**		**122.88**
Sl. No.	**Particulars**	**Norms considered**	**2020-21**
1	Coal Cost (Non pit head)	60 days	482.55
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	7.30
4	O & M expenses	1 Month	47.42
5	Maintenance Spares	20 % of O & M Expense	100.66
6	Receivables	45 Days	566.48
7	**Working capital Loan Requirement**		**1204.40**
8	Rate of Interest		10.75%
9	**Interest on Working Capital**		**129.47**
Sl. No.	**Particulars**	**Norms considered**	**2021-22**
1	Coal Cost (Non pit head)	60 days	511.08
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	5.38
4	O & M expenses	1 Month	49.09
5	Maintenance Spares	20 % of O & M Expense	104.21
6	Receivables	45 Days	582.82
7	**Working capital Loan Requirement**		**1252.57**
8	Rate of Interest		10.00%
9	**Interest on Working Capital**		**125.26**

Sl. No.	Particulars	Norms considered	2022-23
1	Coal Cost (Non pit head)	60 days	583.63
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	9.76
4	O & M expenses	1 Month	51.18
5	Maintenance Spares	20 % of O & M Expense	107.86
6	Receivables	45 Days	644.78
7	**Working capital Loan Requirement**		**1397.20**
8	Rate of Interest		10.00%
9	**Interest on Working Capital**		**139.72**
Sl. No.	**Particulars**	**Norms considered**	**2023-24**
1	Coal Cost (Non pit head)	60 days	518.19
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	13.27
4	O & M expenses	1 Month	54.17
5	Maintenance Spares	20 % of O & M Expense	111.65
6	Receivables	45 Days	604.51
7	**Working capital Loan Requirement**		**1301.79**
8	Rate of Interest		11.50%
9	**Interest on Working Capital**		**149.71**

54. A comparison of the approved vs actual interest on working capital is as provided below:

Table 9: Deviation in interest on working capital for FY 2014-15 to FY 2018-19 (INR Cr.)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Approved Interest on Working Capital	115.86	116.54	116.82	117.12	117.46	**583.80**
Actual Interest on Working Capital	122.88	129.47	125.26	139.72	149.71	**667.03**
Deviation (Actual – Approved)	**7.02**	**12.93**	**8.44**	**22.60**	**32.25**	**83.23**

55. The Petitioner respectfully prays to the Hon'ble Commission to approve the actual interest on working capital for the period FY 2019-20 to FY 2023-24.

Return on Equity

56. It is submitted that Regulation 4.5 and 4.6 of the Tariff Regulations 2014 provides the norms for computation of Return on Equity. The relevant extracts of Regulation 4.5 and 4.6 is reproduced herein below:

> *"**Return on Equity***
> *4.5 Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulations 3.6, 3.7 and 3.8:*
> *4.6 Return on equity shall be computed @16% of the equity amount."*

57. Further, Regulation 20 of Tariff Regulations 2020 provides the norms for computation of Return on Equity. The relevant extracts of Regulation 20 are reproduced hereinbelow:

> *"**20. Return on Equity***
> *(1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulations 16(1, (2) and (3):*
> *(2) Return on equity shall be computed at the base rate of 14% for all generating stations."*

58. For calculation of RoE, this Hon'ble Commission has considered the rate of return on equity capital @ 16% as per Regulation 4.6 of the extended Tariff Regulations, 2014 (applicable upto FY 2019-20) and @14% as per Regulation 20(2) of OERC Generation Tariff Regulations, 2020 applicable for the period FY 2021-24. According to Regulation 4.7 & 4.8 of the OERC Generation Tariff Regulations, 2014 & Regulation 21 of the OERC Generation Tariff Regulations, 2020, after prudent check, tax on income shall be paid by the GRIDCO directly to the petitioner as per their share. Considering the above provisions of OERC Generation tariff Regulations, in respect of normative Return on Equity capital of the respective years, the Commission has estimated the Return on Equity capital for the generating station for the tariff period from FY 2019- 20 to FY 2023-24.

59. In line with the aforementioned regulations, the Petitioner has also considered a base rate of 16% for computation of **RoE** for the period FY 2019-20 and rate of 14% for the period FY 2020-24. The Petitioner has considered normative equity component of 30% of the additional capitalization during each year of the tariff period. The RoE amount for the above period is indicated below:

Table 10: Return on Equity for FY 2019-20 to FY 2023-24 (INR Cr.)

Computation of Return of Equity					
Year	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Opening capital cost	8094.24	8149.16	8188.99	8227.66	8362.29
Add: Additional capital expenditure	54.92	39.83	38.67	134.64	153.87
Closing capital cost	8149.16	8188.99	8227.66	8362.29	8516.16
Average capital cost	8121.70	8169.07	8208.32	8294.97	8439.23
Return on Equity					
30% of Capital Cost	2428.27	2444.75	2456.70	2468.30	2508.69
30% of Additional Capital Cost	16.48	11.95	11.60	40.39	46.16
Opening Equity	2428.27	2444.75	2456.70	2468.30	2508.69
Addition due to Add. Cap.					
Closing Equity	2428.27	2444.75	2456.70	2468.30	2508.69
Average Equity	2428.27	2444.75	2456.70	2468.30	2508.69
Base Rate on Equity (%)	16.00%	14.00%	14.00%	14.00%	14.00%
RoE Pretax	16.00%	14.00%	14.00%	14.00%	14.00%
ROE Amount	388.52	342.26	343.94	345.56	351.22
Weighted average rate of	9.18%	9.18%	9.18%	9.18%	9.94%

interest of actual loan					
ROE on Additional Capitalisation	1.51	1.10	1.06	3.71	4.59
Total ROE Amount	**390.04**	**343.36**	**345.00**	**349.27**	**355.81**

Table 11: Deviation in Return on Equity (RoE) for FY 2019-20 to FY 2023-24 (INR Cr.)

Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Total**
Approved **RoE**	390.80	344.00	344.00	344.00	344.00	**1766.84**
Actual **RoE**	390.04	343.36	345.00	349.27	355.81	**1783.48**
Deviation (Actual – Approved)	-0.80	-0.64	1.00	5.27	11.81	**16.64**

60. The Petitioner respectfully prays to the Hon'ble Commission to approve the actual return on equity for the period from FY 2019-20 to FY 2023-24.

Income Tax:

61. Further, Regulation 21 of Tariff Regulations 2020 allows the generators to recover income tax paid from the beneficiaries. The relevant extracts of Regulation 21 are reproduced hereinbelow:

21. TAX ON INCOME

"(1) Income tax of the Generating Company shall be recovered from the beneficiaries. This will exclude income tax on other income streams (income from non-generation and non-transmission business).

(2) The actual assessment of income tax should take into account benefits of tax holiday and the credit for carry forward losses applicable as per the provisions of the Income Tax Act 1961 and shall be passed on to the consumers."

Hon'ble Commission vide order dated 27.12.2023 in Case No. 20/2020 has directed as "According to Regulation 4.7 & 4.8 of the OERC Generation Tariff Regulations, 2014 & Regulation 21 of the OERC Generation Tariff Regulations, 2020, after prudent check, tax on income shall be paid by the GRIDCO directly to the petitioner as per their share.

It is submitted that the petitioner also owned and operates Aluminium manufacturing at Jharsuguda along with supply of power to GRIDCO under PPA. Petitioner has been paying tax on consolidated income generated from its different businesses including the regulated business (Power Supply to GRDICO).considering the consolidation of revenue at group level ,petitioner has computed the normative tax on income generated only from unit#2 power supply business whereas the tax rate (25%) is considered as per actual tax rate basis which Petitioner has paid tax on income.

It is pertinent to mention here that petitioner is claiming normative tax of Rs 15.33 Cr for FY 2022-23 & Rs 6.76 Cr FY 2023-24, computation details are tabulated as below:

Computation of Income Tax			
Name of the Company: Vedanta Ltd.			
Name of Generating Station: Jharsuguda Power Project (4 x 600MW)			
(Amount in Rs Cr)			
S.No.	Particulars	FY22-23	FY2F3-24
1	Gross Revenue	831.17	730.99
2	Power & Fuel Charges	564.24	506.48
3	ED Reimbursed	11.76	10.69
4	O&M	108.02	101.00
5	Depreciation	81.53	73.64
6	Interest on Loan	4.70	12.31
7	Total	770.25	704.12
8	Net Profit	60.92	26.87
9	Tax rate	25%	25%
10	Tax amount	15.33	6.76

Therefore, the petitioner respectfully prays to the Hon'ble Commission to approve the aforesaid normative tax on income generated from Unit#2 power supply business.

62. A summary of the approved fixed charges, actual fixed charges and deviation for 2,400 MW Thermal Generating Station of the Petitioner is as below:

Table 12: Approved Annual Fixed Charges for FY 2019-20 to FY 2023-24 (INR Cr.)

Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Total**
O&M Expenses	441.1	503.3	521.0	539.3	558.2	**2,563**
Depreciation	404.8	407.0	407.0	407.0	407.0	**2,033**
Interest on Loan Capital	219.1	184.9	147.5	110.2	72.8	**734**
Interest on Working Capital	115.86	116.54	116.82	117.12	117.46	**584**
Return on Equity	390.8	344.0	344.0	344.0	344.0	**1,767**
Total Fixed Charges	**1,571.65**	**1,555.72**	**1,536.39**	**1,517.57**	**1,499.51**	**7,681**

Table 13: Actual Annual Fixed Charges for FY 2019-20 to FY 2023-24 (INR Cr.)

Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Total**
O&M Expenses	441.12	503.28	521.04	539.28	558.24	**2,562.96**
Depreciation	402.15	402.29	403.47	406.80	412.08	**2,026.79**
Interest on Loan Capital	217.10	193.25	158.79	127.16	107.06	**813.36**
Interest on Working Capital	122.88	129.47	125.26	139.72	149.71	**667.03**
Return on Equity	390.04	343.36	345.00	349.27	355.81	**1783.48**
Income Tax				15.33	6.76	**22.10**
Total Fixed Charges	**1,583.28**	**1571.65**	**1553.56**	**1577.57**	**1589.66**	**7875.71**

Table 14: Deviation in Annual Fixed Charges (2,400 MW) for FY 2014-15 to FY 2018-19 (INR Cr.)

Particulars	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**	**FY 2023-24**	**Total**
O&M Expenses	-	-	-	-	-	**-**
Depreciation	- 2.62	-4.72	-3.54	-0.21	5.07	**-6.02**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
Interest on Loan Capital	8.04	8.36	11.27	17.00	34.26	**78.93**
Interest on Working Capital	7.02	12.93	8.44	22.60	32.25	**83.23**
Return on Equity	-0.80	-0.64	1.00	5.27	11.81	**16.64**
Income Tax				15.33	6.76	**22.10**
Total Fixed Charges	**11.63**	**15.93**	**17.17**	**60.00**	**90.15**	**194.87**

63. The Petitioner submits that the True-Up amount for entire 2,400 MW Thermal Generating Station is INR 194.87 Cr. Considering that the Petitioner has signed PPA with GRIDCO for supply of 25% share of power from 4x600 TPP i.e 600 MW power from Unit-II of its thermal generating station at full cost (fixed cost plus variable) basis, the Petitioner respectfully prays to the Hon'ble Commission to allow recovery of True-Up amount of **INR 48.71 Crores** from GRIDCO for the period from FY 2019-20 to FY 2023-24.

IV. Truing up of Expenses towards Ash disposal:

Hon'ble OERC vide order dated 05.06.2024 in Case no.18 of 2024 has allowed the petitioner for reimbursement of expenses incurred by the petitioner towards disposal of Fly Ash generated consequent to supply of power by Petitioner to Respondent under consolidated PPA dated 19.12.2012. Hon'ble OERC further directed as follows;

> *From the submission of M/s. Vedanta Ltd. it is found that only about 10,92,824 MT of fly ash generated has been utilized /transported (in low laying area near Jharbeda Kutra and for construction of Highway) by March, 2024 against 27,54,681 MT of fly ash generated & accumulated by March, 2024. As per the submission of GRIDCO, M/s. Vedanta Ltd. has initiated steps for fly ash disposal off late in June, 2023 by floating expression of interest for transportation of fly ash and utilization / transportation of fly ash started in November, 2023.* ***Therefore, the Petitioner-M/s. Vedanta Ltd. is directed to strictly follow the Notifications/Guidelines issued by the MoEF&CC and MoP, GoI from time to time (including recent Notification dated 15.03.2024 of the Ministry of Power, GoI regarding 100% ash disposal) and accordingly, plan and take timely action to avoid accumulation of ash and non-compliance of those Notifications****.*

64. In compliance with the said OERC order Petitioner has raised provisional invoices for disposal of 100% Ash (Fly ash, bottom ash and ash accumulated into ponds) to respondent from Nov 2023 onwards.

The details of cost incurred by petitioner towards Ash disposal from November 2023 to March 2024 is as follows:

Month	Monthly Ash Generation (In MT)	Disposed Quantity (In MT)		Fly Ash Disposal Cost		Accumulated Ash Disposal cost		Total amount paid by GRIDCO (In Rs Cr)
		Fly ash qty including moisture (In MT)	Accumulated Ash Qty (In MT)	*Fly ash claims amount (In Rs Cr)	Amount paid by GRIDCO (In Rs Cr)	Accumulated ash cost (In Rs Cr)	Amount paid by GRIDCO (In Rs Cr)	
Nov-23	85706	98562	135649	6.03	3.55	8.30	0	3.55
Dec-23	87305	100401	199538	6.24	3.91	12.41	0	3.91
Jan-24	85828	98702	186986	6.00	3.67	11.36	0	3.67
Feb-24	110813	127435	48147	7.50	4.48	2.83	0	4.48
Mar-24	114649	131846	4556	7.90	4.51	0.27	0	4.51
Total	**484301**	**556946**	**574876**	**33.67**	**20.14**	**35.18**	**0**	**20.14**

*Fly Ash bill includes 15% water weight charges and actual coal consumed.

65. It is pertinent to point out that this Hon'ble Commission vide order dated 26.12.2023 passed in Case No. 20 of 2020 had *inter alia*, directed that it will appropriately consider to pass through of expenditure incurred by the Vedanta on account of Notification and State Advisory dated 22.02.2022 issued by Ministry of Environment, Forest & Climate Change (MOEF&CC) for disposal of fly – ash, at the time of truing up exercise for the period FY 2020-24 subject to audit by an independent auditor. The relevant extract is reproduced hereunder:

"Non-Tariff Income & Fly Ash Transportation:

55 The Petitioner has proposed that expenditure of Rs.690.61 cr. (Rs.123.26 Cr. in FY 2019-20, Rs.131.58 Cr. in FY 2020-21, Rs.138.16 Cr. in FY 2021-22, Rs.145.07 Cr. in FY 2022-23 and Rs.152.54 Cr. in FY 2023-24) for transportation of fly ash during the period the FY 2020-24 as per direction of the Ministry of Environment Forest (MoEF), Govt. of India vide their Notification dated 25, 01.2016. In response to above claim, GRIDCO has submitted that the Petitioner has not taken any proactive action to comply the MoEF guidelines for disposal of 100% fly ash utilisation. Considering the above claim of the Petitioner regarding

transportation of fly ash, the Commission, vide its interim order dated 16.11.2023, had asked the petitioner to provide information regarding transportation plan and audited expenditure, if any, in respect of Unit-II. The Commission observes that the Petitioner has failed to provide supporting documents against the claims of additional capitalization of Rs.253.50 Cr. for installation FGD system and Rs.510.00 Cr. for installation of MGR/conveyor belt for Unit-II (600 MW) of the generating station in line with Notification of MOP, Government of India.

Therefore, the Commission feels that it would not be proper to take any decision in absence of adequate documentary evidence for proposed expenditure and consider the same for determination of generation tariff. However, after prudent check, the Commission will appropriately consider to pass through the above expenditure at the time of truing up exercise for the period FY2020-24 subject to audit by an independent auditor. "

As seen, this Hon'ble Commission directed that it will appropriately consider to pass through the above expenditure at the time of truing up exercise for the period FY 2020-24 subject to audit by an independent auditor.

66. However, since, the expenditure associated with ash disposal was too high and affects the operational viability of the power plant, as such, the Petitioner was constrained to file Case No. 18 of 2024 seeking re-imbursement of additional expenditure which it had incurred on account of the issuance of the notifications by MOEF&CC and consequent procedure issued by MOP. Pursuant to adjudication of the abovementioned Petition, this Hon'ble Commission, through its Order dated 05.06.2024, issued the following directions to GRIDCO as regards payments towards transportation of fly ash:

"5. In view of the above, we find that in this case the dispute between the Petitioner-M/s. Vedanta Ltd. and the Respondent-GRIDCO Ltd. is only on estimation of quantum of fly ash generation and determination of fly ash transportation charges corresponding to the drawal of State's share of power by GRIDCO. The Fly Ash constitutes about 80% of total Ash generation which accumulates in respective terminal fly ash silos of each unit and gets transported therefrom. The share of GRIDCO in fly ash transportation cost should be paid to M/s. Vedanta on monthly basis because huge expenditure in this regard will affect cash flow of the Petitioner if it is reimbursed after a longer period. GRIDCO would also be benefitted by avoiding payment of carrying cost relating to the claim of M/s. Vedanta. We are of the view that the transportation cost of fly ash per ton from each generating unit would be averaged out since the fly ash of all the generating units taken together is transported to the multiple destinations. Therefore, transportation cost per ton should be found out from the monthly transportation bill of fly ash transported from the power plant i.e. from all the units taken together which shows total cost incurred by M/s. Vedanta in this regard. Then the amount of fly ash

generated from the IPP Unit-2 and deposited in its silo is to be measured for a month. If there is no mechanism for such measurement then normative quantum of ash generation of the IPP Unit-2 should be found out based on the quantum of power generated from Unit-2 in a month, normative station heat rate, GCV of Coal and ash content of the coal used. Accordingly, the charges for fly ash transportation for a month shall be calculated and claimed by M/s. Vedanta Ltd. corresponding to State's share of power considering the transportation cost per ton of fly ash and amount of fly ash generated from Unit- II in a month as stated above GRIDCO shall reimburse the same after verification of the relevant documents required for this purpose, subject to yearly conciliation at the end of the year basing on the audited accounts and end user certificate. The Petitioner- M/s. Vedanta Limited is directed to furnish the required relevant documents along with its monthly claim of fly ash transportation charges. Needless to mention here that the above reimbursement shall be considered by the Commission during truing up of GRIDCO's account for the corresponding year.

6. From the submission of M/s. Vedanta Ltd. it is found that only about 10,92,824 MT of fly ash generated has been utilized /transported (in low laying area near Jharbeda Kutra and for construction of Highway) by March, 2024 against 27,54,681 MT of fly ash generated & accumulated by March, 2024. As per the submission of GRIDCO, M/s. Vedanta Ltd. has initiated steps for fly ash disposal off late in June, 2023 by floating expression of interest for transportation of fly ash and utilization / transportation of fly ash started in November, 2023. Therefore, the Petitioner-M/s. Vedanta Ltd. is directed to strictly follow the Notifications/Guidelines issued by the MoEF&CC and MoP, GoI from time to time (including recent Notification dated 15.03.2024 of the Ministry of Power, GoI regarding 100% ash disposal) and accordingly, plan and take timely action to avoid accumulation of ash and non-compliance of those Notifications."

As is evident from the above, this Hon'ble Commission had directed that charges for fly ash transportation for a month be calculated and claimed by the Petitioner corresponding to State's share of power considering the transportation cost per ton of fly ash and amount of fly ash generated from Unit- II in a month. Further, GRIDCO was directed to reimburse the same after verification of the relevant documents required for this purpose, subject to yearly conciliation at the end of the year basing on the audited accounts and end user certificate.

67. Thereafter, owing to failure of GRIDCO to make payments of the complete costs incurred by the Petitioner towards ash disposal, the Petitioner preferred another Petition (being Petition No. 106 of 2024), inter-alia, seeking the following directions from this Hon'ble Commission:

"a) Direct GRIDCO to re-imburse the actual cost/ expenditure of INR 9,63,84,049/- incurred by the petitioner/ Vedanta towards disposal of bottom ash from November 2024 till May 2024, and INR 45,54,17,687/-

towards transportation and handling cost for disposal of accumulated ash (from January 2020 to October 2023) during November 2024 till May, 2024, in terms of Clause 6.2.2. of RPA dated 19.12.2012 read with notifications dated 31.12.2021, 30.12.2022 and 01.01.2024 issued by the Ministry of Environment, Forest and Climate Change . (MOEF&CC), Government of India, and the consequent advisory dated 22.02.2022 and notification dated 15.03.2024 issued by the Ministry of Power, Government of India, in terms as stated in the present petition;

b) Direct GRIDCO to re-imburse the additional cost/expenditure of INR 5,02,87,330/- incurred by the petitioner towards disposal of moistened fly ash due to addition of water from November 2023 till May 2024, in terms of SPCB guidelines and as stated in the present petition;

c) Direct GRIDCO to continue re-imbursing the actual cost/ expenditure incurred by the Petitioner/ Vedanta towards disposal/ handling of ash, in terms of Clause 6.2.2. of PPA dated 19.12.2012 read with notifications dated 31.12.2021, 30.12.2022 and 01.01.2024 issued by the Ministry of Environment, Forest and Climate Change (MOEF&CC), Government of India, and the consequent advisory dated 22.02.2022 and notification dated 15.03.2024 issued by the Ministry of Power, Government of India and SPCB guidelines as stated in the present petition;

…"

Notably, the above the pleadings in the petition is completed and pending for final order to be pronounced by this Hon'ble Commission.

