



ODISHA POWER GENERATION CORPORATION LTD.

(A Government Company of the State of Odisha)
CIN : U40104OR1984SGC001429

Regd. Off. : Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar - 751023, Odisha
Ph. : 0674-2303765 - 66, **Fax :** 0674-2303755 / 56
Web : www.opgc.co.in,

Ref.: OPGC Units-1&2/Tariff/ 1238

24th May 2018

To

The Secretary,
Odisha Electricity Regulatory Commission,
Plot No. 4, Chunokoli, SailashreeVihar,
Bhubaneshwar – 751 021

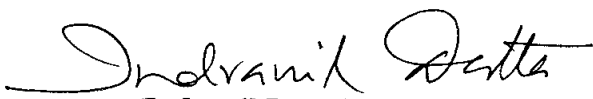
Sub: Authorisation of Mr. Ritwik Mishra, GM (C&RA) for filing of Petition for Re-determination of Tariff for Odisha Power Generation Corporation Ltd. for FY 2018-19 pursuant to the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in Civil Appeal No. 9485 of 2017

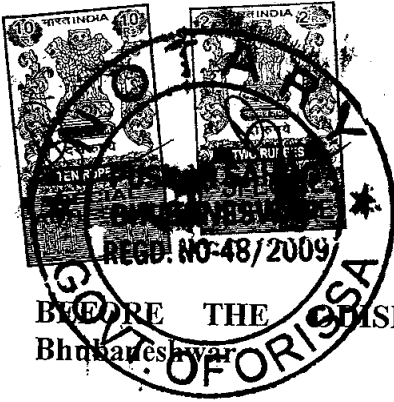
Sir,

This is to certify that Mr. Ritwik Mishra, functioning as General Manager (C&RA), Odisha Power Generation Corporation Limited, posted at the corporate office at Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar – 751 023, Odisha, India (Petitioner), is hereby authorised to file the Petition for Re-determination of Tariff for Odisha Power Generation Corporation Ltd. for FY 2018-19 pursuant to the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in Civil Appeal No. 9485 of 2017 and represent the Petitioner during the regulatory proceedings in the matter before the Hon'ble Odisha Electricity Regulatory Commission.

Thanking you,

Yours faithfully,


(