68. With regard to the above, it is imperative to set out below the details of the outstanding expenses towards bottom ash, accumulated ash and water weight charges to be paid by GRIDCO for the period between November 2023 to March 2024:

Month	Monthly Ash Generated Qty (In MT)	Ash including moisture and Bottom Ash Claim (In Rs)	Claim amount on account of Moisture (In Rs)	Claim for disposal of Bottom Ash (In Rs)	Accumulated Ash Claim (In Rs)	Total Amount Hold by GRIDCO for Bottom Ash, Accumulated Ash and Water Weight (In Rs)
Nov-23	85,706	6,03,14,120	78,67,059	1,04,89,412	8,30,08,693	10,13,65,164
Dec-23	87,305	6,24,43,652	81,44,824	1,08,59,766	12,41,01,487	14,31,06,076
Jan-24	85,828	5,99,99,810	78,26,062	1,04,34,750	11,36,66,858	13,19,27,669
Feb-24	1,10,813	7,50,16,516	97,84,763	1,30,46,351	2,83,42,521	5,11,73,635
Mar-24	1,14,649	7,90,01,574	1,03,04,553	1,37,39,404	27,30,177	2,67,74,135
Total	**4,84,301**	**33,67,75,672**	**4,39,27,262**	**5,85,69,682**	**35,18,49,735**	**45,43,46,679**

The Invoice raised by Vedanta from Nov 2023 to March 2024 along with Auditor certificate is annexed here as **ANNEXURE – 9 (Colly).**

Statutory Expenses

69. It is submitted that in accordance with the provisions of Regulation 36 of the OERC Generation Tariff Regulations 2020 read with clause 6.2.2 of the consolidated PPA the statutory charges, taxes, levies and cess etc. paid by the generating company imposed by the state and central govt or any other local bodies /authority shall be recovered from the beneficiary by considering the normative parameters specified in the commission's tariff regulation. The relevant clause is reproduced herein below:

> ***"36. Recovery of Statutory Charges:***
>
> *1) The generating company shall recover the statutory charges imposed by the State and Central Government such as electricity duty, water cess by considering normative parameters specified in these regulations. In case of the electricity duty is applied on the auxiliary energy consumption, such amount of electricity duty shall apply on normative auxiliary energy consumption of the generating station (excluding colony consumption) and apportioned to each of the beneficiaries in proportion to their schedule dispatch during the month."*

In accordance with the aforesaid regulation Vedanta is entitled to recover such statutory charges paid by petitioner towards power supply under the PPA. It is submitted that Vedanta has been paying the following statutory charges on a monthly / yearly basis.

a) Boiler Inspection charges:

70. It is submitted that Boiler inspection shall be done mandatorily in every year or after annual maintenance or during Hydro test as per the rules and regulation governed in Boiler Act, 1923 and Indian Boiler Regulation, 1950 as well as in CEA Safety Requirements for Construction, Operation and Maintenance of Electrical Plants and Electric Lines) Regulations, 2011. Accordingly, Vedanta has been paying the aforesaid charges on account of the inspection of boiler and its auxiliaries on annual basis for which an amount of Rs 5,27,100 has been incurred during the period from FY 2019-2024 towards 600 MW Unit#2. The payment receipts regarding the said expenses are annexed here as **ANNEXURE – 10.**

b) Consent to Operate (CTO) charges paid to Sate Pollution Control Board (SPCB)

71. It is submitted that industries are mandatory to pay Consent To Operate (CTO) charges as per the Odisha Air (Prevention and control of Pollution) (Amendment) Rules, 2012 on an annual basis, accordingly the aforesaid charges were paid on account of consent to operate fees on an annual basis for which an amount of Rs 2,47,59,702 has been incurred towards 4x600 MW TPP. The payment receipts for the said expenses are annexed here as **ANNEXURE - 11**.

c) Hazardous Waste Management charges:

72. It is submitted that industries have to pay the said statutory charges annually according to the Odisha Hazardous and other Waste (Management and Transboundary Movement) Rules, 2016 and accordingly the said fees were paid annually to SPCB for which an amount of Rs 56,000 has been incurred towards 4x600 MW TPP. The payment receipts are annexed here as **ANNEXURE - 12**.

d) Electrical inspection charges:

73. It is submitted that Vedanta has been paying annual electrical inspection charges towards electrical installations like Switchyard, Turbine Generator Set along with its Auxiliaries, Electrical equipment's of Balance of Plant and DG sets to the state govt as per the estimation provided by the office of Chief Electrical Inspector (CEI) (WZ), Sambalpur, Odisha. Accordingly, Vedanta has incurred an amount of Rs 2,37,97,890 for annual inspection of electrical installations for 4x600 MW TPP. The payment details are annexed here as **ANNEXURE - 13**.

e) Land Cess:

74. It is submitted that as per chapter – II clause 5 (I) of Odisha Cess Act, 1962, petitioner is liable to pay the cess as determined under the said Act. Petitioners have been paying the cess on land leased for industrial purposes i.e. for generation and supply of power. Petitioners have paid an amount of Rs 6,30,35,612 to revenue department Govt of Odisha towards the land cess during FY 2019-2024 for 4x600 MW TPP. The demand and payment receipts details are annexed here as **ANNEXURE – 14.**

f) Electricity Duty:

75. The Orissa Electricity Act, 1961, is a state-level law in Odisha that levies a duty on the consumption of electrical energy. This act extends to the entire state of Odisha. Petitioner has been paying Electricity Duty (0.55 Rs/unit) on electricity consumed for Auxiliaries equipment of unit#2. It is pertinent to note that GRIDCO has been reimbursing the ED paid by petitioner towards auxiliary power consumption. It is further stated that the joint reconciliation for ED and SOC, MOC has not been done since FY 2014-15 to FY 2023-24. The detailed statement for the said statutory charges has already been submitted to GRIDCO. Therefore, Hon'ble Commission is requested to direct GRIDCO for early reconciliation of the aforesaid statutory charges. The details of ED claimed during FY 2014-19 and FY 2019-24 and payment made by GRIDCO are as follows;

FY	ED Payable by GRIDCO (In Rs)	Payment received from GRIDCO (In Rs)	Difference payable/(Receivable) by GRIDCO (In Rs)
2014-15	3,94,86,029	3,88,18,961	6,67,068
2015-16	5,33,27,058	5,05,39,752	27,87,306
2016-17	6,15,99,131	4,57,87,432	1,58,11,699
2017-18	3,35,32,629	2,57,93,881	77,38,748
2018-19	3,43,37,934	2,55,70,025	87,67,909
2019-20	2,62,53,894	2,59,99,672	2,54,222
2020-21	10,81,71,666	9,85,08,776	96,62,890
2021-22	7,94,75,356	7,94,75,356	-
2022-23	11,75,71,955	11,75,71,953	2
2023-24	10,69,30,853	10,69,30,853	-
Net Amount	**66,06,86,505**	**61,49,96,661**	**4,56,89,844**

In view of the above it is submitted that petitioner under recovered an amount of Rs 4,56,89,844. The said amounts are thus payable along with delayed payment surcharge along with interest (in case payable).

g) Water charges :

76. Hon'ble OERC vide order dated 26.12.2023 in case no 20 of 2020 had directed as follows

> *"(e)The Petitioner is required to submit its claims with supporting documentary evidence for reimbursement of statutory and other charges*

in compliance with the provisions of respective Generation Tariff Regulations and/or in compliance to statutory obligation as per law and/or as per the provisions of consolidated PPA dated 20.12.2012. After proper scrutiny, ***GRIDCO is to reimburse the dues in proportion to its share in generation*** *for the tariff period FY 2020-24."*

In line with the above it is clarified that GRIDCO is to reimburse the dues towards statutory **charges** in proportion to its share of power. As per PPA GRIDCO's has share of 30% energy sent out from 4x600 MW TPP, however GRIDCO has been reimbursing statutory charges considering 25% power i.e only to the extent of fixed cost power share and not paying for the variable cost power share. The details of water charges claimed and reimbursed by GRIDCO are as follows;

Water Demand Charges			
Period	**Vedanta Claim**	**GRIDCO Disbursement**	**Amount Receivable**
2014-15	14,25,14,679	5,47,41,685	8,77,72,994
2015-16	16,78,71,417	5,78,82,710	10,99,88,707
2016-17	13,80,42,960	6,28,35,792	7,52,07,168
2017-18	4,10,16,908	1,54,82,424	2,55,34,484
2018-19	3,48,95,006	1,41,08,656	2,07,86,350
2019-20	2,76,98,451	2,74,94,723	2,03,728
2020-21	9,95,90,154	7,03,89,181	2,92,00,973
2021-22	8,53,33,822	5,08,80,740	3,44,53,082
2022-23	14,98,66,952	8,42,46,852	6,56,20,100
2023-24	12,03,28,443	7,53,70,176	4,49,58,267
Total	**1,00,71,58,792**	**51,34,32,939**	**49,37,25,853**

The details of statutory charges paid and claim of Vedanta for GRIDCO share of power are mentioned as below:

S. No.	Period	Statutory Charges Details	Charges Paid to Authorities (In Rs)	Claim for GRIDCO Share of Power (In Rs)
1	2019-24	Boiler Inspection Charges for Unit 2	5,27,100	5,27,100
2	2019-24	CTO Charges for 2400 MW TPP	2,47,59,702	74,27,911
3	2019-24	HWM Charges for 2400 MW TPP	56,000	16,800
4	2019-24	Electrical Inspection Charges Paid for 2400 MW TPP	2,37,97,890	71,39,367
5	2019-24	Land Cess Paid for 2400 MW TPP	6,30,35,612	1,89,10,684

6	2014-24	Electricity Duty for Unit 2	4,56,89,844	4,56,89,844
7	2014-24	Water Demand Charges for Unit 2	49,37,25,853	49,37,25,853
Total			**65,15,92,001**	**57,34,37,558**

Therefore, the petitioner respectfully prays to the Hon'ble Commission to allow the reimbursement of the above statutory charges, along with delayed payment surcharge and interest (in case of delay).

SECTION-C DETERMINATION OF MULTIYEAR TARIFF FROM FY 2024-25 TO FY 2028-29 UNDER ODISHA ELECTRICITY REGULATORY COMMISSION (TERMS AND CONDITIONS FOR DETERMINATION OF GENERATION TARIFF) REGULATIONS, 2024

I. INTRODUCTION

1. The present petition is being filed by M/s Vedanta Limited/ Petitioner in accordance with the provisions of Sections 61 and 86 (1) (a) of the Electricity Act, 2003, for determination of Multi-Year Tariff for supply of power from 600 MW IPP Unit #2 of thermal power plant of the Petitioner for a period of five years starting from FY 2024-25 to FY 2028-29.

2. This Hon'ble Commission vide its Order dated 26.12.2023 passed in Case No. 20 of 2020 determined the provisional tariff for supply of power to GRIDCO/ Respondent from determination of Multi-Year Tariff for supply of power from the 600 MW IPP (Unit-2) of its thermal generating station at Jharsuguda for the control period of five years from FY 2019-20 to FY 2023-24 as per PPA executed with GRIDCO ltd.

3. Subsequently, this Hon'ble Commission issued Notification No. 1285 – OERC/ RA/ GEN. REG./41/2024 on 06.11.2024 thereby notifying OERC (Terms and Conditions for Determination of Generation Tariff) Regulations 2024 ("**OERC Tariff Regulations 2024**") which became effective from 01.04.2024 for the control period of five years i.e., FY 2024-25 to FY 2028-29.

4. As such, in terms of Regulation 9 of OERC Tariff Regulations 2024 is filing the present petition.

II. APPROACH TO THE PRESENT SUBMISSION

5. It is submitted that as per Regulation 61 (2) of the OERC (Conduct of Business) Regulations, 2004, a generating company is required to file an application by 30th November each year to the Commission giving details of fixed and variable costs associated with generation of electricity in different power stations for approval of Annual Revenue Requirement (ARR) and determination of tariff for the generating stations for sale of energy in the state of Odisha. The Petitioner is hereby submitting the present petition as per the norms prescribed in the OERC Tariff Regulations 2024, in terms of Regulation 9, which is reproduced hereunder:

"9. TARIFF PETITION

(1) The Tariff Petition filed by the Generating Company (for their existing generating station) shall include a forecast of Aggregate Revenue Requirement and expected revenue from Tariff for each year of the Tariff Period in the manner specified in these Regulations, and shall be accompanied by applicable fees.

(2) The forecast of expected revenue from Tariff and charges shall be based on the estimated quantum of electricity to be generated by each unit / station for each year of the Tariff Period;

(3) Based on the forecast of Aggregate Revenue Requirement and expected revenue from Tariff and charges, the Generating Company shall submit the proposed Tariff or Fees and Charges for each year of the Tariff Period, to meet the gap, if any, in the Aggregate Revenue Requirement including unrecovered revenue gaps of previous years to the extent proposed to be recovered.

(4) The detail information supporting the forecast including but not limited to details of past performance, proposed initiatives for achieving efficiency or productivity gains, technical studies, audited Financial Statements contractual arrangements and secondary research shall be provided to enable the Commission to assess the reasonableness of the forecast.

(5) On receipt of the Petition, the Commission shall either-

(a) issue an Order approving the Aggregate Revenue Requirement and Tariff for each financial year, subject to such modifications and conditions as it may stipulate; or

(b) reject the Petition for reasons to be recorded in writing, after giving the Petitioner a reasonable opportunity of being heard.

(6) The Commission shall grant the final tariff in the case of existing and new projects after considering the replies received from the respondents and suggestions and objections, if any, received from the general public and any other person permitted by the Commission, including consumers or consumer associations.

(7) Notwithstanding anything contained above OHPC and OPGC (UNIT-I & II) may make application (in the Format prescribed by the Commission) by November 30th of every year for determination of tariff in respect of their existing generating station as a whole or unit(s) thereof.

Provided that the OHPC and OPGC (Unit - I & II) shall make application (in the prescribed Format) with necessary information and explanations for determination of tariff based on capital expenditure incurred duly certified by the auditors up to the date of commercial operation and additional capital expenditure incurred duly certified by the auditors or projected to be incurred during the period for which application for determination by tariff is filed of the Generating Company:

Provided further that application shall contain details of underlying assumptions for projected capital cost and additional capital expenditure, wherever applicable."

The various applicable tariff filing formats as per OERC Generation Tariff Regulation 2024 for determination of MYT for FY 2024-2029 is duly filled and annexed here as **ANNEXURE- 15 (Colly).**

III. CAPITAL COST AND ADDITIONAL CAPITAL COST

6. It is submitted that this Hon'ble Commission, vide its Order dated 26.12.2023 passed in Case No. 20 of 2020 verified capital cost including additional capitalisation up to 31.03.2019 and has considered the capital cost of Rs.8094.54 Crores as opening capital cost for the tariff period FY 2020-24 as per the OERC Tariff Regulations 2014. In this regard, it is submitted that as per Regulation 12 of the OERC Tariff Regulations 2024, the Petitioner has considered the capital cost of 4x600 MW thermal power station . It is to be noted that the Unit-II of 4x600 MW of the Generating Station achieved commissioning on 10.11.2010. Regulation 15 of OERC Tariff Regulations 2024 is reproduced hereunder:

*"**15. CAPITAL COST OF THE PROJECT***

(1) The Capital Cost of the generating station as determined by the Commission after prudence check in accordance with these Regulations shall form the basis for the determination of tariff for existing and new projects.

… … …

(3) The Capital cost of an existing project shall include the following:

(a) Capital cost admitted by the Commission prior to 01.04.2024 duly trued up by excluding liability, if any, as on 01.04.2024;

(b) Additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with these Regulations;

(c) Capital expenditure on account of Renovation & Modernisation / Capital Maintenance as admitted by this Commission in accordance with these Regulations;

(d) Capital expenditure on account of ash disposal and utilization, including handling and transportation facility;

(e) Capital expenditure incurred towards railway infrastructure and its augmentation for transportation of coal up to the receiving end of generating station but does not include the transportation cost and any other appurtenant cost paid to the railway;

(f) Capital cost incurred or projected to be incurred by a thermal generating station, on account of implementation of the norms under the Perform, Achieve and Trade (PAT) scheme of the Government of India shall be considered by the Commission subject to sharing of benefits accrued under the PAT scheme with the beneficiaries;

(g) Expenditure required to enable flexible operation of the generating station at lower loads;

(h) Capital expenditure on account of biomass handling equipment and facilities, for co-firing; and

(i) Expenditure on account of change in law and force majeure events;

… … …

***16. PRUDENCE CHECK OF CAPITAL COST**:*

The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff. The following principles shall be adopted for prudence check of capital cost of the existing or new projects:

(1) In the case of the thermal generating station, the prudence check may include scrutiny of the reasonableness of the capital expenditure in

the light of capital cost of similar projects based on past historical data, wherever available, reasonableness of financing plan, interest during construction, incidental expenditure during construction, use of efficient technology, cost over-run and time over-run, procurement of equipment and materials through competitive bidding as given in Regulation 68 and such other matters as may be considered appropriate by the Commission for determination of tariff;

(2) Where the power purchase agreement entered into between the Generating Company and the beneficiaries provide for ceiling of actual expenditure, the capital expenditure admitted by the Commission shall take into consideration such ceiling during prudence check for determination of tariff;

Provided also that the Commission may issue guidelines for vetting of capital cost of hydro-electric projects by independent agency or expert body and in that event the capital cost as vetted by such agency or expert may be considered by the Commission while determining the tariff for the hydro generating station;

Provided also that in case the site of a Hydro Generating Station is awarded to a developer (not being a State controlled or owned company) by the State Government by following a transparent process of bidding, any expenditure incurred or committed to be incurred including the premium payable to the State Government by the project developer for getting the project site allotted, shall not be included in the capital cost."

Table-1- Capital Cost approved by the Commission for FY 2019-24 (Rs. Cr)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	OERC Tariff Regulation, 2014	OERC Tariff Regulations, 2020			
Opening Capital Cost	8,094.54	8,190.51	8,190.51	8,190.51	8,190.51
Addition	95.97	-	-	-	-
Closing Capital Cost	8,190.51	8,190.51	8,190.51	8,190.51	8,190.51

ADDITONAL CAPITALIZATION

7. It is submitted that with regards to the additional capitalization, Regulation 21 of the OERC Generation Tariff Regulation, 2024 provides as under:

"21. ADDITIONAL CAPITALISATION WITHIN THE ORIGINAL SCOPE AND AFTER CUT-OFF DATE:

(1) The additional capital expenditure incurred or projected to be incurred in respect of an existing project or a new project on the following counts within the original scope of work and after the cut-off date may be admitted by the Commission, subject to prudence check:

(a) Payment made against award of arbitration or for compliance with the directions or order of any statutory authority or order or decree of any court of law;

(b) Change in law or compliance of any existing law which is not provided for in the original scope of work.

(c) Deferred works relating to ash pond or ash handling system or raising of ash dyke as part of ash disposal system in the original scope of work;

(d) Force Majeure events;

(e) Works within Original scope executed after the cut-off date and admitted by the Commission, to the extent of actual payments made;

(2) In case of replacement of assets deployed under the original scope of the existing project after cut-off date, the additional capitalization may be admitted by the Commission, after making necessary adjustments in the gross fixed assets and the cumulative depreciation, subject to prudence check on the following grounds:

(a) The assets whose useful life is not commensurate with the useful life of the project and such assets have been fully depreciated in accordance with the provisions of these Regulations;

(b) The replacement of the asset or equipment is necessary on account of change in law or Force Majeure conditions;

(c) The replacement of such asset or equipment is necessary on account of obsolescence of technology; and

(d) The replacement of such asset or equipment has otherwise been allowed by the Commission.

(e) The additional expenditure, excluding recurring expenses covered in O&M expenses, involved in relation to the renewal of lease of lease hold land on case to case basis.

Provided that any claim of additional capitalisation with respect to the replacement of assets under the original scope and on account of obsolescence of technology, less than Rs. 20 lakhs shall not be considered as part of Capital cost and shall be met through normative O&M expenses.

8. With regard to additional capitalization expenditure, Regulation 22 of the OERC Tariff Regulations, 2024, provides as under:

"22. ADDITIONAL CAPITALISATION BEYOND THE ORIGINAL SCOPE:

(1) The capital expenditure, in respect of existing generating station incurred or projected to be incurred on the following counts beyond the original scope, may be admitted by the Commission, subject to prudence check:

(a) Payment made against award of arbitration or for compliance of order or directions of any statutory authority, or order or decree of any court of law;

(b) Change in law or compliance of any existing law;

(c) Force Majeure events;

(d) Need for higher security and safety of the plant as advised or directed by the appropriate Indian Governmental Instrumentality or statutory authorities responsible for national or internal security;

(e) Deferred works relating to ash pond or ash handling system or raising of ash dyke in addition to the original scope of work, on case to case basis subject to prudence check of efficient utilization of Ash Pond and 100% utilization of Ash as per MoEF guidelines notified from time to time:

Provided also that if any expenditure has been claimed under Renovation and Modernisation (R&M) or repairs and maintenance under O&M expenses, the same shall not be claimed under this Regulation;

(f) Usage of water from sewage treatment plant in thermal generating station.

(g) Works required towards biomass handling system to enable biomass co-firing and towards enabling flexible operation of the generating station as may be required.

(h) Works pertaining to Railway Infrastructure and its augmentation for transportation of coal up to the receiving end of the generating station (excluding any transportation cost and any other appurtenant cost paid to railways) that are not covered under Regulation 20, 21 and 23, but shall result in better fuel management and can lead to a reduction in operation costs, or shall have other tangible benefits:

Provided that the Generating Company shall have to mandatorily seek prior approval of the Commission before implementing

such works based on a detailed cost- benefit analysis of such schemes;

(i) Any additional capital expenditure which has become necessary for efficient operation of generating station or transmission system as the case may be, including the works required towards projects acquired through NCLT process. The claim shall be substantiated with the technical justification and cost benefit analysis.

(2) Any claim of additional capitalisation less than Rs. 20 lakhs shall not be considered under clause (1) of this Regulation and shall be met through normative O&M expenses.

(3) In case of de-capitalisation of assets of a Generating Company the original cost of such asset as on the date of de-capitalisation shall be deducted from the value of gross fixed asset and corresponding loan as well as equity shall be deducted from outstanding loan and the equity respectively in the year such de-capitalisation takes place with corresponding adjustments in cumulative depreciation and cumulative repayment of loan, duly taking into consideration the year in which it was capitalised.

Provided that in cases where an asset forming part of a scheme is de-capitalised and wherein the historical value of such asset is not available, the value of de-capitalisation shall be computed be de-escalating the value of the new asset by 5% per year until the year of capitalisation of the old asset subject to a minimum of 10% of the replacement cost of the asset."

9. The Additional Capitalization expenditure proposed to be incurred under various heads have been presented in table below:

Additional Capitalization Details (Rs. In Crores)						
Particulars	**FY 2024-25**	**FY 2025-26**	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**Total**
Plant & Machinery	237.682	98.07	277.90	81.55	0.00	**695.20**
Land and Land Rights	11.128			73.21		**84.34**
Office Equipments	-0.046					**-0.05**
Furnitures	-0.001					**-0.001**
Vehicles	-0.138					**-0.14**
Sub-Total (Additions): A	**248.81**	**98.07**	**277.90**	**154.76**	**0.00**	**779.54**

(-) Adjustments: B	-0.19					**-0.19**
Net Additions: (A-B)	**248.62**	**98.07**	**277.90**	**154.76**	**0.00**	**779.35**

10. The Petitioner prays to this Hon'ble Commission to allow total additional capitalization of Rs. 248.62 Cr for FY 2024-25, Rs 98.07 Cr for FY 2025-26, Rs 277.90 Cr for FY 2026-27, Rs 154.76 Cr for FY 2027-28.

11. The details of additional capitalization from FY 2024-25 to FY 2027-28 is annexed here as **ANNEXURE – 16, 17, 18, 19 respectively.**

IV. ANNUAL FIXED COSTS

12. Regulation 14 of OERC Tariff Regulation 2024 provides for the components of Annual Fixed Cost of the Generating Station. The relevant extract of Regulation 14 is reproduced herein below:

> *"**14. ANNUAL FIXED COST, CAPACITY CHARGE & ENERGY CHARGE***
>
> *(1) Capacity Charges: The capacity charges shall be derived on the basis of Annual Fixed Costs. The Annual Fixed Cost (AFC) of a generating station shall consist of the following components:*
>
> *(a) Return on equity;*
> *(b) Interest on loan capital;*
> *(c) Depreciation;*
> *(d) Interest on working capital;*
> *(e) Operation and maintenance expenses;*
> *(f) Tax on Income Less:*
> *(g) Non Tariff Income*
>
> *Provided that the Special Allowance in lieu of R&M, where opted in accordance with Regulation 24 of these Regulations, shall be recovered separately and shall not be considered for computation of working capital."*

Return on Equity (RoE):

13. It is submitted that Regulation 28 of the OERC Tariff Regulations, 2024 provides the norms for computation of RoE. The relevant extract of Regulation 28 is reproduced herein below:

"28. RETURN ON EQUITY

(1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with Regulations 26 of these Regulations:

(2) Return on equity shall be computed at the base rate of 14.0% for all thermal generating stations, at the base rate of 15.5% for run-of-river hydro generating station and at the base rate of 16.5% for storage type hydro generation station, pumped storage hydro generating station and run-of-river generating station with pondage;

Provided that return on equity in case of existing generating stations of OPGC (Unit - I & II) and existing hydro stations of OHPC shall be as per the provisions of the PPA.

Provided that return on equity in respect of additional capitalization beyond the original scope excluding additional capitalization on account of emission control system, Change in Law and Force Majeure shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 300 basis points as on 1st April of the year, subject to a ceiling of 14%;

Provided further that:
… … …

(b) In case of existing generating station, as and when any of the requirements under (a) above of this Regulation are found lacking based on the confirmation/ report submitted by the SLDC, rate of return on equity shall be reduced by 1.00% for the period for which the deficiency continues;

Provided that if the generator is exempted for FGMO due to its inherent characteristics with due approval from CERC/CEA, there shall be no reduction of base rate of RoE.

(c) In case of a thermal generating station
(i) rate of return on equity shall be reduced by 0.25% in case of failure to achieve the ramp rate as specified under Regulation 45(9) of CERC(Indian Electricity Grid Code) Regulations, 2023 as amended from time to time, till the Odisha Grid Code Regulations, 2015 is amended.

(ii) An additional rate of return on equity of 0.125% shall be allowed for every incremental ramp rate of 0.50% per minute achieved over and above the ramp rate specified by Central Electricity Authority, subject to the ceiling of additional rate of return on equity of 1%."

14. It is submitted that as regards to the equity base the Petitioner has considered the Opening Capital Cost employed towards 4x600MW station in FY 2024-25 amounting to Rs. 8516.16 Crores which is being arrived as per the truing up computation submitted for approval before Hon'ble Commission.

15. In line with the aforementioned regulations, the Petitioner has also considered a base rate of 14% for computation of **RoE** for the period FY 2024-25 to FY 2028-29. The Petitioner has considered normative equity component of 30% of the additional capitalization during each year of the tariff period. The RoE amount for the above period is indicated below:

Table__: Return on Equity for FY 2024-25 to FY 2028-29 (INR Cr.)

S. No.	Computation of Return of Equity (Amount in Rs Cr)					
	Year	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
1	Opening capital cost	8516	8765	8863	9141	9296
2	Add: Additional capital expenditure	249	98	278	155	0
3	Closing capital cost	8765	8863	9141	9296	9296
4	Average capital cost	8641	8814	9002	9218	9296
	Return on Equity					
5	30% of Capital Cost	2555	2629	2659	2742	2789
6	30% of Additional Capital Cost	75	29	83	46	0
7	Opening Equity	2555	2629	2659	2742	2789
8	Addition due to Add. Cap.	75	29	83	46	0
9	Closing Equity	2630	2659	2742	2789	2789
10	Average Equity	2592	2644	2701	2765	2789
11	Base Rate on Equity (%)	14%	14%	14%	14%	14%
12	Amount beyond Scope	2.65	14.43	54.00	4.13	-
13	Amount within scope	72.03	14.99	29.37	42.30	-
14	Base Rate on Equity (%) - Add Cap	12%	12.05%	12%	12%	12%
15	**ROE Amount on Opening Equity**	**357.68**	**368.12**	**372.24**	**383.91**	**390.41**
16	**ROE on add Capex - within scope**	**10.08**	**2.10**	**4.11**	**5.92**	**0.00**
17	**ROE on add Capex - O/s scope**	**0.30**	**1.74**	**6.51**	**0.50**	**-**
18	**Total ROE**	**368.07**	**371.96**	**382.86**	**390.33**	**390.41**

16. The Petitioner respectfully prays to this Hon'ble Commission to approve the RoE of Rs. 368.07 Crore for FY 2024-25, Rs. 371.96 Crore for FY 2025-26, Rs. 382.86 Crore for FY 2026-27, Rs. 390.33 for FY 2027-28 and Rs 390.41 Cr for FY 2028-29.

17. It is further submitted that, Petitioner has set up the Generating Station by infusion of equity investment, on the basis of fair rate to the tune of at least 14% return on equity.

Interest on Loan Capital:

18. It is submitted that the norms in relation to computation of Interest on Loan Capital for FY 2024-25 to FY 2028-29, under Regulation 30 of the OERC Tariff Regulation, 2024. Regulation 30 is reproduced herein below:

> *"**30. INTEREST ON LOAN CAPITAL***
>
> *(1) The loans arrived at in the manner indicated in Regulation 26 shall be considered as gross normative loan for calculation of interest on loan.*
>
> *(2) The normative loan outstanding as on 01.04.2024 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2024 from the gross normative loan.*
>
> *(3) The loan repayment for each year of the tariff period 2024-2029 shall be deemed to be equal to the depreciation allowed for corresponding year/period. In case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalisation of such asset.*
>
> *(4) Notwithstanding any moratorium period availed by the Generating Company the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed for the year or part of the year.*
>
> *(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized at the beginning of each year applicable to the project;*
>
> *Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered;*
>
> *Provided further that if the generating station, does not have actual loan, then the weighted average rate of interest of the loan portfolio of the Generating Company as a whole shall be considered.*
>
> *(6) The rate of interest on the loan for the installation of the emission control system commissioned subsequent to date of commercial operation of the generating station or unit thereof, shall be the weighted average rate of interest of the actual loan portfolio of the emission control system, and in the absence of the actual loan portfolio, the*

weighted average rate of interest of the Generating Company as a whole shall be considered, subject to a ceiling of 14%;

Provided that if the Generating Company does not have any actual loan, then the rate of interest for a loan shall be considered as 1-year MCLR of the State Bank of India as applicable as on 1st April of the relevant financial year

(7) The interest on loan shall be calculated on the normative average loan of the respective years by applying the weighted average rate of interest.

(8) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing."

In the light of the aforementioned paragraph, it is necessary to be highlighted that in accordance with the provisions of Regulation 30 of the OERC Tariff Regulations 2024, the rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized at the beginning of each year applicable to the project.

Table 15**- Interest on Loan for FY *2024-25* to FY *2028-29* (Rs. Crore)**

Calculation of Interest on Loans						
Sl. No	**Particulars**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**
1	**2**	**3**	**4**	**5**	**6**	**7**
A	Loan-1					
1	Gross loan - Opening	5961.31	6135.35	6204.00	6398.53	6506.86
2	Cumulative repayments of Loans upto previous year	5036.74	5457.60	5887.33	6326.99	6776.14
3	Net loan - Opening	924.58	677.75	316.67	71.54	0.00
4	Receipts during the year	174.25	68.65	194.53	108.33	0.00
5	Repayment during the year	420.87	429.73	439.66	180.00	0.00
6	Net loan - Closing	677.95	316.67	71.54	-0.13	0.00
7	Average Net Loan	801.26	497.21	194.10	35.71	0.00
8	Rate of Interest on Loan	0.10	0.10	0.10	0.10	0.10
9	Interest on loan	79.67	49.44	19.30	3.55	0.00
10	Add : Finance Charges	0.00	0.00	0.00	0.00	0.00
B	Loan-2					
1	Gross loan - Opening					
2	Cumulative repayments of Loans upto previous year					
3	Net loan - Opening					

4	Receipts during the year					
5	Repayment during the year					
6	Net loan - Closing					
7	Average Net Loan					
8	Rate of Interest on Loan					
9	Interest on loan					
10	Add : Finance Charges					
C	Total Loan					
1	Gross loan - Opening	5961.31	6135.35	6204.00	6398.53	6506.86
2	Cumulative repayments of Loans upto previous year	5036.74	5457.60	5887.33	6326.99	6776.14
3	Net loan - Opening	924.58	677.75	316.67	71.54	0.00
4	Receipts during the year	174.25	68.65	194.53	108.33	0.00
5	Repayment during the year	420.87	429.73	439.66	180.00	0.00
6	Net loan - Closing	677.95	316.67	71.54	-0.13	0.00
7	Average Net Loan	801.26	497.21	194.10	35.71	0.00
8	Rate of Interest on Loan	0.10	0.10	0.10	0.10	0.10
9	Interest on loan	79.67	49.44	19.30	3.55	0.00
10	Add : Finance Charges	0.00	0.00	0.00	0.00	0.00

19. The Petitioner respectfully prays to this Hon'ble Commission to approve the **Interest on Loan** of Rs. 79.67 Crore for FY 2024-25, Rs. 49.44 Crore for FY 2025-26, Rs. 19.30 Crore for FY 2026-27, Rs. 3.55 for FY 2027-28 and Rs 0 Cr for FY 2028-29.

Depreciation:

20. It is submitted that the norms in relation to computation of Depreciation for FY 2024-25 to FY 2028-29 are provided under Regulation 31 of the OERC Tariff Regulations, 2024. The relevant extract of Regulation is reproduced herein below:

"31. Depreciation
… … …
(5) Depreciation for existing project shall be calculated annually based on Straight Line Method (SLM) and at rates specified in Appendix-A to these Regulations for the assets of the generating station;

Provided that, the remaining depreciable value as on 31st March of the year
closing after a period of fifteen (15) years from effective date of commercial

operation shall be spread over the balance useful life of the assets;

… … …

*(7) In case of the **existing projects**, the balance depreciable value as on 01.04.2024 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.03.2024 from the gross depreciable value of the assets.*

(8) The Generating Company shall submit the details of capital expenditure proposed to be incurred during five years before the completion of useful life along with proper justification and proposed life extension. The Commission, based on prudence check of such submissions, shall approve the depreciation by equally spreading the depreciable value over the balance Operational Life of the generating station or unit thereof or fifteen (15) years, whichever is lower.

(9) In case of de-capitalization of assets in respect of generating station or unit thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the de-capitalised asset during its useful service.

(10) Where the Emission Control System (ECS) is implemented within the original scope of the generating station and the date of commercial operation of the generating station or unit thereof and the date of operation of the emission control system are the same, depreciation of the generating station or unit thereof including the emission control system shall be computed in accordance with Clauses (1) to (9) of this Regulation.

(11) Depreciation of the ECS of an existing generating station that is yet to complete its useful life or a new generating station or unit thereof where the date of operation of the ECS is subsequent to the date of commercial operation of the generating station or unit thereof, shall be computed annually from the date of operation of such emission control system based on the Straight Line Method (SLM) at rates specified in Appendix- A to these Regulations;

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the date of operation of such ECS shall be spread over the balance period of thirteen years or balance operational life of generating station, whichever is lower;

Provided also that in case the date of operation of the emission control system is after the 20th year of commercial operation of the generating station or unit thereof, but before the completion of the useful life of the generating station, the depreciation on Emission Control System (ECS) shall be computed annually from the date of operation of such ECS based on the straight line method, with a salvage value of 10% and the depreciable value shall be recovered till the operational life of the generating station.

(12) In case the date of operation of the ECS is subsequent to the date of completion of the useful life of generating station commercial operation of the generating station or unit thereof, depreciation of ECS shall be

computed annually from the date of operation of such ECS based on the Straight Line Method (SLM) with a salvage value of 10% and recovered over ten (10) years or a period mutually agreed by the Generating Company and the beneficiaries, whichever is higher."

21. It is submitted that Petitioner has computed depreciation as per Regulation 31 of the Generation Tariff Regulation, 2024. The computation of depreciation for FY 2024-25 to FY 2028-29 has been annexed here as **ANNEXURE - 20**.

22. The Petitioner respectfully prays to this Hon'ble Commission to approve the **Depreciation** of Rs. 420.87 Crore for FY 2024-25, Rs. 429.73 Crore for FY 2025-26, Rs. 439.66 Crore for FY 2026-27, Rs. 449.15 for FY 2027-28 and Rs 210.83 Cr for FY 2028-29.

Interest on Working Capital (IOWC):

23. It is submitted that the norms in relation to computation of Interest on Working Capital for FY 2024-25 to FY 2028-29 is provided under Regulation 32 of the OERC Tariff Regulations, 2024. The relevant extract of the Regulation is reproduced hereunder:

32. INTEREST ON WORKING CAPITAL

(1) The working capital shall cover:

(a) ***For Coal-based thermal generating stations***

(i) Cost of coal, if applicable, for ten (10) days for pit-head generating stations and twenty (20) days for non-pit-head generating stations, for generation corresponding to the Normative Annual Plant Availability Factor or the maximum coal stock storage capacity, whichever is lower;

(ii) Lime stone towards stock for 15 days corresponding to normative annual plant availability.

(iii) Advance payment for thirty (30) days towards cost of coal and limestone for generation corresponding to the Normative Annual Plant Availability Factor;

(iv) Cost of secondary fuel oil for one month for generation corresponding to the Normative Annual Plant Availability Factor, and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;

(v) Maintenance spares @ 20% of operation and maintenance expenses specified in Regulation 34(1) including water charges.

(vi) Receivables equivalent to forty-five (45) days of capacity charges and energy charges for sale of electricity calculated on the normative annual plant availability factor; and

(vii) Operation & Maintenance (O&M) expenses and water charges for One (1) month.

… … …

… … …

(2) The cost of fuel in cases covered under Regulation 1(a) of this Regulation shall be based on the landed fuel cost incurred (taking into account normative transit and handling losses in terms of Regulation 38 of these Regulations) by the generating station and gross calorific value of the fuel as per actual weighted average for the preceding financial year in case of each financial year for which tariff is to be determined and no fuel price escalation shall be provided during the tariff period.

Provided that in case of new generating station, the cost of fuel for the first financial year shall be considered based on landed fuel cost (taking into account normative transit and handling losses in terms of Regulation 38 of these Regulations) and gross calorific value of the fuel as per actual weighted average for three (3) months, as used for infirm power, preceding date of commercial operation for which tariff is to be determined.

(3) Rate of interest on working capital shall be on a normative basis and shall be equal to the one year marginal cost of lending rate (MCLR) of the State Bank of India issued as on 01.04.2024 or on 1st April of the year during the tariff period 2024-2029 in which the generating station or a unit thereof, is declared under commercial operation, whichever is later, plus 300 basis points.

Provided that in case of truing-up, the rate of interest on working capital shall
be considered at the one-year marginal cost of lending rate (MCLR) of the State Bank of India issued as on 1st April of each of the financial year during the tariff period 2024-29, plus 300 basis points.

(4) Interest on working capital shall be payable on normative basis notwithstanding that the Generating Company has not taken loan for working capital from any outside agency.

24. The Petitioner in the present Petition has computed the Interest on working capital for FY 2024-25 to FY 2028-29 in accordance with the provisions of Regulation 32 of the OERC Tariff Regulations, 2024. The Petitioner has computed the Interest on Working Capital on the basis of cost of coal for 20 days for non-pit head generating and advance payment for 30 days towards cost of coal, cost of secondary fuel oil for one month, maintenance spares @ 20% of the operation and maintenance expenses, receivables for 45 days of

capacity charges and energy charges for sale of electricity calculated on the normative annual plant availability factor and operation and maintenance expenses for one month.

25. Accordingly, the Petitioner in the present petition, considered the rate of Interest on Working Capital for FY 2024-25 to FY 2028-29 as **SBI base rate** plus **300 basis points** as on 01.04.2024 which is specified in OERC Generation Tarif Regulation, 2024. Further Rate of Interest on Working Capital from FY 2024-25 to FY 2028-29 is considered as Bank Rate i.e. (SBI one-year Marginal Cost Lending Rate) plus 300 basis points as specified in OERC Tariff Regulations, 2024. Accordingly, the principle enshrined as above is followed by the Petitioner for the purpose of calculating the interest on working capital. Therefore, the Petitioner in the present Petition has opted for the SBI Base Rate plus 300 basis points as on 01.04.2024 for FY 2024-25 and Bank rate plus 300 basis point from FY 2025-26 to FY 2028-29.

26. Accordingly, the Interest on Working Capital has been computed based on the rate of interest of **11.50%** (SBI Base Rate of 8.5% as on 01.04.2024 plus 300 basis points as per OERC Tariff Regulations, 2024) for FY 2024-25 and Bank rate as 12.05% (SBI One-year MCLR rate of 9.05% plus 300 basis points) for FY 2025-26 to FY 2028-29. The computation of Interest on Working Capital is represented in the table herein below:

Table 16- Interest on Working Capital for FY 2024-25 to FY 2028-29

(Rs. Crore)

Calculation of Interest on Working Capital Loan			
			(Rs. In Crore)
Sl. No.	**Particulars**	**Norms Considered**	**FY 2024-25**
1	Coal Cost (Non pit head)	50 days	428.70
2	Coal Cost (Pit head)	1 Month	-
3	Liquid Fuel Stock	1 Month	11.37
4	O & M expenses	1 Month	51.56
5	Maintenance Spares	20 % of O & M Expense	123.74
6	Receivables	45 days	603.30
7	Working capital Loan Requirement		1218.67
8	Rate of Interest		11.50%
9	Interest on Working Capital		140.15
Sl. No.	**Particulars**	**Norms Considered**	**FY 2025-26**

1	Coal Cost (Non pit head)	50 days	428.70
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	11.37
4	O & M expenses	1 Month	54.26
5	Maintenance Spares	20 % of O & M Expense	130.22
6	Receivables	45 days	606.14
7	Working capital Loan Requirement		1230.70
8	Rate of Interest		12.05%
9	Interest on Working Capital		148.30
Sl. No.	**Particulars**	**Norms Considered**	**FY 2026-27**
1	Coal Cost (Non pit head)	50 days	428.70
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	11.37
4	O & M expenses	1 Month	57.12
5	Maintenance Spares	20 % of O & M Expense	137.09
6	Receivables	45 Days	609.42
7	Working capital Loan Requirement		1243.70
8	Rate of Interest		12.05%
9	Interest on Working Capital		149.87
Sl. No.	**Particulars**	**Norms Considered**	**FY 2027-28**
1	Coal Cost (Non pit head)	50 days	429.88
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	11.40
4	O & M expenses	1 Month	60.12
5	Maintenance Spares	20 % of O & M Expense	144.29
6	Receivables	45 Days	614.92
7	Working capital Loan Requirement		1260.61
8	Rate of Interest		12.05%
9	Interest on Working Capital		151.90
Sl. No.	**Particulars**	**Norms Considered**	**FY 2028-29**
1	Coal Cost (Non pit head)	50 days	427.53
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	11.37
4	O & M expenses	1 Month	63.28
5	Maintenance Spares	20 % of O & M Expense	151.87
6	Receivables	45 Days	588.86
7	Working capital Loan Requirement		1242.91
8	Rate of Interest		12.05%
9	Interest on Working Capital		149.77

27. The Petitioner respectfully prays to this Hon'ble Commission to approve Interest on Working Capital of Rs. 140.15 Crore for FY 2024-25, Rs. 148.30 Crore for FY 2025-26, Rs. 149.87 Crore for FY 2026-27, Rs. 151.90 for FY 2027-28 and Rs 149.77 Cr for FY 2028-29.

Operation and Maintenance Expenses:

28. In this regard reference may be made to the Regulation 34 of the OERC Regulations, 2024 specifies the normative O&M expenses of for Unit size of 600 MW and above for each year of the control period. The relevant extract of the Regulation is reproduced hereunder:

34. OPERATION AND MAINTENANCE (O&M) EXPENSES

(1) ***Thermal Generating station(s)***
Normative Operation and Maintenance expenses of thermal Generating station(s) including security expenses shall be as follows:

(a) ***Coal based (including those based on Circulating Fluidised Bed Combustion (CFBC) technology) generating stations****:*

Year	(Rs. in Lakh/MW)				
	200/210/250 MW series	300/330/350 MW series	500 MW series	600 MW series	800 MW series and above
2024-25	40.92	34.04	27.17	25.78	23.20
2025-26	43.07	35.83	28.60	27.13	24.42
2026-27	45.33	37.71	30.10	28.56	25.70
2027-28	47.71	39.69	31.68	30.06	27.05
2028-29	50.21	41.78	33.34	31.64	28.47

Provided also that O&M expenses of generating station having a unit size of less than 200 MW not covered above shall be determined on a case-to-case basis.
(b) The Water Charges, Ash Transportation Expenses and Capital Spares for
thermal generating stations shall be allowed separately after prudence check:

Provided that water charges shall be allowed based on water consumption depending upon type of plant and type of cooling water system or water agreement with state govt./utilities, subject to actual paid charges to state govt./utilities and the norms specified by the Ministry of Environment, Forest and Climate Change subject to prudence check. The details regarding the same shall be furnished along with the petition;

Provided also that the generating station shall submit the details of year-wise actual capital spares consumed individually costing above Rs. 10 Lakh at the time of truing up with appropriate justification for incurring the same and substantiating that the same is not funded through compensatory allowance as per Regulation 17 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 or Special Allowance or claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization.

Provided that where the date of commercial operation of any additional unit(s) of a generating station after first four units occurs on or after 01.04.2024, the O&M expenses of such additional unit(s) shall be admissible at 90% of the operation and maintenance expenses as specified above;

(c) Any additional O&M expenses incurred by the Generating Company due to any change in law shall be considered at the time of truing up of tariff.

Provided that such impact shall be allowed only in case the overall impact of such change in law event in a year is more than 5% of normative O&M expenses of the project allowed for the year.

(d) In the case of a Generating Company owned by the Central or State Government, the impact on account of implementation of wage or pay revision shall be allowed at the time of truing up of tariff.

(e) The operation and maintenance expenses on account of emission control
systems in coal based thermal generating stations shall be 2% of the admitted capital expenditure (excluding IDC and IEDC) as on its date of operation, which shall be escalated annually @ 5.25% during the tariff period ending on 31st March 2029:

Provided that income generated from the sale of gypsum or other byproducts
shall be reduced from the operation and maintenance expense.
… … …"

It is submitted that the details of O&M expenses is tabulated as below.

Table 17-**: Operation & Maintenance Expenses (Rs Crore)**

O&M Expenses								
Sl. No	**Particulars**	**Units**	**Reference**	**Control Period as per OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024**				
				2024-25	**2025-26**	**2026-27**	**2027-28**	**2028-29**
1	O&M Expense norms for Unit (per MW)	Rs. Lakhs	Norms for O&M	25.78	27.13	28.56	30.06	31.64
2	O&M Expense norms for Unit (per MW)	Rs. Cr.	Based on Installed Capacity	154.68	162.78	171.36	180.36	189.84
3	No of Units	No.		4	4	4	4	4
4	O&M expense for 2400 MW TPP	Rs. Cr.		618.72	651.12	685.44	721.44	759.36

29. The Petitioner respectfully prays to this Hon'ble Commission to approve Operation & Maintenance Expense of Rs. 618.72 Crore for FY 2024-25, Rs. 651.12 Crore for FY 2025-26, Rs. 685.44 Crore for FY 2026-27, Rs. 721.44 for FY 2027-28 and Rs 759.36 Cr for FY 2028-29.

V. Energy Charge Rate:

30. It is submitted that Regulation 44 of the OERC Tariff Regulations, 2024 provides for the formula for computation of energy charges. The relevant extract of the aforesaid Regulations is reproduced herein below:

> ***44. COMPUTATION AND PAYMENT OF ENERGY CHARGE AND SUPPLEMENTARY ENERGY CHARGE FOR COAL BASED THERMAL GENERATING STATIONS:***
>
> *(1) The energy charge shall cover the primary and secondary fuel cost and limestone consumption cost (where applicable) and shall be payable by every beneficiary for the total energy scheduled to be supplied to such beneficiary during the calendar month on an ex-power plant basis, at the energy charge rate of the month (with fuel and limestone price adjustment). The total*
>
> *Energy charge payable to the Generating Company for a month shall be:*
>
> *Energy Charges = (Energy charge rate in Rs./kWh) x {Scheduled energy (ex-bus) for the month in kWh}*
>
> *(2) The supplementary energy charge on account of the emission control system shall cover the differential energy charges due to auxiliary energy consumption and cost of reagent consumption and shall be payable by every beneficiary for the total energy scheduled to be supplied to such beneficiary during the calendar month on an expower plant basis, at the supplementary energy charge rate of the month. The total supplementary energy charge payable to the Generating Company for a month shall be:*
>
> *Supplementary Energy Charges = (Supplementary energy charge rate in Rs./kWh) x {Scheduled energy (ex-bus) for the month in kWh}*
>
> *(3) Energy charge rate (ECR) and Supplementary Energy charge rate in Rupees per kWh on ex-power plant basis shall be determined to three decimal places in accordance with the following formulae:*
>
> ***(a) ECR for coal based thermal generating stations:***
> ***ECR = [{(SHR - SFC x CVSF) x LPPF / CVPF} + (SFC x LPSFi) + (LC x LPL)] x 100/(100 - AUX)***
>
> *(b) Supplementary ECR for coal based thermal generating stations:*
> *Supplementary ECR = (·ECR) + [(SRC x LPR / 10)/(100-(AUXn + AUXen))]*

Where, AUX =Normative auxiliary energy consumption in percentage.

CVPF = Weighted Average Gross calorific value of coal as per Regulation 39
in kCal per kg for coal based stations;
CVSF = Calorific value of secondary fuel, in kCal per ml;
ECR = Energy charge rate, in Rupees per kWh sent out;
SHR = Gross station heat rate, in kCal per kWh;
LC = Normative limestone consumption in kg per kWh;
LPL = Weighted average landed cost of limestone in Rupees per kg;
LPPF = Weighted average landed fuel cost of primary fuel, in Rupees per kg,
per litre or per standard cubic metre, as applicable, during the month. (In case of blending of fuel from different sources, the weighted average landed fuel cost of primary fuel shall be arrived in proportion to the blending ratio);
SFC = Normative Specific fuel oil consumption, in ml per kWh;
LPSFi = Weighted Average Landed Fuel Cost of Secondary Fuel in Rs./ml during the month;
(ECR) = Difference between ECR with revised auxiliary energy consumption with emission control system equivalent to (AUXn + AUXen) and ECR with normative auxiliary energy consumption as specified in these Regulations;
SRC = Specific reagent consumption on account of revised emission standards (in g/kWh);
LPR = Weighted average landed price of reagent for the emission control system (in Rs./kg).

In the case of blending of fuel from different sources, the weighted average Gross calorific value of the primary fuel shall be arrived at in proportion to the blending ratio.

In case of part or full use of an alternative source of fuel supply by coal based thermal generating stations other than as agreed by the Generating Company and beneficiaries in their power purchase agreement for the supply of contracted power on account of a shortage of fuel or optimization of economical operation through blending, the use of an alternative source of fuel supply shall be permitted to generating station:

Provided that the weighted average price of alternative source of fuel shall not exceed 30% of base price of fuel computed as per clause (5) of this Regulation and in such case, prior permission from beneficiaries shall not be a pre-condition, unless otherwise agreed specifically in the power purchase agreement;

Provided further that where the energy charge rate based on weighted average price of fuel upon use of alternative source of fuel supply exceeds 30% of base energy charge rate as approved by the Commission for that year or exceeds 20% of energy charge rate for the previous month, whichever is lower shall be considered and, in that event, prior consultation with beneficiary shall be made at least three days in advance.

(4) Notwithstanding anything contained in Clause 3 of this Regulation, the Commission after considering the shortage of fuel, may vary through separate Order(s), the blending ratio and the requirement of beneficiary consent thereof, towards use of alternative source of fuel.

(5) Where biomass fuel is used for blending with coal, the landed cost of biomass fuel shall be worked out based on the delivered cost of biomass at the unloading point of the generating station, inclusive of taxes and duties as applicable. The energy charge rate of the blended fuel shall be worked out considering consumption of biomass based on blending ratio as specified by Authority or actual consumption of biomass, whichever is lower.

(6) The Commission, through specific tariff orders to be issued for each generating station shall approve the energy charge rate for each year of the tariff period. Any variation in Price and Gross Calorific Value of coal as billed by supplier (after adjusting for variation during storage) shall be adjusted on month to month basis in the bills;

Provided, that the Generating Company shall indicate Energy Charge Rates at base price of primary and secondary fuel approved by the Commission and the adjustments on account of change in price and gross calorific value of coal for the previous month separately.

31. It is submitted that the landed fuel cost of primary fuel shall be calculated as per Regulation 37 of Generation Tariff Regulation, 2024 and the gross calorific value shall be measured by third party sampling and the expenses towards the third-party sampling facility shall be reimbursed by the beneficiaries. Whereas the gross calorific value for computation of energy charges shall be done in accordance with '**GCV as received'** basis as per Regulation 3(1)(ii), which is reproduced as below:

*"(ii) "**GCV as Received"** means the GCV of coal as measured at the unloading point of the thermal generating station through collection, preparation and testing of samples from the loaded wagons, trucks, ropeways, Merry-GoRound (MGR), belt conveyors and ships in accordance with the IS 436 (Part-1/ Section 1)- 1964; Provided further that samples of coal shall be collected either manually or through hydraulic augur or through any other method considered suitable keeping in view the safety of personnel and equipment; Provided also that the generating companies may adopt any advance technology for collection, preparation and testing of samples for measurement of GCV in a fair and transparent manner; Provided that the measurement of GCV of coal shall be carried out through sampling by third party to be appointed by the generating companies in accordance with the guidelines, if any, issued by the Central Government/Commission; Provided that GCV of coal 'as Received' shall be found out from GCV of coal on 'as billed basis' allowing an adjustment for total moisture as per the formula given as under: GCV*

X (1-TM) (1-IM) Where: GCV = Gross Calorific Value of coal on as "billed basis" TM = Total Moisture IM = Inherent Moisture."

It is submitted that for the computation of Energy Charge Rate **(ECR)** during FYs 2024-25 to 2028-29, Petitioner is being adopted the aforesaid formula. It is further stated that the reports corresponding to the GCV analysis done by a NABL accredited third party sampling agency at plant end side was submitted to GRIDCO for FY 2024-25 on monthly basis.

32. In this regard it is submitted that the coal for the Petitioner's Generating Station is mainly procured from the following sources to meet the total coal requirement, namely, MCL under linkage from Talcher/IB Valley, MCL under e-auction from IB Valley.

33. Since the Petitioner's Generating Station is not a Pit Head Power Plant, accordingly, as per Regulation 38 of Generation Tariff Regulation, 2024 transit loss @ 0.8% has been considered for all types of domestic coal.

34. In addition to the above, it is also significant to highlight that the Petitioner in accordance with the terms of the Consolidated Power Purchase Agreement (PPA) dated 20.12.2012 is under the obligation to supply 25% of the power generated from the Generating Station to the Respondent on full cost basis i.e. fixed plus variable cost as determined by this Hon'ble Commission. However, linkage coal allocation under FSA dated 27.08.2013 is not sufficient to supply the contractual obligation on annual average RTC basis. It is worth to be highlighted that the quality of coal to be supplied by MCL as specified under FSA dated 27.08.2013 is G8 (5200-4901 Kcal/Kg) to G13(3700-3400 Kcal/kg however petitioner has been receiving linkage coal of G14 (3400 to 3101 Kcal/kg) to G15(3100 -2801 Kcal/kg) grade considering the FSA quantity of coal i.e. 2.57 MT per annum assured to be supplied to the Petitioner under the FSA, is only sufficient for generation of 330-350 MW power on an annual average basis from the Unit-II of the Generating Plant.

35. Petitioner had filed a petition (14/2023) before this Hon'ble Commission to sought direction to GRIDCO to allow the petitioner (Vedanta Ltd) to procure the additional coal from alternate sources to enable the petitioner to supply power as per the terms of the PPA. During the course of hearing GRIDCO vide letter dated 09.03.20203 & 09.06.2023 had accorded the in-principle consent to allow

petitioners to procure additional coal for supply of power as per the terms of the PPA. Considering the letter, the petitioner was permitted by this commission to withdraw the petition.

36. It is further submitted that Coal India Limited Vide letter no: CIL/M&S/Flexi/072 dated 14.02.2023 has issued modalities for supply of linkage coal to IPPs beyond Actual Contracted Quantity under the FSA. Under the said modality IPPs having FSA with Coal companies are eligible to lift supplies of additional linkage coal up to 120% of their ACQ to fulfill full PPA requirement.
Further, CIL vide letter no CIL/M&S/Flexi/300 dated 08.07.2024,has allowed IPPs to lift coal beyond ACQ for Fy 2024-25 and onwards however, IPPs are required to submit the coal usage verification to be certified by Central Electric Authority (CEA) which needs DISCOM's certificate.

37. Basis the above CIL notification petitioner shall lift the additional linkage coal beyond the ACQ limit for supply of power share as per the terms of the PPA. The CIL letter dated 14.02.2023 and 08.07.2024 and GRIDCO's letter dated 09.03.2023 and 09.06.2023 are annexed here as **ANNEXURE -21** (**Colly)**.

VI. Computation of Capacity Charges:

38. It is submitted that for the computation of Capacity Charge for FYs 2024-25 to 2028-29, Petitioner has adopted the Regulation 42 of the OERC Generation Tariff Regulation, 2024 accordingly Petitioner has been submitting provisional Energy invoice to GRIDCO for FY 2024-25 on basis of the Plant Availability Factor for the Month (PAFM) statement issued by SLDC on monthly basis based on the following clauses;

" *(4)The Plant Availability Factor achieved for a Month (PAFM) shall be computed in accordance with the following formula:*

$$PAFM = 10000\ x \sum_{i=1}^{n} \frac{DCi}{[N\ x\ IC\ x\ (100 - AUXn - AUXen)]}\%$$

Where,

AUXn=Normative auxiliary energy consumption in percentage

AUXen= Normative auxiliary energy consumption for emission control system as a percentage of gross energy generation, wherever applicable;

DCi = Average declared capacity (in ex-bus MW), for the ith day of the period i.e. the month or the year as the case may be, as certified by the SLDC after the day is over.

IC = Installed Capacity (in MW) of the generating station

N= Number of days during the period.

Note: DCi and IC shall exclude the capacity of generating units not declared under commercial operation. In case of a change in IC during the period concerned, its average value shall be taken. "

VII. Norms Of Operation

It is submitted that the Norms of Operation of thermal Generating Station are provided under Chapter 7 of the OERC Tariff Regulations, 2024. The said norms of operation as specified in OERC Generation Tariff Regulation 2024 have been considered for the Unit-II of the coal fired thermal Generating Station of the Petitioner for FY 2024-25 to FY 2028-29 and being are elaborated in the subsequent paragraphs.

Normative Annual Plant Availability Factor (NAPAF)

39. In this regard it is submitted that the Regulation 49(1)(a) of the OERC Tariff Regulations 2024 provides for Normative Annual Plant Availability Factor as 85% for the Thermal Generating Stations. Accordingly, the Petitioner, after taking into consideration the terms of the OERC Tariff Regulations, 2024 and has considered the NAPAF as 85% of the Thermal Generating Station for FY 2024-25 to FY 2028-29.

AUXILARY ENERGY CONSUMPTION

40. It is submitted that the Regulation 49(1)(e) of Generation Tariff Regulation, 2024 provides norms of Auxiliary Energy Consumption for thermal generating

stations. In accordance to the OERC Generation Tariff Regulation, 2024 Petitioner has adopted 6.05% Aux Power Consumption as specified for 500 MW and above series of Power Station in which there are steam driven boiler feed pumps along with tube type coal mill used. Further the relevant Regulation of the Generation Tariff, 2024 is reproduced herein below:

"(e) Auxiliary Energy Consumption
(i) The Auxiliary Energy Consumption for all coal based thermal generating stations, except those covered under (ii) below is

Sl. No.	Generating Station	With Natural Draft cooling tower or without cooling tower
(i)	200 MW – 300 MW series	8.5%
(ii)	**500 MW & above series**	
	Steam driven boiler feed pumps	5.25%
	Electrically driven boiler feed pumps	8.00%
(iii)	600 MW and above	
	Steam driven boiler feed pumps	5.25%
	Electrically driven boiler feed pumps	8.00%

*Provided that for thermal generating stations with induced draft cooling towers and where **tube type coal mill** is used, the norms shall be further increased by 0.5% and **0.8%** respectively……"*

In the light of the aforementioned paragraph, the Petitioner humbly prays to Hon'ble Commission to allow Auxiliary Energy Consumption (AEC) of 6.05% for the FYs from 2024-25 to 2028-29.

Gross Station Heat Rate

41. It is submitted that in accordance with the provision of Regulation 49(1)(c) of the OERC Tariff Regulations 2024 the gross heat rate for the existing thermal generating station of having capacity 500 MW and above has been specified as 2375 kcal/ kwh. Hence SHR for FY 2024-25 to FY 2028-29 is considered as 2375 kcal/Kwh. The relevant clause is reproduced herein below

"49. NORMS OF OPERATIONS FOR THERMAL POWER GENERATING STATIONS

(1) The norms of operation as given hereunder shall apply to coal based thermal generating station:

(c) Gross Station Heat Rate

(i) The Gross Station Heat Rate for all existing coal based thermal generating stations, except those covered under (ii) below is

200-300 MW Sets	500 MW Sets (Sub-critical)
2415 kCal/kWh	2375 kCal/kWh

Note 1
In respect of 500 MW and above units where the boiler feed pumps are electrically operated, the gross station heat rate shall be 40 kCal/kWh lower than the gross station heat rate specified above.

Note 2

For the generating stations having combination of 200/210/250 MW sets and 500 MW and above sets, the normative gross station heat rate shall be the weighted average gross station heat rate of the combinations.

Note 3

The Gross Station Heat Rate above is exclusive of the compensation specified as per CERC (IEGC) Regulations, 2023 as amended from time to time till OERC (GRID Code) Regulations, 2015, is amended. The Generating Company shall, based on the unit loading factor, consider the compensation in addition to the normative gross heat rate above.

(ii) The Gross Station Heat Rate for existing Thermal Generating Stations of OPGC (UNIT-I & II) Ltd will be as determined by the Commission from time to time

(iii) The Gross Station Heat Rate for all coal based thermal generating stations achieving COD on or after 01.04.2014, is to be calculated based on the following formula:

For 200 – 300 MW set = 1.05 X Design Heat Rate (kCal/kWh)
For 500 MW sets & above = 1.045 x Design Heat Rate (kCal/kWh)

Where the Design Heat Rate of a unit means the unit heat rate guaranteed by the supplier at conditions of 100% MCR, zero percent make up, design coal and design cooling water temperature/back pressure."

Therefore, Petitioner humbly prays to Hon'ble Commission to allow the Station heat rate for FY 2024-25 to 2028-29 as 2375 Kcal/Kwh.

Secondary Fuel Oil Consumption

It is submitted that the Regulation 49 (1) (d) of the OERC Tariff Regulation, 2024 provides that the Secondary Fuel Oil Consumption for Coal based Thermal

Generating Stations who achieved COD before 01.04.2014 shall be 1.00 ml/kWh. Accordingly, the Petitioner has considered the same fuel oil consumption of 1.00 ml/kWh for FY 2024-25 to 2028-29.

VIII. FLY ASH TRANSPORTATION CHARGES:

42. It is submitted that in accordance with the provision of Regulation 34(1)(b) of the OERC Tariff Regulations 2024 the Ash Transportation Expenses of thermal generating station shall be allowed separately by this Hon'ble Commission pursuant to prudence checks. The relevant clause is reproduced herein below

"34. OPERATION AND MAINTENANCE (O&M) EXPENSES:

(1) Thermal Generating station(s) Normative Operation and Maintenance expenses of thermal Generating station(s) including security expenses shall be as follows:

… … …

(b) The Water Charges, Ash Transportation Expenses and Capital Spares for thermal generating stations shall be allowed separately after prudence check:

Provided that water charges shall be allowed based on water consumption depending upon type of plant and type of cooling water system or water agreement with state govt./utilities, subject to actual paid charges to state govt./utilities and the norms specified by the Ministry of Environment, Forest and Climate Change subject to prudence check. The details regarding the same shall be furnished along with the petition;

Provided also that the generating station shall submit the details of year-wise actual capital spares consumed individually costing above Rs. 10 Lakh at the time of truing up with appropriate justification for incurring the same and substantiating that the same is not funded through compensatory allowance as per Regulation 17 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 or Special Allowance or claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization. Provided that where the date of commercial operation of any additional unit(s) of a generating station after first four units occurs on or after 01.04.2024, the O&M expenses of such additional unit(s) shall be admissible at 90% of the operation and maintenance expenses as specified above;

… … …"

In this regard, it is important to point out that since the expenditure associated with ash disposal was too high and affects the operational viability of the power plant, as such, the Petitioner was constrained to file Case No. 18 of 2024 seeking re-imbursement of additional expenditure which it had incurred on account of the issuance of the notifications by MOEF&CC and consequent procedure issued by MOP. Pursuant to adjudication of the abovementioned Petition, this Hon'ble Commission through its Order dated 05.06.2024, issued the following directions to GRIDCO as regards payments towards transportation of fly ash;

> *"5. In view of the above, we find that in this case the dispute between the Petitioner-M/s. Vedanta Ltd. and the Respondent-GRIDCO Ltd. is only on estimation of quantum of fly ash generation and determination of fly ash transportation charges corresponding to the drawal of State's share of power by GRIDCO. The Fly Ash constitutes about 80% of total Ash generation which accumulates in respective terminal fly ash silos of each unit and gets transported therefrom. The share of GRIDCO in fly ash transportation cost should be paid to M/s. Vedanta on monthly basis because huge expenditure in this regard will affect cash flow of the Petitioner if it is reimbursed after a longer period. GRIDCO would also be benefitted by avoiding payment of carrying cost relating to the claim of M/s. Vedanta. We are of the view that the transportation cost of fly ash per ton from each generating unit would be averaged out since the fly ash of all the generating units taken together is transported to the multiple destinations. Therefore, transportation cost per ton should be found out from the monthly transportation bill of fly ash transported from the power plant i.e. from all the units taken together which shows total cost incurred by M/s. Vedanta in this regard. Then the amount of fly ash generated from the IPP Unit-2 and deposited in its silo is to be measured for a month. If there is no mechanism for such measurement then normative quantum of ash generation of the IPP Unit-2 should be found out based on the quantum of power generated from Unit-2 in a month, normative station heat rate, GCV of Coal and ash content of the coal used. Accordingly, the charges for fly ash transportation for a month shall be calculated and claimed by M/s. Vedanta Ltd. corresponding to State's share of power considering the transportation cost per ton of fly ash and amount of fly ash generated from Unit- II in a month as stated above GRIDCO shall reimburse the same after verification of the relevant documents required for this purpose, subject to yearly conciliation at the end of the year basing on the audited accounts and end user certificate. The Petitioner- M/s. Vedanta Limited is directed to furnish the required relevant documents along with its monthly claim of fly ash transportation charges. Needless to mention here that the above reimbursement shall*

be considered by the Commission during truing up of GRIDCO's account for the corresponding year.

6. From the submission of M/s. Vedanta Ltd. it is found that only about 10,92,824 MT of fly ash generated has been utilized /transported (in low laying area near Jharbeda Kutra and for construction of Highway) by March, 2024 against 27,54,681 MT of fly ash generated & accumulated by March, 2024. As per the submission of GRIDCO, M/s. Vedanta Ltd. has initiated steps for fly ash disposal off late in June, 2023 by floating expression of interest for transportation of fly ash and utilization / transportation of fly ash started in November, 2023. Therefore, the Petitioner-M/s. Vedanta Ltd. is directed to strictly follow the Notifications/Guidelines issued by the MoEF&CC and MoP, GoI from time to time (including recent Notification dated 15.03.2024 of the Ministry of Power, GoI regarding 100% ash disposal) and accordingly, plan and take timely action to avoid accumulation of ash and non-compliance of those Notifications."

As is evident from the above, this Hon'ble Commission had directed that charges for fly ash transportation for a month be calculated and claimed by the Petitioner corresponding to State's share of power considering the transportation cost per ton of fly ash and amount of fly ash generated from Unit- II in a month. Further, GRIDCO was directed to reimburse the same after verification of the relevant documents required for this purpose, subject to yearly conciliation at the end of the year basing on the audited accounts and end user certificate.

43. Thereafter, owing to failure of GRIDCO to make payments of the cost incurred by the Petitioner towards ash disposal, the Petitioner preferred another Petition (being Petition No. 106 of 2024), inter-alia, seeking the following directions from this Hon'ble Commission:

"a) Direct GRIDCO to re-imburse the actual cost/ expenditure of INR 9,63,84,049/- incurred by the petitioner/ Vedanta towards disposal of bottom ash from November 2024 till May 2024, and INR 45,54,17,687/- towards transportation and handling cost for disposal of accumulated ash (from January 2020 to October 2023) during November 2024 till May, 2024, in terms of Clause 6.2.2. of RPA dated 19.12.2012 read with notifications dated 31.12.2021, 30.12.2022 and 01.01.2024 issued by the Ministry of Environment, Forest and Climate Change . (MOEF&CC), Government of India, and the consequent advisory dated 22.02.2022 and notification dated 15.03.2024 issued by the Ministry of Power, Government of India, in terms as stated in the present petition;

b) Direct GRIDCO to re-imburse the additional cost/expenditure of INR 5,02,87,330/- incurred by the petitioner towards disposal of moistened

fly ash due to addition of water from November 2023 till May 2024, in terms of SPCB guidelines and as stated in the present petition;

c) Direct GRIDCO to continue re-imbursing the actual cost/ expenditure incurred by the Petitioner/ Vedanta towards disposal/ handling of ash, in terms of Clause 6.2.2. of PPA dated 19.12.2012 read with notifications dated 31.12.2021, 30.12.2022 and 01.01.2024 issued by the Ministry of Environment, Forest and Climate Change (MOEF&CC), Government of India, and the consequent advisory dated 22.02.2022 and notification dated 15.03.2024 issued by the Ministry of Power, Government of India and SPCB guidelines as stated in the present petition;
…"

Notably, pleadings in the above petition has been completed and reserved for order by the Hon'ble Commission.

IX. Reimbursement of Statutory and Other Charges:

44. As per Clause 6.2.2 of Consolidated PPA dated 19.12.2012 signed between Petitioner and Respondent.

"*6.2.2* ***Other Taxes, Levies, Duties, Royalty, Cess etc.***

Statutory taxes, levies, duties, royalty, cess or any other kind of imposition(s) imposed/ charged by any Government (Central /State) and/ or any other local bodies/ authorities on generation of electricity including auxiliary consumption or any other type of consumption including water, environment protection, sale or on supply of power / electricity and/ or in respect of any of its installations associated with the Station payable by SEL to the authorities concerned shall be borne and additionally paid by the Beneficiary(ies) in a proportionate manner. Provided however that the annual contribution @ 6 p/unit towards Environment Management Fund in respect of the energy sent out outside the state as per the terms of MOU paid by SEL to State Govt. shall not be charged to GRIDCO in any manner."

It is further submitted that Regulation 54 of Generation Tariff Regulation 2024 provides for recovery of statutory charges by beneficiaries incurred by the petitioner. The relevant clause is reproduced herein below

54. RECOVERY OF STATUTORY CHARGES:

The Generating Company shall recover the statutory charges imposed by the State and Central Government such as electricity duty, water cess & charges by considering normative parameters specified in these Regulations. In case of the electricity duty is applied on the auxiliary energy consumption, such amount of electricity duty shall apply on normative auxiliary energy consumption of the generating station

(excluding colony consumption) and apportioned to each of the beneficiaries in proportion to their schedule dispatch during the month.

In view of the above, the Petitioner respectfully prays to the Hon'ble Commission to allow the reimbursement of following Charges:

Electricity Duty:

45. Electricity Duty is payable on the auxiliary consumption of the generating station at the prevailing rates, which is currently **Rs. 0.55/kWh**. The Hon'ble Commission, in its Order dated **12.06.2013** in MYT Petition No.117/2009, petition No.31/2010 and Petition No. 56/2012 for block year 2010-2014 and order dated 29.06.2018 in MYT petition No. 95 of 2013 and order dated 26.12.2023 in MYT Petition No. 20 of 2020 has allowed the reimbursement of Electricity Duty as a recovery of taxes and duties levied by the Govt or any statutory authority for the GRIDCO share of drawl of power. Accordingly, petitioner humbly prays to hon'ble Commission to allow the pass through of Electricity Duty as fixed by GoO from time to time; paid on actual auxiliary consumption of Generating Station for GRIDCO share of power.

Water Charges:

46. Petitioner has an agreement with Department of Water Resources, Govt of Orissa for supply of 72.0 Cusec of water from Hirakud reservoir for 4x600 MW power plant. Moreover, in accordance with Regulation 54 of the OERC Tariff Regulation, 2024, the Petitioner humbly submits that the Water Resource Department, Govt of Odisha is claiming charges on the allocated quantity irrespective of the actual drawl of water on monthly basis as per the revision of rate annually by the Dept of Water Resource, Govt of Odisha with effect from 1st April under the Odisha Irrigation (Amendment) Rules, 2016. Hon'ble OERC vide order dated 26.12.2023 in Case No.20 of 2020 had directed as follows;

"(e)The Petitioner is required to submit its claims with supporting documentary evidence for reimbursement of statutory and other charges in compliance with the provisions of respective Generation Tariff Regulations and/or in compliance to statutory obligation as per law and/or as per the provisions of consolidated PPA dated 20.12.2012. After proper scrutiny, ***GRIDCO is to reimburse the dues in proportion to its share in generation*** *for the tariff period FY 2020-24."*

In line with the above it is clarified that GRIDCO is to reimburse the dues towards statutory charges in proportion to its share of power. As per the consolidated PPA dated 19.12.2012, GRIDCO's has share of 30% energy sent out from 4x600 MW TPP however GRIDCO has been reimbursing statutory charges considering 25% power share and not considering the statutory charges for 5% share of power for supply at variable cost which is a gross violation of the direction of this Hon'ble Commission.

It is further submitted that basis the request of the Petitioner GRIDCO has been provisionally reimbursing the aforesaid water demand charges from the FY 2024-25 onwards. The details the Vedanta's Claim, and the payment made by GRIDCO is annexed here as **ANNEXURE –22.**

Reimbursement of System Operation Charges (SOC) & Market Operation Charges (MOC)

47. As per OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010, SLDC levies System Operating charges (SOC) & Market Operating charges (MOC) to the generating station. In accordance with said regulation Petitioner shall pay monthly charges of SOC & MOC towards 600 MW IPP to SLDC based on the bills served upon them from time to time by SLDC. In view of the above, the Petitioner respectfully prays to the Hon'ble Commission to allow the reimbursement of outstanding SOC & MOC charges from the date of COD; as decided by this hon'ble commission from time to time with respect to the 600 MW IPP.

Energy Compensation Charge:

48. As per the Government of Odisha letter No. 6140 dated 31.07.2012, Petitioner is required to pay additional charges to OHPC for drawl of water in the form of Energy Compensation Charge (ECC) wherein OHPC has been raising ECC bills based on water allocation quota to the petitioner. Further, the issue of methodology of computation of ECC has been challenged and pending before Hon'ble High Court of Odisha and payment of ECC by petitioner is subject to final order in the said matter. However, in view of the above petitioner humbly prays to Hon'ble Commission to allow the pass through of ECC up to the GRIDCO share of power subject to outcome of the said matter.

Copy of Government of Odisha letter No. 6140 dated 31.07.2012 is annexed here as **ANNEXURE – 23**

Reimbursement of Application fee and Publication expenses:

49. As per Regulation 66 under OERC Tariff Regulation 2024, the Petitioner is entitled for reimbursement of tariff application filing fee, charges and other expenses from Beneficiary. Hence petitioner respectfully prays to the Hon'ble Commission to allow the reimbursement of application filing fee and charges towards filling of application.

Late Payment Surcharge on outstanding dues towards reimbursement payment:

50. It is submitted that Petitioner has been raising invoices towards reimbursement of statutory charges such as ED, Water charges and others. However, few of the invoices have been paid with delay accordingly Petitioner vide letter dated 29.03.2024, has raised delayed payment surcharge bills to GRIDCO.

GRIDCO vide letter dated 01.07.20204 & 18.01.2025 has denied the payment of delayed payment surcharge bills citing that under clause 7.2 of the PPA dated 19.12.2012, there is no provision for either availing rebate on reimbursement bills or payment of delayed payment surcharge. Thus, GRIDCO is not liable to make any payment towards DPS on the reimbursement bills.

With respect to the above it is submitted that OERC generation tariff regulations , allows the generators for recovery of statutory charges such as Electricity Dues, water charges etc. The said regulation further provides for levy of Delayed Payment Surcharge on the delay in payment of any bill for charges payable under the tariff regulation. The relevant clause is as follows;

" 55. ***LATE PAYMENT SURCHARGE (LPS)*** *In case the payment of any bill for charges payable under these Regulations is delayed by a beneficiary beyond a period of forty-five (45) days from the date of receipt of the bill, a late payment surcharge at the rate of 1.25% per month shall be levied by the Generating Company.*

Provided that in case a different LPS mechanism is provided in the PPA, the same shall be governed by the provisions of the PPA.

Further, clause 7.2 of the PPA provided as follows;

" *7.2 Rebate and Late Payment Surcharge:*

Two percent (2%) rebate shall be allowed on payment of bills through Letter of Credit (LC) or directly from GRIDCO on the amount paid within 7 (seven) days of presentation of the bills. If payment is made after 7 (seven) days, then one percent (1%) rebate shall be allowed if payment is made within thirty (30) days of presentation of the bills.

A surcharge calculated at the rate of one point two five percent (1.25%) per ***month on the amount of the bill remaining unpaid shall*** *be payable for the actual period of delay beyond the due date of payment i.e. sixty (60) days after presentation of bill.*

The rate / percentage of rebate and late payment surcharge shall be in line with the CERC guideline as amended from time to time…"

It is pertinent to mention that the above clause of PPA provides for surcharge on delay in payment of the bills remaining unpaid and does not exempt the bills of reimbursement charge raised by the petitioner. Therefore, the petitioner humbly prays before Hon'ble Commission to allow the delayed payment surcharge amount of Rs 22,38,56,134. The details of the LPS amount are annexed here as **ANNEXURE – 24.**

With regard to applicability of late payment surcharge on the reimbursement bills, reference is made to Order dated 30.12.2023 passed by the Ld. CERC in Petition No. 26/MP/2023 titled *"DB Power Limited v. PTC India Limited & Ors.",* wherein, the generating company was held to entitled to payment of late payment surcharge for delay in reimbursement of statutory transmission charges.

Further, with regard to the interest payable, it may be mentioned that it is also a settled position of law that in case of delay in payment of Late Payment Surcharge, an interest is leviable on such delayed payment. In this regard, reliance is placed on the Judgment dated 21.09.2021 passed by the Hon'ble Appellate Tribunal for Electricity in Appeal No. 386 of 2019 titled *"Maharashtra State Electricity Distribution Company Limited v. Maharashtra Electricity Regulatory Commission & Ors."*, wherein, it was held as under:

"40. The impugned direction that in the event the procurer (appellant) "deviates from its commitment given in the payment plan, penal interest will accrue thereafter (beyond the date committed in the plan) at 1.25% per month on any LPS/DPC" does not fall foul of Section 3 of the Interest Act,1978 for the simple reason that it is not "interest upon interest", the levy also being not over the amount of debt (arrears) after it has been repaid. Instead, it is in accord with what was accepted in Central Bank of India v. Ravindra (supra) as long-established practice of awarding future interest on the "principal sum adjudged". We fully agree with the submission of the Seller resisting the appeal that the contention of the procurer would lead to a patently unfair and absurd situation wherein defaulting parties could simply avoid meeting their payment commitments to generating companies by providing committed dates for payment for calculation of LPS / DPC, and thereafter not paying interest if the said amounts are not paid in a timely manner. The present case is a perfect illustration of the importance of awarding interest on LPS / DPC, as the appellant has, year after year, caused massive delay in payments and compelled the respondent to initiate legal proceedings before the State Commission for recovery of its legitimate dues"

The above Judgment was also followed by the Ld. Central Electricity Regulatory Commission in the Order dated 09.08.2023 passed in Petition No. 173/MP/2022 titled "Sembcorp Energy India Limited v. Andhra Pradesh Power

It is thus submitted that in case GRIDCO makes further delay in payment of late payment surcharge, the Petitioner is further entitled to receipt of interest on such delayed payment surcharge.

The Copy of petitioner's letter regarding Delayed Payment Surcharge invoice on reimbursement charges dated 29.03.2024, 31.05.2024, 19.06.2024, 21.12.2024 and 13.06.2025 are annexed here as **ANNEXURE-25 (Colly).**

Copy of GRIDCO's letter dated 01.07.2024 and 18.01.2025 denying the delay payment surcharge on reimbursement bills are annexed here as **ANNEXURE-26**

The Petitioner seeks the leave of this Hon'ble Commission to make additional submissions as and when the need arises.

PRAYERS

In view of the facts mentioned above, the Petitioner most humbly prays for the following:

a. Approve True-Up of annual fixed charges for the period FY 2019-20 to FY 2023-24 as stated in the present petition.
b. Allow the Petitioner to recover the True-Up amount to the extent recoverable from GRIDCO as per the consolidated PPA signed between GRIDCO and the Petitioner.
c. Approve the Multi-year Tariff for FY 2024-25 to FY 2028-29, in terms stated in the present petition.
d. To allow the statutory charges claimed by the petitioner for FY 2019-24 and for FY 2024-29 along with delayed payment surcharge as claimed in the present Petition.
e. Direct GRIDCO to carry out joint reconciliation for pending reimbursement claims of Vedanta as detailed in the present Petition, except for reconciliation and payment sought in prayer (f).
f. Direct GRIDCO to carry out joint reconciliation of Energy Charge and Capacity charge on annual basis and make payments of any such amounts due along with applicable interest.
g. Condone any inadvertent omissions/ errors/ rounding off differences/ shortcomings/ deficiencies in the present Petition, permit the Petitioner to add/ modify/ alter any submissions made herein, and to make any further submission as may be required at a future date, in the interest of justice.
h. Pass such further and other Orders, as the Hon'ble Commission may deem fit and appropriate, keeping in view the facts and circumstances of the Case.

Place: Bhubaneswar
Date: 01.09.2025

Nimai Nigam
Deponent

VEDANTA LIMITED

BEFORE THE ODISHA ELELCTRICITY REGULATORY COMMISSION,
BIDYUT NIYAMAK BHAWAN, PLOT No -4 CHUNOKOLI,
SHAILASHREE VIHAR, BHUBANESWAR-751021

CASE NO. _____ OF 2025

IN THE MATTER OF:

Petition under Sections 61, 62 and 86 (1) (a) of the Electricity Act, 2003 read with Section 21 of the Orrisa Electricity Reform Act, 1995, Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2014 extended up to 31.03.2020 & OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and other enabling provisions seeking truing up of Multi Year Tariff for supply of power for FY 2019-20 to FY 2023-2024 and determination of multiyear tariff petition from Fy 2024-25 to FY 2028-29 under Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024 for M/s Vedanta Ltd. (erstwhile known as Sesa Sterlite Ltd.) in terms of the consolidated Power Purchase Agreement (PPA) dated 19.12.2012 executed between M/s Vedanta Limited and GRIDCO Ltd.

AND IN THE MATTER OF:

Vedanta Limited
1st Floor, Module C/2, Fortune Towers
Chandrasekharpur, Bhubaneswar
Odisha-751023 **...PETITIONER**

And

Grid Corporation of Odisha Limited (GRIDCO)
Janpath, Bhoi Nagar, Bhubaneswar
Odisha-751022 **...RESPONDENT**

NOTARY GOVERNMENT OF ODISHA

AFFIDAVIT

I, Sri Ninad Nigam, S/o Shri P K Nigam aged about 42 years, resident of Bhubaneswar, do solemnly affirm and state as follows: -

1. That I am working as the Associate General Manager- Power Regulatory Affairs in Vedanta Limited, the petitioner in the above petition and am fully authorised by the said petitioner company to make this affidavit on its behalf.
2. I have read the accompanying petition, and I say that its contents are true to my knowledge and belief and based on records which are believed to be true and correct.
3. The annexures, if any, filed along with the petition are true copies of their respective original.

Deponent

Place: Bhubaneswar
Date: 25.08.2025

VEDANTA LIMITED

SPECIAL ADHESIVE

VERIFICATION

I, the deponent above named do hereby verify that the contents of the above affidavit are true and correct to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Bhubaneswar on this 25th day of August 2025.

Deponent

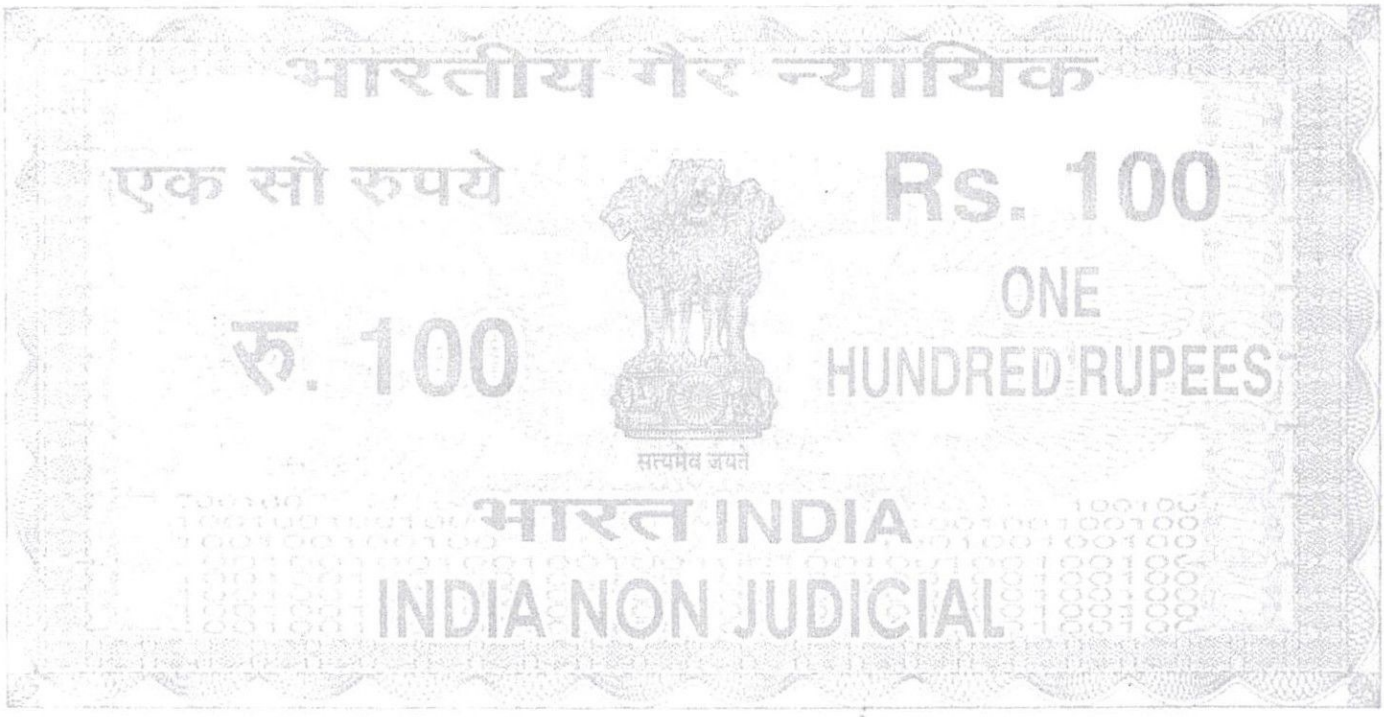
Place: Bhubaneswar
Date: 25.08.2025

VEDANTA LIMITED

25-08-2025

SAMARENDRA SAHOO
NOTARY, BHUBANESWAR
GOVT. OF ODISHA, INDIA
REGD NO:- 22/08
MOBILE: 9437277738

ANNEXURE -1



उड़ीसा ORISSA E 470253

CONSOLIDATED POWER PURCHASE AGREEMENT

BETWEEN

STERLITE ENERGY LIMITED

AND

GRIDCO LIMITED

This CONSOLIDATED POWER PURCHASE AGREEMENT hereinafter called the "Agreement" is entered into at Bhubaneswar on the 19th day of December 2012, between **Sterlite Energy Limited**, a Company incorporated under the Companies Act, 1956 having its registered office at SIPCOT Industrial Complex, Madurai Bypass Road, T.V. Puram, Tuticorin – 628 002 (herein after called 'SEL'), which expression shall unless repugnant to the context or meaning thereof includes its successors and permitted assigns as party of the FIRST PART and **GRIDCO Limited** (formerly Grid Corporation of Orissa Ltd.), having its registered Office at Janpath, Bhubaneswar-751022 (herein after called 'GRIDCO as SDE' or in short 'GRIDCO'), which expression shall unless repugnant to the context or meaning thereof

Director (Commercial)
Grid Corporation of Orissa Ltd
Bhubaneswar

Sterlite Energy Limited

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shall includes its successors and permitted assigns as party of the SECOND PART.

WHEREAS a Memorandum of Understanding dated 26th September 2006 was entered into between SEL and Govt. of Odisha and in line with the terms and conditions of the said MoU the Power Purchase Agreement dated 28th September 2006 was entered into between SEL and GRIDCO (hereinafter referred to as the Principal PPA).

WHEREAS SEL has set up a thermal coal fired power station named as SEL Thermal Power Station (Installed capacity of 2,400 MW) at Jharsuguda in the State of Odisha hereinafter called Station to be owned, operated and maintained by SEL.

WHEREAS in terms of the Principal PPA dated 28.09.2006 SEL and GRIDCO agreed as follows:

"

(i) Power generated in excess of 80% Plant load Factor (PLF) from the Thermal Power Plant shall be made available to the state by SEL at variable cost plus incentive (the incentive would be as fixed by Central Electricity Regulatory Commission)

(ii) Infirm power would be made available to the state at variable cost

(iii) A nominated agency(s) as authorized by Govt. will have the right to purchase up to 25% of the power sent out from the Thermal Power Plant(s) excluding the quantum of power indicated at (i) and (ii) under terms of a Power Purchase Agreement to be mutually agreed upon on the basis of existing laws and regulations in force and the tariff for such power purchase will be determined by the appropriate Regulatory Commission.

(iv) SEL will have the right to sell the balance power from the Thermal Power Plant(s) to any beneficiary outside or

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inside the State of Orissa subject to applicable laws and regulations for which SEL may enter into contractual arrangement(s) with such buyer(s), the terms of which will be mutually agreed between SEL and such buyer(s).

(v) In case the Govt. or its nominated agency is unable to honour the terms of the PPA as mentioned in clause (iii) above, SEL will have the right to sell such power to any other party in or outside the state of Orissa."

WHEREAS Govt. of Odisha notified the Policy Guidelines for Thermal Power Generation in Odisha on 08th August 2008, according to which the existing IPPs shall make available to the State Government the following:

(a) Entire infirm power at variable cost,

(b) 25% of the power sent out at the rate to be fixed by Odisha State Regulatory Commission (OERC)

(c) the power generated in excess of 80% Plant Load Factor (PLF) at variable cost plus Incentive only and without any other charges and without any fixed charges being payable

OR

7% of the power sent out from power plant at variable cost, if coal block(s) is allocated within the state. Others shall provide 5% of the power sent out at variable cost.

(d) The variable cost, in all such cases to be determined by the OERC and there shall be no payment of incentive.

WHEREAS in terms of State Thermal Power Policy dated 08.08.2008, SEL and GRIDCO modified specific clauses vide Amended PPA dated 20.08.009 and agreed that in addition to the entire infirm power and 25% of the share of the State from the power plant, SEL has agreed to make available to GRIDCO 7% of the power sent out from the Power Station at variable cost without incentive, if coal block is allocated within the state of Odisha and otherwise SEL shall make available to

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GRIDCO 5% of the power sent out from the power station at variable cost, without any incentive.

WHEREAS pursuant to the decision of Government of Odisha in the Department of Energy that SEL shall make available to GRIDCO the entire power generated from the first unit of 600 MW capacity to the State of Odisha and SEL will not go for trading of power from the first Unit.

AND WHEREAS pursuant to the Hon'ble Commission direction in Case No. 117 of 2009 (in the matter of approval of PPA executed between GRIDCO and SEL) that both GRIDCO and SEL shall sign consolidated PPA incorporating the provisions of the Principal PPA dated 28.09.2006 and the Amended PPA dated 20.08.2009 in line with observations of the Commission in order dated 30.07.2010, and shall submit the same to OERC for approval.

NOW THEREFORE, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed by and between the parties as follows:

1.0 DEFINITIONS

(a) The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed there under and Regulations issued by CERC/OERC from time to time.

(b) The words or expressions mentioned below, unless repugnant to the context or meaning thereof, shall have the meanings respectively as assigned hereunder:

Act	Shall mean the Electricity Act, 2003 as amended or modified from time to time, including any re-enactment thereof.

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Appropriate Commission	Central Electricity Regulatory Commission or Odisha Electricity Regulatory Commission as the case may be
Beneficiary	Beneficiary in relation to a generating station shall mean the persons to whom power is sold from the station and shall include GRIDCO to the extent of the power to be delivered to GRIDCO in terms of this Agreement.
Bus bars	Shall mean [132 KV/220 KV/400 KV/765 KV] Bus bars of the Station (as the case may be) to which outgoing feeders are connected.
CEA	Shall mean Central Electricity Authority
CERC	Shall mean Central Electricity Regulatory Commission.
COD	Shall mean Date of Commercial Operation.
CTU	Shall mean Central Transmission Utility.
Capacity Charges	Capacity Charges are Annual Fixed Charges as determined by the Appropriate Commission in proportion to the capacity purchased (for a block of 5 years) by GRIDCO and shall be paid on a monthly basis.
Energy Charges	Shall mean and include all charges as fixed by Appropriate Commission to be paid in respect of energy/power scheduled by GRIDCO.
ERPC	Shall mean Eastern Regional Power Committee established in pursuant to Section 2(55) of the Electricity Act, 2003.

ERLDC	Shall mean Eastern Regional Load Despatch Centre
GoI	Shall mean Govt. of India
GoO	Shall mean Government of Odisha.
IEGC	Shall mean Indian Electricity Grid Code, framed U/s 79 of the Act in force from time to time.
Infirm Power	shall mean electricity generated prior to commercial operation of the unit of a generating station.
Installed Capacity	Shall mean the summation of the name plate capacities of all the units of the generating station or the capacity of the generating station (reckoned at the generator terminals) as approved by the Commission from time to time.
Main and Check Meter	Shall mean meter for measurement and checking of import /export of energy on the outgoing feeders of the station Busbars for Energy Accounting.
OPTCL	Odisha Power Transmission Corporation Limited.
OERC	Shall mean Odisha Electricity Regulatory Commission.
PPA	Shall mean Power Purchase Agreement
PGCIL	Shall mean Power Grid Corporation of India Ltd.

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REA	Shall mean periodic energy accounting including amendments thereof issued by ERLDC.
SLDC	Shall mean the State Load Dispatch Centre
State Designated Entity	Shall mean GRIDCO as the State Designated Entity (SDE)
State Energy Accounting	Shall mean periodic Energy Accounting including amendments thereof issued by SLDC
STU	Shall mean the State Transmission Utility
UI Charges	Unscheduled interchange charge payable/ receivable on deviation from supply of the energy as per the schedule at the rate determined by CERC from time to time.

2.0 GENERAL

2.1 **Installed Capacity**:

The installed capacity of the thermal power station is 2,400 MW (4x600 MW).

2.2 **Entitlement of power for GRIDCO:**

(a) The capacity allocated to GRIDCO shall be up to 25 (Twenty Five) percent of the installed capacity of the thermal power station as requisitioned by GRIDCO once in each 5 (Five) year block period. GRIDCO shall at all times have the right to purchase on behalf of Government of Odisha up to 25% (Twenty Five percent) of the power sent out from the Thermal Power Station. GRIDCO shall requisition the capacity up to (Twenty Five) percent six months prior to the commencement of each 5 year block period.

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(b) The auxiliary consumption determined by the Appropriate Commission shall however be adjusted in the above calculation.

(c) GRIDCO shall at all times have the right on behalf of Government of Odisha to receive from the Thermal Power Station of SEL 7% (seven percent) of the power sent out at variable cost, if Coal Block(s) is allocated within the State of Odisha. Otherwise SEL will provide 5% of power sent out at variable cost. The variable cost will be determined by the OERC. SEL shall duly incorporate a term in the Agreements with other beneficiaries for sale of electricity or capacity pertaining to the Station, confirming the above rights of GRIDCO.

(d) GRIDCO will be entitled to further receive on behalf of Government of Odisha the entire infirm power sent out from the Thermal Generating Plant(s) at variable cost.

(e) Subject to the above, SEL will make available the entire power generated from the first unit of 600 MW capacity to GRIDCO and SEL shall not go for trading of power from the first Unit. Provided, however that, such supply of power by SEL to GRIDCO will never be less than 25% of the total generation from the first unit as well as from all the subsequent units as provided in this PPA besides the entitlement of GRIDCO as of Clause (c) & (d) thereof.

(f) The entitlement of power of GRIDCO in terms of this Consolidated PPA shall be at all times be on behalf of Government of Odisha.

(g) The operating and financial norms for calculation of tariff shall be as laid down by the Odisha Electricity Regulatory Commission from time to time.

(h) The tariff payable by GRIDCO to SEL will be determined by the Odisha Electricity Regulatory Commission and shall comprise the following:

A. IN THE CASE OF 25% POWER,

(i) Capacity (Fixed) Charges: The capacity charges shall be determined by OERC as per the terms and conditions of tariff issued from time to time and shall be related to target availability. Recovery of capacity charges below the level of target availability shall be on pro rata basis. Further, it is to be calculated proportionate to the capacity requisitioned and allocated to GRIDCO.

(ii) Energy charges: The energy (variable) charges shall cover fuel cost and shall be worked out on the basis of the ex-bus energy scheduled to be sent out from the generating station. The energy charge shall be worked out as per the methodology prescribed by OERC from time to time.

B. FOR THE ENERGY FOR 7% (SEVEN PERCENT)/5% (FIVE PERCENT), depending upon allocation of Coal Block(s) within the State of Odisha, the energy (variable) charges shall cover fuel cost and shall be worked out on the basis of the ex-bus energy scheduled to be sent out from the generating station. The energy charge shall be worked out as per the methodology prescribed by Appropriate Commission from time to time.

C. **Infirm power**: shall be available to GRIDCO at variable cost.

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(i) GRIDCO shall have the right to require SEL to make available 7% (seven percent)/5% (five percent) of electricity, depending upon allocation Coal Block(s) within the State of Odisha, at variable charge notwithstanding that GRIDCO had opted for the whole or any part of the 25% capacity allocated to GRIDCO.

(j) In the event GRIDCO decides not to avail part or whole of the aforesaid right during any 5 (five) year block period for any reason whatsoever, GRIDCO shall give six months notice of the same to SEL prior to the commencement of the said block period.

(k) In case of any dispute or difference in regard to the variable cost payable by GRIDCO to SEL, the same shall be referred to adjudication of the Odisha Electricity Regulatory Commission in terms of Clause 10 of this Agreement read with the provisions of the Electricity Act, 2003.

2.3 As per para 3 (v) of the State Thermal Policy Guideline dated 08-08-2008 the rehabilitation of the land outstees will be the obligations of SEL in accordance with the new Rehabilitation Policy approved by the Govt. of Odisha.

3.0 OPERATION OF THE POWER STATION

It is understood and agreed by and between the parties that SEL shall operate the Station as per the manufacturers' guidelines, applicable grid operating standards, directions of the Appropriate Commission and relevant statutory provisions, as applicable from time to time.

4.0 TRANSMISSION / WHEELING OF POWER

Power to GRIDCO shall be made available by the SEL at the Busbars of the Station connected to the transmission lines of

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OPTCL/PGCIL and it shall be the obligation and responsibility of GRIDCO to make the required arrangement for evacuation of power from such delivery points. SEL shall make independent arrangements for evacuation of the remaining power from the station at SEL costs and responsibility.

5.0 SCHEDULING, METERING AND ENERGY ACCOUNTING

5.1 Scheduling:

Methodology of generation and scheduling of power sold to GRIDCO shall be as per Indian Electricity Grid Code (as revised from time to time) and the decisions taken at ERPC forum.

5.2 Metering:

5.2.1 Installation of Meters

All Meters shall be installed by SEL at its own cost. Each Meter shall be of static type, ABT compliant, 0.2 percent accuracy class confirming to latest IEC-687 and shall meet the requirements of IEGC/CEA Regulations for installation, operation and maintenance of meters as applicable and as amended from time to time. The recording of each Meter shall include, as a minimum:

(a) Energy Output during each Settlement Period,

(b) Average Power Output during each Settlement Period,

(c) Frequency during each Settlement Period and

(d) Year, Month, Day, Hour and Minute and start and end of each Settlement Period.

5.2.2 One set of Meters comprising (a) a set of Main Meters and (b) a set of Check Meters shall be installed by SEL on each circuit of the transmission lines at interconnection point(s) so as to record both (a) energy exported by SEL to the Grid and (b) energy imported by SEL from the Grid.

One complete spare set of tested, calibrated and sealed Meters shall be kept in safe custody of SEL. All such Meters shall be

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sealed in presence of CTU/STU, GRIDCO and SEL, which seal shall remain intact unless it is broken by the Testing Laboratory for testing and calibration.

5.2.3 Authorized representative(s) of CTU/STU, GRIDCO & SLDC shall have the unrestricted free entry into the metering points.

5.2.4 Testing & Calibration of Meters

All the Main Meters, Check Meters and Back-up Meters shall be tested by an Accredited Test Laboratory which means a test laboratory accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL). The Meters (and associated circuits, if necessary) shall be tested and calibrated in accordance with the provisions set out in the Connection Agreement and IEGC, at least once in 2 (two) Tariff Years, or at any time when the difference between the readings of the Main Meter and the corresponding Check Meter is found to exceed 0.4% (zero point four percent). SEL shall bear the cost of testing and calibration of Meters. The Meters shall be sealed in presence of CTU/STU, GRIDCO and SEL. The Meter calibration report of the Testing Laboratory shall be jointly signed by the parties witnessing the calibration and the Meter calibration report shall be furnished to all the parties concerned. The party, which requests for any additional testing and calibration of the Meters shall bear the cost of such testing and calibration. A notice of 7 (seven) days shall be issued by the party, which arranges for such testing and calibration, to enable authorized representatives of the other parties to witness the testing and calibration of Meters.

5.2.5 If during any testing and calibration, a Main Meter is found to be within 0.2% (zero point two percent) permissible limit of error and the corresponding Check Meter is found to be beyond such limit of error, the monthly billing shall be as per the reading of the Main Meter. The corresponding Check Meter shall be

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replaced forthwith with the spare tested Check Meter and the defective Check Meter shall be repaired and calibrated by the Testing Laboratory or replaced by new and tested Check Meter.

5.2.6 If during any testing and calibration, a Main Meter is found to be beyond 0.2% (zero point two percent) permissible limit of error, but the corresponding Check Meter is found to be within limit of error, the monthly billing shall, for that month and till the date and time of the repair and calibration or replacement of the defective Main Meter, be as per the reading of the Check Meter. The corresponding Main Meter shall be replaced forthwith with the spare tested and calibrated Main Meter and the defective Main Meter shall be repaired and calibrated by the Testing Laboratory or replaced by new and tested Main Meter.

5.2.7 If during any testing and calibration, a Main Meter and the corresponding Check Meter are found to be beyond 0.2% (zero point two percent) permissible limit of error, both the Meters or at least the Main Meter shall be replaced forthwith with a spare tested calibrated meter. The energy accounting shall be done on a mutually agreed basis between SEL, GRIDCO and OPTCL/SLDC for that period of defect. The decision of SLDC in this regard shall be final.

5.2.8 Data shall be downloaded from the meters at regular intervals as decided by SLDC for preparation of Energy Accounts.

5.2.9 The main and check meter shall be checked on monthly basis by comparison of the readings between these two meters and in case the readings of the two meters differ by more than double the value of the accuracy class in use, both the meters will be checked separately with respect to another reference meter and defective meter shall be replaced. The energy metered during the period of defect would be revised by applying a correction factor on the energy metered by the defective meter.

All RLDC/SLDC charges applicable up to the inter-connection point shall be borne by SEL, while those beyond the interconnection point shall be borne by beneficiaries.

5.3 Energy Accounting:

5.3.1 Both the parties agree to facilitate issue of Energy Accounts by 1st week of every month.

5.3.2 SEL shall prepare and submit bills to the Beneficiaries including GRIDCO on the basis of such Energy Accounts.

5.3.3 Energy Account issued by SLDC shall be binding on all the parties for billing and payment purposes.

5.3.4 Any change in the methodology of Energy Accounting shall be done only as per the decisions taken by SLDC.

6.0 TARIFF

6.1 The tariff for sale of power by SEL to GRIDCO shall be determined by the Appropriate Commission and any dispute or difference in regard to the tariff shall be subject to the adjudication by Appropriate Commission.

6.2 Taxes, Levies, Duties, Royalty, Cess etc.:

6.2.1 **Tax on Income**

Tax on income derived from generation of electricity sold by SEL shall be computed as an expense to form part of fixed charges and shall be reimbursed by all the Beneficiaries liable to pay fixed capacity charges in a proportion to capacity allocation of each beneficiary.

6.2.2 **Other Taxes, Levies, Duties, Royalty, Cess etc.**

Statutory taxes, levies, duties, royalty, cess or any other kind of imposition(s) imposed/ charged by any Government (Central /

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State) and/ or any other local bodies/ authorities on generation of electricity including auxiliary consumption or any other type of consumption including water, environment protection, sale or on supply of power / electricity and/ or in respect of any of its installations associated with the Station payable by SEL to the authorities concerned shall be borne and additionally paid by the Beneficiary(ies) in a proportionate manner. Provided however that the annual contribution @ 6 p/unit towards Environment Management Fund in respect of the energy sent out outside the state as per the terms of MOU paid by SEL to State Govt. shall not be charged to GRIDCO in any manner.

7.0 BILLING AND PAYMENT

7.1 Billing:

The charges under this Agreement shall be billed by SEL and shall be paid by GRIDCO in accordance with the following provisions:

7.1.1 SEL shall present the bills after the end of each calendar month for energy supplied to GRIDCO from the Station as per Energy Account issued by SLDC.

7.1.2 The officer of GRIDCO to whom the bills are to be submitted would be informed by the GRIDCO to SEL failing which SEL would submit the bills to the Chief of Finance and Accounts wing of the GRIDCO.

7.1.3 The monthly bill for the Station shall be the aggregate of charges in accordance with the provisions of the Agreement. If for any reasons some of the charges which otherwise are in accordance with this Agreement, cannot be included in the main monthly bills, such charges shall be billed as soon as possible through supplementary bill(s).

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7.1.4 The undisputed bill(s) of SEL shall be paid in full within 30 days of presentation of the bill.

7.2 Rebate and Late Payment Surcharge:

Two percent (2%) rebate shall be allowed on payment of bills through Letter of Credit (LC) or directly from GRIDCO on the amount paid within 7 (seven) days of presentation of the bills. If payment is made after 7 (seven) days then one percent (1%) rebate shall be allowed if payment is made within thirty (30) days of presentation of the bills.

A surcharge calculated at the rate of one point two five percent (1.25%) per month on the amount of the bill remaining unpaid shall be payable for the actual period of delay beyond the due date of payment i.e. sixty (60) days after presentation of bill.

The rate / percentage of rebate and late payment surcharge shall be in line with the CERC guideline as amended from time to time.

8.0 PAYMENT SECURITY MECHANISM:

8.1 Establishment of Letter of Credit (LC):

A stand by irrevocable, revolving Letter of Credit (LC) will be established with a scheduled bank at least one month prior to the commencement of the power supply from the Station. The terms and conditions of LC shall be mutually agreed upon.

The LC shall cover 105% of the one-month's estimated billing in respect of power supplied from the Station to GRIDCO.

The amount of LC shall be reviewed each half-year commencing April and October in each financial year on the basis of the average of billing of previous 12 months and the LC amount shall be enhanced/reduced accordingly.

The LC shall be established for a minimum period of one year. GRIDCO shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement.

The charges related to opening and maintaining of LC shall be borne by GRIDCO.

9.0 SETTLEMENT OF DISPUTES

9.1 In the event a bill is disputed by GRIDCO, GRIDCO shall pay 75% of the disputed bill and furnish the following particulars to SEL.

(i) Item disputed, with full details / data and reasons of dispute.

(ii) Amount disputed against each item.

SEL & GRIDCO shall endeavor to resolve the above dispute(s) as soon as possible.

9.2 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and resolved within 90 days.

10.0 ARBITRATION AND JURISDICTION

(i) In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above the same shall be dealt in accordance with section 86 (1) (f) read with section 158 of the Electricity Act, 2003 and shall be referred to the Odisha Electricity Regulatory Commission for adjudication.

(ii) The appropriate Civil Court in the State of Odisha will have the jurisdiction over the matter.

11.0 FORCE MAJEURE

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to force majeure events such as war, rebellion, mutiny, civil commotion, riots, strike, lock-out, forces of nature, accident, act of God and any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and given written notice within a reasonable time to the other party to this effect. Generation / drawal of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

12.0 STATUTORY APPROVALS AND IMPLEMENTATION OF THE AGREEMENT

12.1 While implementing the project, SEL undertakes to comply with all statutory requirements/clearances in respect of laws, regulations and procedures governing establishment and operation of industries in the State.

12.2 All discretions should be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorized representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post.

13.0 NOTICE

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified.

Each such notice shall be deemed to have been duly given if delivered or served by registered mail/ speed post of Department of Posts with an acknowledgement due to the other parties in terms of Clause 9.0 above.

14.0 EFFECTIVE DATE AND DURATION OF AGREEMENT

The agreement shall come into force from the date of signing of the Power Purchase Agreement dated 28.09.2006 between SEL and GRIDCO for all purposes and intent and shall remain operative initially up to completion of twenty five (25) years from the date of commercial operation of last unit of the Station and could be extended beyond the same on mutually agreed terms and conditions.

15.0 REDESIGNATION OF AGENCY BY THE GOVERNMENT OF ODISHA

Notwithstanding anything contained hereinabove SEL acknowledge and accept that Government of Odisha shall have the option to designate any other persons as the designated Agency in place of GRIDCO and in that event this Agreement shall stand assigned from GRIDCO to such designated Agency on the same terms and conditions.

16.0 SUCCESSORS AND ASSIGNS

In case the functions of GRIDCO are reorganized and / or its activities are taken over by other organization(s) / agency(s), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor organization(s)/ agency(ies)/ entities provided that the successor organization(s)/ agency(ies) is/are owned or controlled by the Government of Odisha.

17.0 APPROVAL OF THE AGREEMENT

This Consolidated Power Purchase Agreement is subject to the approval of OERC, with or without modification.

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IN WITNESS WHEREOF the parties have executed these presents through their authorised representatives on the date mentioned above.

WITNESS:

1. Manoj Rastogi
(MANOJ RASTOGI, SEL)

2. (K.N. TANDON)

For and on behalf of

STERLITE ENERGY LIMITED

AUTHORISED SIGNATORY

For an on behalf of

GRIDCO LIMITED

1. (S.K. Choudhury)

2. S Nayak
(S.S. NAYAK)

Director (Commercial)
Grid Corporation of Orissa Ltd
Bhubaneswar

AUTHORISED SIGNATORY

Checklist of Main Tariff Forms and other information for tariff filing for Thermal Stations		
Form No.	**Title of Tariff Filing Forms (Thermal)**	**Tick**
Form - 1	Summary of Tariff	✓
Form - 1 (I)	Statement showing claimed capital cost	✓
Form - 1 (II)	Statement showing Return on Equity	✓
Form - 2	Plant Characteristics	✓
Form - 3	Normative parameters considered for tariff computations	✓
Form - 4	Details of Foreign loans	NA
Form - 4 A	Details of Foreign Equity	NA
Form - 5	Abstract of Admitted Capital Cost for the existing Projects	✓
Form - 6	Financial Package upto COD	NA
Form - 7	Details of Project Specific Loans	✓
Form - 8	Details of Allocation of corporate loans to various projects	✓
Form - 9	Statement of Additional Capitalisation after COD	✓
Form - 10	Financing of Additional Capitalisation	✓
Form - 11	Calculation of Depreciation on original project cost	✓
Form - 12	Statement of Depreciation	✓
Form - 13	Calculation of Weighted Average Rate of Interest on Actual Loans	✓
Form - 14	Draw Down Schedule for Calculation of IDC & Financing Charges	NA
Form - 15	Details of Fuel for Computation of Energy Charges1	NA
Form - 16	Details of Limestone for Computation of Energy Charge Rate	NA
Form - 17	Details of Capital Spares	✓
Form - 18	Non-Tariff Income	NA
Form - 19	Details of Water Charges	✓
Form - 20	Details of Statutory Charges	✓

PART - I		
List of Supporting Forms / documents for tariff filing for Thermal Stations		
Form No.	**Title of Tariff Filing Forms (Thermal)**	Tick
FORM - A	Abstract of Capital Cost Estimates	NA
FORM - B	Break-up of Capital Cost for Coal/Lignite based projects	✓
FORM - C	Break-up of Capital Cost for Gas/Liquid fuel based Projects	NA
FORM - D	Break-up of Construction/Supply/Service packages	NA
FORM - E	Details of variables , parameters , optional package etc. for New Project	NA
FORM - F	Details of cost over run	NA
FORM - G	Details of time over run	NA
FORM - H	Statement of Additional Capitalisation during end of the useful life	NA
FORM - I	Details of Assets De-capitalised during the period	✓
FORM - J	Reconciliation of Capitalisation claimed vis-à-vis books of accounts	✓
FORM - K	Statement showing details of items/assets/works claimed under Exclusions	NA
FORM - L	Statement of Capital cost	✓
FORM - M	Statement of Capital Woks in Progress	✓
FORM - N	Calculation of Interest on Normative Loan	✓
FORM - O	Calculation of Interest on Working Capital	✓
FORM - P	Incidental Expenditure up to SCOD and up to Actual COD	NA
FORM - Q	Expenditure under different packages up to SCOD and up to Actual COD	NA
FORM - R	Actual cash expenditure	NA
FORM - S	Statement of Liability flow	NA
FORM - T	Summary of issues involved in the petition	✓

Summary of Tariff

PART -
FORM - 1

Name of the Petitioner : Vedanta Ltd
Name of the Generating Station : Jharsuguda Power Project (4 x 600MW)
Place (Region/District/State): Jharsuguda, Odisha

(Amount in Rs Cr)

S. No.	Particulars	Approved - 2400 MW						Actual - 2400 MW						Deviation					
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Total
1	O & M Expenses	441.12	503.28	521.04	539.28	558.24	**2562.96**	441.12	503.28	521.04	539.28	558.24	**2562.96**	0.00	0.00	0.00	0.00	0.00	**0.00**
2	Depreciation	404.77	407.01	407.01	407.01	407.01	**2032.81**	402.15	402.29	403.47	406.80	412.08	**2026.79**	-2.62	-4.72	-3.54	-0.21	5.07	**-6.02**
3	Interest on Term Loans & Fin. Charges	219.06	184.89	147.52	110.16	72.80	**734.43**	227.10	193.25	158.79	127.16	107.06	**813.36**	8.04	8.36	11.27	17.00	34.26	**78.93**
4	Interest on Working Capital Loans	115.86	116.54	116.82	117.12	117.46	**583.80**	122.88	129.47	125.26	139.72	149.71	**667.03**	7.02	12.93	8.44	22.60	32.25	**83.23**
5	Return on Equity	390.84	344.00	344.00	344.00	344.00	**1766.84**	390.04	343.36	345.00	349.27	355.81	**1783.48**	-0.80	-0.64	1.00	5.27	11.81	**16.64**
6	Income Tax										15.33	6.76	**22.10**	0.00	0.00	0.00	15.33	6.76	**22.10**
	Total	**1571.65**	**1555.72**	**1536.39**	**1517.57**	**1499.51**	**7680.84**	**1583.28**	**1571.65**	**1553.56**	**1577.57**	**1589.66**	**7875.71**	**11.63**	**15.93**	**17.17**	**60.00**	**90.15**	**194.87**

Petitioner

Name of the Petitioner : Vedanta Ltd

Name of the Generating Station : Jharsuguda Power Project (4 x 600MW)

PART - I
FORM - 1(I)

Statement showing claimed capital cost

(Amount in Rs Cr)

S. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	Opening GFA	8094.24	8149.16	8188.99	8227.66	8362.29
2	(+) Additions	65.01	40.08	38.80	134.64	153.87
3	(-) Adjustments	10.09	0.25	0.13	0.00	0.00
4	Net Addition/(deduction)	54.92	39.83	38.67	134.6357	153.87
5	Closing GFA	8149.16	8188.99	8227.66	8362.29	8516.16

(Petitioner)

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PART - 1
FORM - 1(IIA)

Name of the Petitioner : Vedanta Ltd
Name of the Generating Station : Jharsuguda Power Project (4 x 600MW)

S. No.	Computation of Return of Equity					(Amount in Rs Cr)
	Year	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
1	Opening capital cost	8094.24	8149.16	8188.99	8227.66	8362.29
2	Add: Additional capital expenditure	54.92	39.83	38.67	134.64	153.87
3	Closing capital cost	8149.16	8188.99	8227.66	8362.29	8516.16
4	Average capital cost	8121.70	8169.07	8208.32	8294.97	8439.23
	Return on Equity					
5	30% of Capital Cost	2428.27	2444.75	2456.70	2468.30	2508.69
6	30% of Additional Capital Cost	16.48	11.95	11.60	40.39	46.16
7	Opening Equity	2428.27	2444.75	2456.70	2468.30	2508.69
8	Addition due to Add. Cap.					
9	Closing Equity	2428.27	2444.75	2456.70	2468.30	2508.69
10	Average Equity	2428.27	2444.75	2456.70	2468.30	2508.69
11	Base Rate on Equity (%)	16.00%	14.00%	14.00%	14.00%	14.00%
12	RoE Pretax	16.00%	14.00%	14.00%	14.00%	14.00%
13	ROE Amount	388.52	342.26	343.94	345.56	351.22
14	Weighted average rate of interest of actual loan	9.18%	9.18%	9.18%	9.18%	9.94%
15	ROE on Additional Capitalisation	1.51	1.10	1.06	3.71	4.59
16	**Total ROE Amount**	**390.04**	**343.36**	**345.00**	**349.27**	**355.81**

Petitioner

Plant Characteristics

Name of the Petitioner : Vedanta Ltd — **PART - 1**

Name of the Thermal Power Station: Jharsuguda Power Project (4 x 600MW)

FORM-2

Unit(s)/Block(s)/Parameters	Unit 1, Unit 2, Unit 3, Unit 4
Installed Capacity (MW)	2400 MW
Date of Commercial Operation (COD)	Unit 2 - 09.11.2010, Unit 1 - 30.03.2011, Unit 3 - 19.08.20211, Unit 4 - 26.04.2012
Pit Head or Non Pit Head	Non Pit Head
Name of the Boiler Manufacture	Harbin Boiler Co Ltd., China
Name of Turbine Generator Manufacture	Dongfang Turbine Factory, China
Main Steams Pressure at Turbine inlet (kg/Cm2) abs.	16.67 Mpa
Main Steam Temperature at Turbine inlet (oC)	538 °C
Reheat Steam Pressure at Turbine inlet (kg/Cm2)	3.439 MPa
Reheat Steam Temperature at Turbine inlet (oC)	538 °C
Main Steam flow at Turbine inlet under MCR condition (tons /hr)	1863.75 t/h
Main Steam flow at Turbine inlet under VWO condition (tons /hr)	2028.0 t/h
Unit Gross electrical output under MCR /Rated condition (MW)	600 MW
Unit Gross electrical output under VWO condition (MW)	630 MW
Guaranteed Design Gross Turbine Cycle Heat Rate (kCal/kWh)	1954 kCal/kWh
Conditions on which design turbine cycle heat rate guaranteed	TMCR
% MCR	TMCR
% Makeup Water Consumption	3%
Design Capacity of Make up Water System	55.91 T/hr
Design Cooling Water Temperature (0C)	35.6 Deg C
Back Pressure	10.2 kPa
Steam flow at super heater outlet under BMCR condition (tons/hr)	2060 T/hr
Steam Pressure at super heater outlet under BMCR condition) (kg/Cm2)	17.5 Mpa
Steam Temperature at super heater outlet under BMCR condition (0C)	541 Deg C
Steam Temperature at Reheater outlet at BMCR condition (0C)	541 Deg C
Design / Guaranteed Boiler Efficiency (%)	87.52%
Design Fuel with and without Blending of domestic/imported coal	428 T/hr
Type of Cooling Tower	NDCT
Type of cooling system	Closed circuit cooling
Type of Boiler Feed Pump	1 no. Motor Driven Boiler Feed Pump of 50 % capacity & 2 no. turbine Driven Feed Pumps of 50 % capacity each
Type of Coal Mill	Double inlet & outlet tube mill
Fuel Details	coal @ 3300 GCV
Primary Fuel	Coal
Secondary Fuel	LDO
Alternate Fuels	-
Types of SOX control system	SOFA Damper
Types of NOX control system	Low Nox Burner
Details of SPM control system	Fabric Filter and Hybrid ESP, SPM < 50 mg/nm3.
Special Features/Site Specific Features	Proximity to Coal, water and grid.
Special Technological Features	Hybrid ESP, TDBFP, NDCT, HCSD
Environmental Regulation related features	Fabric Filter and Hybrid ESP
Any other special features	

1. At Turbine MCR condition.
2. With 0% (Nil) make up and design Cooling water temperature
3. At TMCR output based on gross generation, 0% (Nil) makeup and design Cooling water temperature
4. With Performance coal based on Higher Heating Value (HHV) of fuel and at BMCR) out put
5. Closed circuit cooling, once through cooling, sea cooling, natural draft cooling, induced draft cooling etc.
6. Motor driven, Steam turbine driven etc.
7. Coal or natural gas or Naptha or lignite etc.
8. Any site specific feature such as Merry-Go-Round, Vicinity to sea, Intake /makeup water systems etc. scrubbers etc. Specify all such features
9. Any Special Technological feature like Advanced class FA technology in Gas Turbines, etc.
10. Environmental Regulation related features like FGD, ESP etc.,

Note 1: In case of deviation from specified conditions in Regulation, correction curve of manufacturer may also be submitted.

Note 2: Heat Balance Diagram has to be submitted along with above information in case of new stations.
Note 3: The Terms – MCR, BMCR, HHV, Performance coal, are as defined in CEA Technical Standards for Construction of Electric Plants and Electric Lines Regulations – 2010 notified by the Central Electricity Authority.

Statement of Depreciation

ANNEXURE - 8

Name of the Petitioner : Vedanta Ltd

PART - 1

FORM - 12

Name of the Generating Station: Jharsuguda Power Project (4 x 600MW)

(Amount in Rs Cr)

2018-19 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	Land & Land Rights	0.00%	137	7	0	144	-	-	-	-	137	144
2	Building & Civil Works of Power Plants	3.34%	686	1	-	686	168	23	-	191	518	495
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204	-	-	204	48	7	-	54	157	150
5	Plant & Machinery	5.28%	6,864	168	-	7,032	2,391	367	-	2,758	4,472	4,274
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0	-	-	0	0	0	-	0	0	0
8	Furniture & Fixtures	6.33%	1	0	-	1	0	0	-	0	0	0
9	Office Equipments	6.33%	4	0	-	4	1	0	-	2	3	2
10	Capital Spares	5.28%	242.22	-	146	96	92	-	-	92	150	4
11	Others	3.34%	23	-	-	23	5	1	-	5	18	18
TOTAL			8,160	176	146	8,191	2,705	398	-	3,103	5,455	5,088

2019-20 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	Land & Land Rights	0.00%	144.24	63	-	207.22	-	-	-	-	144.24	207.22
2	Building & Civil Works of Power Plants	3.34%	686.29	-	-	686.29	190.82	22.92	-	213.74	495.47	472.55
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204.10	-	-	204.10	54.37	6.82	-	61.19	149.73	142.92
5	Plant & Machinery	5.28%	7,032	1.74	10.09	7,023.49	2,758.06	371.33	0.53	3,128.85	4,273.78	3,894.64
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0.13	0.14	-	0.27	0.06	0.02	-	0.08	0.07	0.19
8	Furniture & Fixtures	6.33%	0.62	0.05	-	0.66	0.27	0.04	-	0.31	0.34	0.35
9	Office Equipments	6.33%	3.98	0.10	-	4.08	1.58	0.26	-	1.84	2.40	2.24
11	Others	3.34%	23.03	-	-	23.03	5.34	0.77	-	6.11	17.70	16.93
TOTAL			8,094	65.01	10.09	8,149.16	3,010	402.15	1	3,412	5,084	4,737

2020-21 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	Land & Land Rights	0.00%	207.22	16.76	-	223.99	-	-	-	-	207.22	223.99
2	Building & Civil Works of Power Plants	3.34%	686.29	0.33	-	686.62	213.7431	22.93	-	236.67	472.55	449.95
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204.10	-	-	204.10	61.1860	6.82	-	68.00	142.92	136.10
5	Plant & Machinery	5.28%	7,023.49	22.91	-	7,046.40	3,128.8540	371.45	-	3,500.30	3,894.64	3,546.10
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0.27	-	0.13	0.14	0.0769	0.03	0.01	0.10	0.19	0.04
8	Furniture & Fixtures	6.33%	0.66	0.04	0.05	0.65	0.3124	0.04	0.00	0.35	0.35	0.30
9	Office Equipments	6.33%	4.08	0.04	0.07	4.06	1.8390	0.26	0.00	2.10	2.24	1.96
11	Others	3.34%	23.03	-	-	23.03	6.1060	0.77	-	6.88	16.93	16.16
TOTAL			8,149.16	40.08	0.25	8,188.99	3,412.12	402.29	0.01	3,814.39	4,737.04	4,374.59

2021-22 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year

1	Land & Land Rights	0.00%	223.99	16.47	-	240.46	-	-	-	-	223.99	24
2	Building & Civil Works of Power Plants	3.34%	686.62		-	686.62	236.67	22.93	-	259.60	449.95	427.01
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204.10	-	-	204.10	68.00	6.82	-	74.82	136.10	129.28
5	Plant & Machinery	5.28%	7,046.40	22.23	-	7,068.63	3,500.30	372.64	-	3,872.94	3,546.10	3,195.70
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0.14	-		0.14	0.10	0.01	-	0.11	0.04	0.03
8	Furniture & Fixtures	6.33%	0.65	0.10	0.13	0.62	0.35	0.04	0.01	0.39	0.30	0.23
9	Office Equipments	6.33%	4.06			4.06	2.10	0.26	-	2.35	1.96	1.70
11	Others	3.34%	23.03		-	23.03	6.88	0.77	-	7.64	16.16	15.39
TOTAL			8,188.99	38.80	0.13	8,227.66	3,814.39	403.47	0.01	4,217.86	4,374.59	4,009.80

2022-23 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	Land & Land Rights	0.00%	240.46	30.51	-	270.97	-	-	-	-	240.46	270.97
2	Building & Civil Works of Power Plants	3.34%	686.62	-	-	686.62	259.60	22.93	-	282.54	427.01	404.08
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204.10	-	-	204.10	74.82	6.82	-	81.64	129.28	122.47
5	Plant & Machinery	5.28%	7,068.63	104.06	-	7,172.69	3,872.94	375.97	-	4,248.91	3,195.70	2,923.79
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0.14	-	-	0.14	0.11	0.01	-	0.12	0.03	0.02
8	Furniture & Fixtures	6.33%	0.62	0.00	-	0.62	0.39	0.04	-	0.43	0.23	0.19
9	Office Equipments	6.33%	4.06	0.06	-	4.12	2.35	0.26	-	2.61	1.70	1.50
11	Others	3.34%	23.03	-	-	23.03	7.64	0.77	-	8.41	15.39	14.62
TOTAL			8,227.66	134.64	-	8,362.29	4,217.86	406.80	-	4,624.66	4,009.80	3,737.63

2023-24 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	Land & Land Rights	0.00%	271	58	-	329	-	-	-	-	271	329
2	Building & Civil Works of Power Plants	3.34%	687	-	-	687	283	23	-	305	404	381
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204	-	-	204	82	7	-	88	122	116
5	Plant & Machinery	5.28%	7,173	96	-	7,268	4,249	381	-	4,630	2,924	2,638
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0	-	-	0	0	0	-	0	0	0
8	Furniture & Fixtures	6.33%	1	0.01	-	1	0	0	-	0	0	0
9	Office Equipments	6.33%	4	0.098	-	4	3	0	-	3	2	1
11	Others	3.34%	23	-	-	23	8	1	-	9	15	14
TOTAL			8,362	154	-	8,516.16	4,625	412	-	5,037	3,738	3,479

(Petitioner)

Calculation of Weighted Average Rate of Interest on Actual Loans

Name of the Petitioner : Vedanta Ltd — **PART - 1**

Name of the Generating Station: Jharsuguda Power Project (4 x 600MW) — **FORM - 13**

(Amount in Rs Cr)

Sl. No	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	2	3	4	5	6	7
A	Loan-1					
1	Gross loan - Opening	5,665.97	5,704.41	5,732.29	5,759.36	5,853.60
2	Cumulative repayments of Loans upto previous year	3,010.50	3,412.12	3,814.39	4,217.86	4,624.66
3	Net loan - Opening	2,655.47	2,292.29	1,917.90	1,541.50	1,228.95
4	Receipts during the year	38.44	27.88	27.07	94.24	107.71
5	Repayment during the year	401.62	402.28	403.46	406.80	412.08
6	Net loan - Closing	2,292.29	1,917.90	1,541.50	1,228.95	924.58
7	Average Net Loan	2,473.88	2,105.09	1,729.70	1,385.22	1,076.76
8	Rate of Interest on Loan	9.18%	9.18%	9.18%	9.18%	9.94%
9	Interest on loan	227.10	193.25	158.79	127.16	107.06
10	Add : Finance Charges	-	-	-	-	-
B	Loan-2					
1	Gross loan - Opening					
2	Cumulative repayments of Loans upto previous year					
3	Net loan - Opening					
4	Receipts during the year					
5	Repayment during the year					
6	Net loan - Closing					
7	Average Net Loan					
8	Rate of Interest on Loan					
9	Interest on loan					
10	Add : Finance Charges					
C	Total Loan					
1	Gross loan - Opening	5,666	5,704	5,732	5,759	5,854
2	Cumulative repayments of Loans upto previous year	3,010	3,412	3,814	4,218	4,625
3	Net loan - Opening	2,655	2,292	1,918	1,542	1,229
4	Receipts during the year	38	28	27	94	108
5	Repayment during the year	402	402	403	407	412
6	Net loan - Closing	2,292	1,918	1,542	1,229	925
7	Average Net Loan	2,474	2,105	1,730	1,385	1,077
8	Rate of Interest on Loan	9.18%	9.18%	9.18%	9.18%	9.94%
9	Interest on loan	227	193	159	127	107
10	Add : Finance Charges	-	-	-	-	-

Nivas

(Petitioner)

Statement of Capital Woks in Progress

Name of the Petitioner : Vedanta Ltd	PART - 1
Name of the Generating Station : Jharsuguda Power Project (4 x 600MW)	FORM - M

Asset name	Opening Balance	Additions	Deletions	Closing balance
FY 2019-20	96.00	36.64	13.46	119.18
FY 2020-21	119.18	14.97	24.67	109.48
FY 2021-22	109.48	81.31	22.13	168.65
FY 2022-23	168.65	185.58	114.93	239.31
FY 2023-24	239.31	133.26	187.47	185.10

Petitioner

Details of Statutory Charges

Name of the Petitioner : Vedanta Ltd	**PART - 1**
Name of the Generating Station : Jharsuguda Power Project (4 x 600MW)	**FORM - 20**

S. No.	Paticulars	No of Units	Amount Claimed for GRIDCO share of Power (In Rs)
1	Boiler Inspection Charges	4	5,27,100
2	CTO Charges	4	74,27,911
3	HWM Charges	4	16,800
4	Electrical Inspection Charges	4	71,39,367
5	Land Cess Paid	4	1,89,10,684
6	Electricity Duty	4	4,56,89,844
7	Water Demand Charges	4	49,37,25,853
Total			**57,34,37,558**

Petitioner

PART - 1
Form - O

Calculation of Interest on Working Capital Loan

Name of the Company: Vedanta Ltd.

Name of the Thermal Power Station: Jharsuguda Power Project (4 x 600MW)

(Amount in Rs Cr)

S. No.	Particulars	Norms considered	FY 2019-20
1	Coal Cost (Non pit head)	2 Months	444.15
2	Coal Cost (Pit head)	1 Month	-
3	Liquid Fuel Stock	1 Month	8.36
4	O & M expenses	1 Month	42.09
5	Maintenance Spares	20 % of O & M Expense	88.22
6	Recievables	1 Month	362.38
7	Working capital Loan Requirement		945.20
8	Rate of Interest		13.00%
9	Interest on Working Capital		122.88
S. No.	**Particulars**	**Norms considered**	**FY 2020-21**
1	Coal Cost (Non pit head)	60 days	482.55
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	7.30
4	O & M expenses	1 Month	47.42
5	Maintenance Spares	20 % of O & M Expense	100.66
6	Recievables	45 Days	566.48
7	Working capital Loan Requirement		1204.40
8	Rate of Interest		10.75%
9	Interest on Working Capital		129.47
S. No.	**Particulars**	**Norms considered**	**FY 2021-22**
1	Coal Cost (Non pit head)	60 days	511.08
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	5.38
4	O & M expenses	1 Month	49.09
5	Maintenance Spares	20 % of O & M Expense	104.21
6	Recievables	45 Days	582.82
7	Working capital Loan Requirement		1252.57
8	Rate of Interest		10.00%
9	Interest on Working Capital		125.26
S. No.	**Particulars**	**Norms considered**	**FY 2022-23**
1	Coal Cost (Non pit head)	60 days	583.63
2	Coal Cost (Pit head)	15 Days	-
3	Liquid Fuel Stock	1 Month	9.76
4	O & M expenses	1 Month	51.18
5	Maintenance Spares	20 % of O & M Expense	107.86
6	Recievables	45 Days	644.78
7	Working capital Loan Requirement		1397.20
8	Rate of Interest		10.00%
9	Interest on Working Capital		139.72
S. No.	**Particulars**	**Norms considered**	**FY 2023-24**
1	Coal Cost (Non pit head)	60 days	518.19
2	Coal Cost (Pit head)	15 Days	-

3	Liquid Fuel Stock	1 Month	13.27
4	O & M expenses	1 Month	54.17
5	Maintenance Spares	20 % of O & M Expense	111.65
6	Recievables	45 Days	604.51
7	Working capital Loan Requirement		1301.79
8	Rate of Interest		11.50%
9	Interest on Working Capital		149.71

Petitioner

Summary of Additional Capital Expenditure incurred during FY 2019-20					ANNEXURE - 3
					Form - 9
Name of the Petitioner: Vedanta Ltd					
Name of the Generating Station: Jharsuguda Power Project (4 x 600MW)					
COD: Unit 2 - 09.11.2010, Unit 1 - 30.03.2011, Unit 3 - 19.08.20211, Unit 4 - 26.04.2012					
S.No.					
1	Asset Description	Addition	Deletion	Justification	Regulation
a	Purchase of Land for Ash Pond	62,98,70,877		Purchase of land for extension and dyke raising for Ash ponds. It is highly critical for ash evacuation and storage and for consistent operation of power plant.	Clause 3.4 (c) of OERC GenerationTariff Regulation 2014
2	Plant & Machinery	Addition	Deletion	Justification	Regulation
a	Line Connectivity to Lapanga sub station	95,03,798	0	To have strong & reliable grid connectivity with the state grid.	3.4 (d) of OERC Generation Tariff Regulations, 2014.
b	Switchyard	-	-9,12,71,327		
c	Switchyard	40,73,970	-95,98,083	Replacement of VRLA battery bank of switchyard with plant E type of battery bank to improve reliability.	3.4 (d) of OERC Generation Tariff Regulations, 2014.
d	Unmanned weighbridge project -4	27,73,413	-	Unmanned weigh bridge eleminates human error, ensures precise weighment, reduces long term operating cost. Thus enhances the system efficiency.	3.4 (d) of OERC Generation Tariff Regulations, 2014.
e	FIRE SYSTEM IMPROVEMENTS-FM200 Gas Supression System	7,69,000	-	As per section 38 of Factories Act, 1948 necessary equipments and facilities should be available at plant to extinguish fire. Accordingly Fire suppression system has been installed, which activates to put out a fire and it is safe for equipment, electronics, and machinery	3.4 (d) of OERC Generation Tariff Regulations, 2014.
f	Water Cooler(6) & Purifier(8) for IPP	2,36,274	0	As per section 18 of Factories act 1948, provisions for purified drinking water should be available at plant premises and where more than 250 workers are working, provisions for cold water shall be made.	3.4 (d) of OERC Generation Tariff Regulations, 2014.
	Total	1,73,56,455	-10,08,69,410		
3	Miscellaneous (Equipments & Furniture Fixtures & Vehicles)	Addition	Deletion	Justification	Regulation
a	Office Equipments	9,89,649		Necessary for efficient operation of Plant	3.4 (d) of OERC Generation Tariff Regulations, 2014.
b	Furniture Fixtures	4,59,270		Necessary for efficient operation of Plant	3.4 (d) of OERC Generation Tariff Regulations, 2014.
c	Vehicles	13,83,504		Necessary for safe and efficient operation of Plant	3.4 (d) of OERC Generation Tariff Regulations, 2014.
	Total	28,32,423			
4	Total	Addition	Deletion		
		65,00,59,755	-10,08,69,410		
5	Net Additions		54,91,90,345		

Petitioner

Summary of Additional Capital Expenditure incurred during FY 2020-21					ANNEXURE - 4
					Form - 9
Name of the Petitioner: Vedanta Ltd					
Name of the Generating Station: Jharsuguda Power Project (4 x 600MW)					
COD: Unit 2 - 09.11.2010, Unit 1 - 30.03.2011, Unit 3 - 19.08.20211, Unit 4 - 26.04.2012					
S.No.					
1	Asset Description	Addition	Deletion	Justification	Regulation
a	Land and Land Rights	16,76,48,288		Purchase of land for extension and dyke raising for Ash ponds. It is highly critical for ash evacuation and storage and for consistent operation of power plant.	Clause 12(2) (c) of OERC GenerationTariff Regulation 2020
2	Building & Civil Works of Power Plants	Addition	Deletion	Justification	Regulation
a	Stores Infrastructure	32,71,222		Development of Store for storage of material and plant goods.	Clause 12 (2) (d) of OERC GenerationTariff Regulation 2020
3	Plant & Machinery	Addition	Deletion	Justification	Regulation
a	Railway Siding for Wagon Tippler	1,75,55,581		Expansion of railway siding for Wagon Tippler for unloading of BOXN type wagons resulting decreases in TAT of rakes	Clause 12 (2) (d) of OERC GenerationTariff Regulation 2020
b	Insurance Spares	9,06,61,998		Critical Spares to prevent unexpected downtime due to equipment failure	Clause 12 (3) (a) of OERC GenerationTariff Regulation 2020
c	Fly ash vessels below air preheater	5,76,727		Critical component for smooth operation of boiler.	Clause 12 (3) (a) of OERC GenerationTariff Regulation 2020
d	Air Compressors	18,32,499		To Supply compressed air for various equipment	Clause 12 (3) (a) of OERC GenerationTariff Regulation 2020
e	Geho Frame Unit Crosshead Pin	14,20,198		For stability of Ash handling system	Clause 12 (3) (a) of OERC GenerationTariff Regulation 2020
f	Electroliser for hydrogen Generator	61,90,500		Critical for hydrogen production	Clause 12 (3) (a) of OERC GenerationTariff Regulation 2020
g	Electrical testing kit	65,23,154		Advanced electrical Testing kit required for measurement of real time parameters effectively which can prevent unschedule shut down of unit, thus increases the reliability of the unit.	Clause 12 (3) (c) of OERC GenerationTariff Regulation 2020
h	Infra and resource addition for strengthening coal	3,51,79,483		For strengthening/ upgradation of coal sampling, preparation and analysis facilities by implementing Augur system & associated facilities for process efficiency improvement	Clause 12 (2) (b) and Regulation 3(1) (ff) of OERC GenerationTariff Regulation 2020
i	Switchyard Modification	6,52,05,420		In addition to the existing 400KV sectionalizers in 400KV switchyard, these additional sectionalizers will improve reliability to intire 4X 600 MW switchyard.	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
j	Capitalization of Watercooler and Purifier-IPP	1,99,500			Clause 12 (3) (c) of OERC GenerationTariff Regulation 2020
k	Procurement of Asset for marketing office at IPP	37,24,630			Clause 12 (3) (c) of OERC GenerationTariff Regulation 2020
	Total	22,90,69,690			
4	Office Equipments & Furniture Fixtures & Vehicles	Addition	Deletion	Justification	Regulation
a	Office Equipments, Furniture Fixtures & Vehicles	8,23,651	-24,82,272	Necessary for safe and efficient operation of Plant	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
5	Total	Addition	Deletion		
		40,08,12,850	-24,82,272		
6	Net Additions		39,83,30,578		

Petitioner

Summary of Additional Capital Expenditure incurred during FY 2021-22					ANNEXURE - 5
					Form - 9
Name of the Petitioner: Vedanta Ltd					
Name of the Generating Station: Jharsuguda Power Project (4 x 600MW)					
COD: Unit 2 - 09.11.2010, Unit 1 - 30.03.2011, Unit 3 - 19.08.20211, Unit 4 - 26.04.2012					
S.No.	-				
1	Asset Description	Addition	Deletion	Justification	Regulation
a	Land for ash storage	40,23,977 36,67,172 30,04,789 15,39,99,911	-	Purchase of land for extension and dyke raising for Ash ponds. It is highly critical for ash evacuation and storage and consistent operation of power plant.	Clause 12(2) (c) of OERC GenerationTariff Regulation 2020
	Total	16,46,94,949			
2	Plant & Machinery	Addition	Deletion	Justification	Regulation
a	Infra and resource addition for strengthening coal	3,30,77,577	-	For strengthening/ upgradation of coal sampling, preparation and analysis facilities by implementing Augur system & associated facilities for process efficiency improvement	Clause 12 (2) (b) and Regulation 3(1) (ff) of OERC GenerationTariff Regulation 2020
b	Upgradation of DCS and controllers	6,40,03,198	-	Earlier control system was running on processors FCP270, which was obsolete & and also not getting any support from OEM. So upgradation is necessary for secure and reliable operation of unit.	Clause 12(3) (c) of OERC GenerationTariff Regulation 2020
c	Security Watch Control Tower	47,82,342	-	Required for better surveillance and monitoring of IPP area	Clause 12(4) (d) of OERC GenerationTariff Regulation 2020
d	Truck Parking near Banjari area and road build up to IPP	4,56,00,000	-	For better Traffic Management and for safe movement of heavy vehicles, Banjari parking area along with approach road to IPP was constructed. In turn reduces the TAT of coal trucks thus increases the efficiency of coal handling and coal stock	Clause 12(4) (d) of OERC GenerationTariff Regulation 2020
e	Upgradation of LP Bypass Control Valve	86,98,091	-	Upgradation of LP Bypass control valve to address the passing/loss issues which in turn has improved the operational parameters	Clause 12(3) (c) of OERC GenerationTariff Regulation 2020
f	Strengthening of Cooling Tower	3,04,54,364	-	Strengthening and improvement in structural stability of NDCT by pressure grouting and epoxy coating to enhance the life of NDCT	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
g	Power digitalization infrastructure	2,07,45,229	-	It is implemented for On-site PI System implementation and Asset Framework with Complete software supply required for PI system implementation. For effective monitoring of real time parameters to enhance plant efficiency and relaibility	Clause 12(4) (d) of OERC GenerationTariff Regulation 2020
h	Indegination of MOP,MSP,TOP,EOP,MDBFP AOP	62,42,629	-	Indignation of Oil pumps of Turbine Auxiliaries like (MOP, MSP, TOP, EOP, MDBFP, AOP) for reliable and efficient operation of Unit.	Clause 12(3) (c) of OERC GenerationTariff Regulation 2020
i	BUS Coupler provision for 11 KV Unit Board	40,71,786	-	Installation of Bus Coupler in Unit 11 KV Switch gear to prevent tripping of unit in case of failure of any section of 11 KV, in turn increases reliability of unit.	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
j	Mercury Analyser Installation-TPP 2400MW	46,68,788	-	Installation of Mercury Analyzer for compliance of SPCB guidelines.	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
	Total	22,23,44,104			
3	Office Equipments	Addition	Deletion	Justification	Regulation
a	Office Equipments	9,69,638.00	-13,36,300	Necessary for efficient operation of Plant	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
4	Total	Addition	Deletion		
		38,80,08,691	-13,36,300		
5	Net Additions	38,66,72,391			

Petitioner

Summary of Additional Capital Expenditure incurred during FY 2022-23					ANNEXURE - 6
					Form - 9
Name of the Petitioner: Vedanta Ltd					
Name of the Generating Station: Jharsuguda Power Project (4 x 600MW)					
COD: Unit 2 - 09.11.2010, Unit 1 - 30.03.2011, Unit 3 - 19.08.20211, Unit 4 - 26.04.2012					
S.No.					
1	Asset Description	Addition	Deletion	Justification	Regulation
a	Land and land Rights	1,15,50,000		Construction of Dhutura Railway Line for material movement	Clause 12(2) (d) of OERC GenerationTariff Regulation 2020
		26,25,000			
		1,57,50,000		Purchase of land for construction of Ash pond & raising of Ash Dyke. It is highly critical for ash evacuation and storage and consistent operation of power plant.	Clause 12(2) (g) of OERC GenerationTariff Regulation 2020
		29,32,622			
		70,91,142			
		89,32,421		Purchase of Land for Construction of Ash Pond for dispoal of Ash	Clause 12(2) (c) of OERC GenerationTariff Regulation 2020
		2,13,15,000			
		1,68,00,000			
		1,90,74,000		Expasnion of Water Reservoir	Clause 12(4) (b) of OERC GenerationTariff Regulation 2020
		2,73,02,000			
		17,17,49,398		Purchase of Land for Construction of Ash Pond for dispoal of Ash	Clause 12(2) (c) of OERC GenerationTariff Regulation 2020
	Total	30,51,21,583			
2	Plant & Machinery	Addition		Justification	Regulation
a	ZERO EFFELUENT DISCHARGE	27,97,28,875		Installation of Effluent treatment plant, capacity based on accumulated effluents from various sources of IPP, treated water to be used for Plant operation, thus to implement zero effluent discharge for compliance of SPCB and CPCB guidelines	Clause 12 (4) (b) of OERC GenerationTariff Regulation 2020
b	Installation of Mist cannon in new coal yard	1,45,05,309		Installation mist cannon system in new coal yard of IPP to reduce the fugitive emission for compliance of SPCB guidelines	
c	Procurement of Water Cooler & Water Purifier	6,80,000.00		For ESG Compliance	
d	Strengthening of Cooling Tower	5,27,00,080		Strengthening and improvement in structural stability work of NDCT by pressure grouting and epoxy coating to enhance the life of cooling tower.	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
e	DG Installation & Commissioning at Pitapalli.	5,46,00,000		Required for reliable power supply at Pitapali Pump house	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
f	Under ground to over ground line modification of Fire Fightening lines	3,15,03,131		Modification of firefighting lines from underground to over ground for ease of maintenance and attending leakages in due time, thus increases the efficiency of firefighting system	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
g	Replacement of H-Fin Eco with bare tube economizer	57,44,03,423		Economizer design modification was done by replacing Finn tube with Plain tube Economizer coils along with installation of SOFA (Secondary Over Fire Air) dampers for combustion optimization.	Clause 12(3) (c) of OERC GenerationTariff Regulation 2020
h	BUS Coupler provision in Unit board for 3 units	1,68,42,477		Installation of Bus Coupler in Unit 11 KV Switch gear to prevent tripping of unit in case of failure of any section of 11 KV, in turn increases reliability of unit	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
i	DCS FCP & OS Upgradation	1,56,38,350		for DCS and controller upgradation for secure and reliable operation of unit 1 and unit 4	Clause 12(3) (c) of OERC GenerationTariff Regulation 2020
	Total	1,04,06,01,645			
3	Office Equipments and Furnitures	Addition	Deletion	Justification	Regulation
a	Office Equipments, Furniture & Fixtures	6,33,305		Necessary for efficient operation of Plant	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
4	Total	Addition	Deletion		
		1,34,63,56,533	0.00		
5	Net Additions	1,34,63,56,533			

Petitioner

Summary of Additional Capital Expenditure incurred during FY 2023-24					ANNEXURE - 7
					Form - 9
Name of the Petitioner: Vedanta Ltd					
Name of the Generating Station: Jharsuguda Power Project (4 x 600MW)					
COD: Unit 2 - 09.11.2010, Unit 1 - 30.03.2011, Unit 3 - 19.08.20211, Unit 4 - 26.04.2012					
Sl No.					
1	Asset Description	Addition	Deletion	Justification	Regulation
a	Purchase of Land	58,08,46,988		Construction of New Water Reservoir	Clause 12(4) (b) of OERC GenerationTariff Regulation 2020
2	Plant & Machinery	Addition	Deletion	Justification	Regulation
a	Boiler, Turbine and Generator Auxiliaries	7,53,20,340		Useful life of asset is not commensurate with the useful life of the project and such asset have been fully depreciated in accordance with the provision of these regulation	Clause 12 (3) (a) of OERC GenerationTariff Regulation 2020
b	U#3 & U#4 Strengthening of Cooling Tower	2,63,50,040	-	Strengthening and improvement in structural stability work of inclined columns and ring beam along with NDCT by pressure grouting and epoxy coating to enhance the life of cooling tower.	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
c	Zero Effeluent Discharge	32,84,201	-	For service supervision cost post completion of Effluent treatment plant for ZLD and to implement zero effluent discharge for compliance of SPCB and CPCB guidelines	Clause 12 (4) (b) of OERC GenerationTariff Regulation 2020
d	DG Installation & Commissioning at Pitapalli.	1,04,00,000	-	Required for reliable power supply at Pitapali Pump house	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
e	Replacement of H-Fin Eco with bare tube economizer	54,70,91,177	-	R&M of Unit - 4 in which Economizer design modification was done by replacing Finn tube with Plain tube Economizer coils along with installation of SOFA (Secondary Over Fire Air) dampers for combustion optimization.	Clause 12(3) (c) of OERC GenerationTariff Regulation 2020
f	DCS FCP & OS Upgradation	1,96,76,974	-	Upgradation of DCS, FCP & Operating system as per recommendation of OEM to reduce the vulnerabilities thus increases the system reliability.	Clause 12(3) (c) of OERC GenerationTariff Regulation 2020
g	Procurement of girth gear for MGS4772 Ball Mill	1,17,15,013	-	Procurement of girth gear for Ball Mill for system reliability	Clause 12 (3) (a) of OERC GenerationTariff Regulation 2020
h	CILMS System Upgradation with DFRs	1,37,37,163	-	CILMS system upgradation with DFR to mitigate the risk of failure of islanding and load management system of IPP, TPP during Grid connected and islanded condition as well. This is also required towards reliability enhancement of Power system	Clause 12(3) (c) of OERC GenerationTariff Regulation 2020
i	Coal lab automation 2400 MW	2,44,800	-	Automation of Coal Lab of IPP for enhancement of system efficiency.	Clause 12(3) (c) of OERC GenerationTariff Regulation 2020
j	Construction of 33KV overhead D/C Transmission Line	44,35,408	-	For reliable power supply to BOP areas	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
l	IB Meramandali, Lapanga Transmission Line	24,45,17,762	-	Line constructed for power supply obligation to GRIDCO	Clause 12(4) (b) of OERC GenerationTariff Regulation 2020
	Total	95,67,72,879			
3	Office Equipments, Furniture & Fixtures	Addition	Deletion	Justification	Regulation
a	Office Equipments, Furniture & Fixtures	10,90,048		Necessary for efficient operation of Plant	Clause 12 (4) (d) of OERC GenerationTariff Regulation 2020
4	Total	Addition	Deletion		
		1,53,87,09,915	-		
5	Net Additions	1,53,87,09,915			

Petitioner

Statement of Depreciation

ANNEXURE - 8

Name of the Petitioner : Vedanta Ltd

PART - 1

FORM - 12

Name of the Generating Station: Jharsuguda Power Project (4 x 600MW)

(Amount in Rs Cr)

2018-19 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	Land & Land Rights	0.00%	137	7	0	144	-	-	-	-	137	144
2	Building & Civil Works of Power Plants	3.34%	686	1	-	686	168	23	-	191	518	495
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204	-	-	204	48	7	-	54	157	150
5	Plant & Machinery	5.28%	6,864	168	-	7,032	2,391	367	-	2,758	4,472	4,274
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0	-	-	0	0	0	-	0	0	0
8	Furniture & Fixtures	6.33%	1	0	-	1	0	0	-	0	0	0
9	Office Equipments	6.33%	4	0	-	4	1	0	-	2	3	2
10	Capital Spares	5.28%	242.22	-	146	96	92	-	-	92	150	4
11	Others	3.34%	23	-	-	23	5	1	-	5	18	18
TOTAL			8,160	176	146	8,191	2,705	398	-	3,103	5,455	5,088

2019-20 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	Land & Land Rights	0.00%	144.24	63	-	207.22	-	-	-	-	144.24	207.22
2	Building & Civil Works of Power Plants	3.34%	686.29	-	-	686.29	190.82	22.92	-	213.74	495.47	472.55
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204.10	-	-	204.10	54.37	6.82	-	61.19	149.73	142.92
5	Plant & Machinery	5.28%	7,032	1.74	10.09	7,023.49	2,758.06	371.33	0.53	3,128.85	4,273.78	3,894.64
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0.13	0.14	-	0.27	0.06	0.02	-	0.08	0.07	0.19
8	Furniture & Fixtures	6.33%	0.62	0.05	-	0.66	0.27	0.04	-	0.31	0.34	0.35
9	Office Equipments	6.33%	3.98	0.10	-	4.08	1.58	0.26	-	1.84	2.40	2.24
11	Others	3.34%	23.03	-	-	23.03	5.34	0.77	-	6.11	17.70	16.93
TOTAL			8,094	65.01	10.09	8,149.16	3,010	402.15	1	3,412	5,084	4,737

2020-21 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	Land & Land Rights	0.00%	207.22	16.76	-	223.99	-	-	-	-	207.22	223.99
2	Building & Civil Works of Power Plants	3.34%	686.29	0.33	-	686.62	213.7431	22.93	-	236.67	472.55	449.95
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204.10	-	-	204.10	61.1860	6.82	-	68.00	142.92	136.10
5	Plant & Machinery	5.28%	7,023.49	22.91	-	7,046.40	3,128.8540	371.45	-	3,500.30	3,894.64	3,546.10
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0.27	-	0.13	0.14	0.0769	0.03	0.01	0.10	0.19	0.04
8	Furniture & Fixtures	6.33%	0.66	0.04	0.05	0.65	0.3124	0.04	0.00	0.35	0.35	0.30
9	Office Equipments	6.33%	4.08	0.04	0.07	4.06	1.8390	0.26	0.00	2.10	2.24	1.96
11	Others	3.34%	23.03	-	-	23.03	6.1060	0.77	-	6.88	16.93	16.16
TOTAL			8,149.16	40.08	0.25	8,188.99	3,412.12	402.29	0.01	3,814.39	4,737.04	4,374.59

2021-22 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year

1	Land & Land Rights	0.00%	223.99	16.47	-	240.46	-	-	-	-	223.99	240.46
2	Building & Civil Works of Power Plants	3.34%	686.62		-	686.62	236.67	22.93	-	259.60	449.95	427
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204.10	-	-	204.10	68.00	6.82	-	74.82	136.10	129.28
5	Plant & Machinery	5.28%	7,046.40	22.23	-	7,068.63	3,500.30	372.64	-	3,872.94	3,546.10	3,195.70
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0.14	-		0.14	0.10	0.01	-	0.11	0.04	0.03
8	Furniture & Fixtures	6.33%	0.65	0.10	0.13	0.62	0.35	0.04	0.01	0.39	0.30	0.23
9	Office Equipments	6.33%	4.06			4.06	2.10	0.26	-	2.35	1.96	1.70
11	Others	3.34%	23.03		-	23.03	6.88	0.77	-	7.64	16.16	15.39
TOTAL			8,188.99	38.80	0.13	8,227.66	3,814.39	403.47	0.01	4,217.86	4,374.59	4,009.80

2022-23 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	Land & Land Rights	0.00%	240.46	30.51	-	270.97	-	-	-	-	240.46	270.97
2	Building & Civil Works of Power Plants	3.34%	686.62	-	-	686.62	259.60	22.93	-	282.54	427.01	404.08
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204.10	-	-	204.10	74.82	6.82	-	81.64	129.28	122.47
5	Plant & Machinery	5.28%	7,068.63	104.06	-	7,172.69	3,872.94	375.97	-	4,248.91	3,195.70	2,923.79
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0.14	-	-	0.14	0.11	0.01	-	0.12	0.03	0.02
8	Furniture & Fixtures	6.33%	0.62	0.00	-	0.62	0.39	0.04	-	0.43	0.23	0.19
9	Office Equipments	6.33%	4.06	0.06	-	4.12	2.35	0.26	-	2.61	1.70	1.50
11	Others	3.34%	23.03	-	-	23.03	7.64	0.77	-	8.41	15.39	14.62
TOTAL			8,227.66	134.64	-	8,362.29	4,217.86	406.80	-	4,624.66	4,009.80	3,737.63

2023-24 Actual

S.No.	Assets Group	Rate of Depreciation	Gross fixed Assets				Provisions for depreciation				Net fixed Assets	
			At the beginning of the year	Additions during the year	Adjust. & deductions	At the end of the year	Cumulative upto the beginning of the year	Additions during the year	Adjust. during the year	Cumulative at the end of the year	At the beginning of the year	At the end of the year
1	Land & Land Rights	0.00%	271	58	-	329	-	-	-	-	271	329
2	Building & Civil Works of Power Plants	3.34%	687	-	-	687	283	23	-	305	404	381
3	Hydraulic Works	0.00%	-	-	-	-	-	-	-	-	-	-
4	Other Civil Works	3.34%	204	-	-	204	82	7	-	88	122	116
5	Plant & Machinery	5.28%	7,173	96	-	7,268	4,249	381	-	4,630	2,924	2,638
6	Lines & Cable Net work	0.00%	-	-	-	-	-	-	-	-	-	-
7	Vehicles	9.50%	0	-	-	0	0	0	-	0	0	0
8	Furniture & Fixtures	6.33%	1	0.01	-	1	0	0	-	0	0	0
9	Office Equipments	6.33%	4	0.098	-	4	3	0	-	3	2	1
11	Others	3.34%	23	-	-	23	8	1	-	9	15	14
TOTAL			8,362	154	-	8,516.16	4,625	412	-	5,037	3,738	3,479

(Petitioner)

ANNEXURE-9 (Only)

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VL/GRIDCO/Ash/July/2024/05

Date: 13.07.2024

To,
Chief General Manager (PP),
Grid Corporation of Odisha Ltd
Janpath, Bhubaneswar
Odisha, 751022

Sub: Submission of invoice towards reimbursement of Ash transportation claim from November 2023 to March 2024.

Ref: 1. Consolidated PPA dated 19.12.2012.
2. OERC order dated 05.06.2024 in Case No. 18 of 2024
3. OERC Terms and Conditions for Determination of Generation Tariff Regulation, 2020

Dear Sir,

We are submitting herewith the ash transportation claim bearing invoice No. VL/GRIDCO/ASH/Nov-23 to Mar-24/01A/2023-24 date 13.06.2024 for the month from Nov'2023 to March 2024 for an amount of Rs. 33,67,75,672 /- (Rupees thirty-three crore sixty-seven lacs, seventy-five thousand six hundred seventy-two Only), prepared in accordance with Hon'ble OERC order as cited under ref. 2 above.

This invoice is issued subject to annual conciliation as per OERC order referred under ref (2).

You are requested to kindly process the bill for payment. We may kindly be intimated in case any clarification is required.

Thanking You,

Yours Sincerely,

For Vedanta Limited, Jharsuguda

(Authorized Signatory)

RECEIVED
15/07/2024
Time: 5:45 pm.
GRIDCO, BHUBANESWAR

Encl: 1. Ash transportation claim bearing invoice No. VL/GRIDCO/ASH/Nov-23 to Mar-24/01A/2023-24
2. Weighted Average rate of ash disposal annexed here as Annexure – 1
3. End User Certificates
4. Ash Transportation invoices

Cc: The Managing Director, GRIDCO Ltd. For kind information.
The Director (F&CA), GRIDCO Ltd For kind information.
The Director (T&BD) GRIDCO Ltd. For kind information.

15/7/24 5:30 pm

Received Central Diary, OPTCL Ltd, Bhubaneswar

Vedanta Limited - Aluminium & Power: Vill- Bhurkamunda, P.O- Kalimandir, Dist- Jharsuguda (Odisha)- 768202
T +91-664 566 6000, F +91-664 566 6427, www.vedantalimited.com

Registered Office: Vedanta Limited 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai 400093, Maharashtra, India.
CIN: L13209GA1965PLC000044

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Ash Transportation charges Reimbursement claim - Nov'23 to Mar'24

"Without Prejudice"

Bill Duration	:	Nov'23 to Mar'24
Invoice No.	:	VL/GRIDCO/ASH/Nov-23 to Mar-24/01A/2023-24
Invoice Date	:	July 13, 2024
Due Date	:	August 27, 2024
Reference	:	1. PPA dated : 28.09.2006, Amendment Dated: 20.08.2009 and Consolidated PPA dated 19.12.2012. 2. OERC order dtd. 05.06.2024 in petition no 18 of 2024

Kind Attention	:	The Chief General Manager-Power Purchase
Beneficiary Name	:	M/s. GRIDCO LIMITED
Beneficiary Address	:	Janpath, Bhubaneshwar - 751022
Beneficiary GST No.	:	21AABCG5398P3Z3

Seller Name	: M/s. Vedanta Limited
Seller Address	: Banjari Village,P.O. Sripura, Dist: Jharsuguda, Odisha-768202, Tel : +91-8879008060
Seller GST No.	: 21AACCS7101B4Z5

Charges Details :

Charge		Quantity	Rate	Amount (Rs.)
Ash Transportation Charges (Rs.)	Nov'23	98562	Rs. 612	Rs. 6,03,14,120
	Dec'23	100401	Rs. 622	Rs. 6,24,43,652
	Jan'24	98702	Rs. 608	Rs. 5,99,99,810
	Feb'24	127455	Rs. 589	Rs. 7,50,16,516
	Mar'24	131946	Rs. 599	Rs. 7,90,01,574
TOTAL charges receivable by Vedanta (Rs.) =		Rs. 33,67,75,672		
In words =		Thirty three crore sixty seven lacs seventy five thousand six hundred seventy two only.		

Notes :-

1. All Cheques/DD/RTGS shall be drawn on M/s. Vedanta Limited as per the details below :
   Bank Account No. : 054451000059
   Beneficiary Name : Vedanta Limited
   Bank Name : ICICI Bank
   Bank Branch Address : ICICI Bank Trans Trade Centre, Mid Andheri, Mumbai-400093 ; IFSC Code : ICIC0000544
2. This bill has been raised under change in law event on account of MOEF notification dated 25.01.2016, 31.12.2021 and subsequent amendement dated 30.12.2022 regarding disposal of fly ash by generating station in an enviornment friendly manner.
3. VL reserves its right to raise supplementry bills in case of under billing or in effect of change in prevaling law in this regard.
4. As per OERC Regulations, in case the payment of any bill for charges payable under these regulations is delayed by a GRIDCO beyond a period of forty five (45) days from the date of receipt of the bill, a late payment surcharge at the rate of 1.25% per month shall be levied.
5. Note: Zero income realised from sale of ash.

For Vedanta Limited

Authorised Signatory

Annexure -1

Weighted Average Rate of Ash Diposal										
Plant	CPP 1800		IPP 600		TPP 2400 MW		Amount Receivable	GST	Total Amount	Wt. Average Rate
Particulars	Qty Disposed	Expenditure incurred	Qty Disposed	Expenditure incurred	Qty Disposed	Expenditure incurred				
	A	B	C	D	E	F	G=(F/E*C)	H	I=G+H	J=I/C
Nov-23	5,68,778	26,03,43,193	2,34,211	14,28,68,722	8,02,989	40,32,11,915	11,76,06,443	2,57,16,370	14,33,22,813	612
Dec-23	5,71,234	26,63,56,984	2,99,938	18,08,92,012	8,71,172	44,72,48,995	15,39,84,576	3,25,60,562	18,65,45,139	622
Jan-24	5,05,625	22,49,07,552	2,85,689	17,09,10,912	7,91,313	39,58,18,464	14,29,02,703	3,07,63,964	17,36,66,668	608
Feb-24	5,81,935	25,56,43,878	1,75,582	10,71,04,971	7,57,517	36,27,48,849	8,40,80,142	1,92,78,895	10,33,59,037	589
Mar-24	5,59,200	25,69,43,336	1,36,402	8,33,49,714	6,95,602	34,02,93,050	6,67,28,803	1,50,02,948	8,17,31,752	599
Total	**27,86,772**	**1,26,41,94,942**	**11,31,822**	**68,51,26,331**	**39,18,594**	**1,94,93,21,274**	**56,53,02,668**	**12,33,22,740**	**68,86,25,408**	608

Ash Generated from Unit 2 during Nov'23 to Mar'24				
Month	Coal Consumption	Ash %	Ash Quantity	Ash Disposed
Nov'23	1,98,695.72	43%	85,706.38	98,562.34
Dec'23	2,09,193.31	42%	87,304.82	1,00,400.55
Jan'24	2,08,405.35	41%	85,827.89	98,702.07
Feb'24	2,69,729.18	41%	1,10,812.92	1,27,434.85
Mar'24	2,79,133.57	41%	1,14,648.53	1,31,845.80

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VL/GRIDCO/Ash/July/2024/06 Date: 13.07.2024

To,
Chief General Manager (PP),
Grid Corporation of Odisha Ltd
Janpath, Bhubaneswar
Odisha, 751022

Sub: Invoice for reimbursement of transportation claim of accumulated Ash disposed of during November 2023 to March 2024.

Ref: 1. Consolidated PPA dated 19.12.2012.
2. OERC order dated 05.06.2024 in Case No. 18 of 2024
3. OERC Terms and Conditions for Determination of Generation Tariff Regulation, 2020

Dear Sir,

We are submitting herewith the ash transportation claim bearing invoice No. VL/GRIDCO/ASH/Nov-23 to Mar-24/01B/2023-24 date 13.06.2024 for the month from Nov'2023 to March 2024 for an amount of Rs. 35,18,49,735/- (Rupees thirty-five crore eighteen lacs forty-nine thousand seven hundred thirty-five Only), prepared in accordance with Hon'ble OERC order as cited under ref. 2 above.

O/C

This invoice is issued subject to annual conciliation as per OERC order referred under ref (2).

You are requested to kindly process the bill for payment. We may kindly be intimated in case any clarification is required.

Thanking You,

Yours Sincerely,

For Vedanta Limited, Jharsuguda

VEDANTA LIMITED

(Authorized Signatory)

for O/O THE CHIEF GENERAL MANAGER (PP)
RECEIVED
15/07/2024
Time: 1:45 pm.
GRIDCO, BHUBANESWAR

Encl: 1. Ash transportation claim bearing invoice No. VL/GRIDCO/ASH/Nov-23 to Mar-24/01B/2023-24
2. Weighted Average rate of ash disposal annexed here as Annexure – 1
3. End User Certificates
4. Ash Transportation invoices

Cc: The Managing Director, GRIDCO Ltd. For kind information.
The Director (F&CA), GRIDCO Ltd For kind information.
The Director (T&BD) GRIDCO Ltd. For kind information.

15/7/24 1:20pm

Vedanta Limited - Aluminium & Power: Vill- Bhurkamunda, P.O- Kalimandir, Dist- Jharsuguda (Odisha)- 768202
T +91-664 566 6000, F +91-664 566 6427, www.vedantalimited.com
Registered Office: Vedanta Limited 1st Floor, 'C' wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai 400093, Maharashtra, India.
CIN: L13209GA1965PLC000044

Received Central Diary, GRIDCO Ltd., Bhubaneswar

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Ash (accumulated) Transportation charges Reimbursement claim - Nov'23 to Mar'24

"Without Prejudice"

Bill Duration	:	Nov'23 to Mar'24
Invoice No.	:	VL/GRIDCO/ASH/Nov-23 to Mar-24/018/2023-24
Invoice Date	:	July 13, 2024
Due Date	:	August 27, 2024
Reference	:	1. PPA dated : 28.09.2006, Amendment Dated: 20.08.2009 and Consolidated PPA dated 19.12.2012. 2. OERC order dtd. 05.06.2024 in petition no 18 of 2024.

Kind Attention	:	The Chief General Manager-Power Purchase
Beneficiary Name	:	M/s. GRIDCO LIMITED
Beneficiary Address	:	Janpath, Bhubaneshwar - 751022
Beneficiary GST No.	:	21AABCG5398P3Z3

Seller Name	: M/s. Vedanta Limited
Seller Address	: Banjari Village,P.O. Sripura, Dist: Jharsuguda, Odiisha-768202, Tel : +91-8879008060
Seller GST No.	: 21AACCS7101B4Z5

Charges Details :

Charge		Quantity	Rate	Amount (Rs.)
Ash (accumulated) Transportation Charges (Rs.)	Nov'23	135649	Rs. 612	Rs. 8,30,08,693
	Dec'23	199538	Rs. 622	Rs. 12,41,01,487
	Jan'24	186986	Rs. 608	Rs. 11,36,66,858
	Feb'24	48147	Rs. 589	Rs. 2,83,42,521
	Mar'24	4556	Rs. 599	Rs. 27,30,177
TOTAL charges receivable by Vedanta (Rs.) =		Rs. 35,18,49,735		
In words =		Thirty five crore eighteen lacs forty nine thousend seven hundred thirty five only		

Notes :-

1. All Cheques/DD/RTGS shall be drawn on M/s. Vedanta Limited as per the details below :
   Bank Account No. : 054451000039
   Beneficiary Name : Vedanta Limited
   Bank Name : ICICI Bank
   Bank Branch Address : ICICI Bank Trans Trade Centre, Mid Andheri, Mumbai-400093 ; IFSC Code : ICIC0000544
2. This bill has been raised under change in law event on account of MOEF notification dated 31.12.2021 and subsequent amendement dated 30.12.2022 regarding disposal of fly ash by generating station in an enviornment friendly manner.
3. As per OERC Regulations, In case the payment of any bill for charges payable under these regulations is delayed by a GRDICO beyond a period of forty five (45) days from the date of receipt of the bill, a late payment surcharge at the rate of 1.25% per month shall be levied.
4. VL reserves its right to raise supplementry invoice in case of under billing or in effect of change in prevaling law in this regard.
5. Note: Zero income realised from sale of ash.

For Vedanta Limited

Authorised Signatory

Annexure -1

Weighted Average Rate of Ash Diposal

Plant	CPP 1800		IPP 600		TPP 2400 MW		Amount Receivable	GST	Total Amount	Wt. Average Rate
Particulars	Qty Disposed	Expenditure incurred	Qty Disposed	Expenditure incurred	Qty Disposed	Expenditure incurred				
	A	B	C	D	E	F	G=(F/E*C)	H	I=G+H	J=I/C
Nov-23	5,68,778	26,03,43,193	2,34,211	14,28,68,722	8,02,989	40,32,11,915	11,76,06,443	2,57,16,370	14,33,22,813	612
Dec-23	5,71,234	26,63,56,984	2,99,938	18,08,92,012	8,71,172	44,72,48,995	15,39,84,576	3,25,60,562	18,65,45,139	622
Jan-24	5,05,625	22,49,07,552	2,85,689	17,09,10,912	7,91,313	39,58,18,464	14,29,02,703	3,07,63,964	17,36,66,668	608
Feb-24	5,81,935	25,56,43,878	1,75,582	10,71,04,971	7,57,517	36,27,48,849	8,40,80,142	1,92,78,895	10,33,59,037	589
Mar-24	5,59,200	25,69,43,336	1,36,402	8,33,49,714	6,95,602	34,02,93,050	6,67,28,803	1,50,02,948	8,17,31,752	599
Total	27,86,772	1,26,41,94,942	11,31,822	68,51,26,331	39,18,594	1,94,93,21,274	56,53,02,668	12,33,22,740	68,86,25,408	608

Name of the Generating Station : VEDANTA LIMITED, 2400 MW (4*600 MW)							
Beneficary: GRIDCO Ltd							
Month :	Nov-23						
Sl.No.	Particulars	Unit		Ash Transported			
			Details	Low lying Area	Construction of roads/road/Flyover and Dam	Cement Industries	Others
1	Opening Stock as on 1st day of the month	(MT)	35,38,801				
2	Quantity of Ash generated during the month	(MT)	85,706				
3	Quantity of Ash Disposed of Current month	(MT)	98,562				
4	Quantity of Ash Disposed during the month	(MT)	2,34,211	2,34,211			
5	Ash Disposed from generated & accumulated Ash	(MT)	1,35,649				
6	Closing Stock on End of the month	(MT)	34,23,499				

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Name of the Generating Station : VEDANTA LIMITED, 2400 MW (4*600 MW)							
Beneficary: GRIDCO Ltd							
Month :	Dec-23						
Sl.No.	Particulars	Unit		Ash Transported			
			Details	Low lying Area	Construction of roads/road/Flyover and Dam	Cement Industries	Others
1	Opening Stock as on 1st day of the month	(MT)	34,23,499				
2	Quantity of Ash generated during the month	(MT)	87,305				
3	Quantity of Ash Disposed of Current month	(MT)	1,00,401				
4	Quantity of Ash Disposed during the month	(MT)	2,99,938	1,61,920	1,38,018		
5	Ash Disposed from generated & accumulated Ash	(MT)	1,99,538				
6	Closing Stock on End of the month	(MT)	32,53,892				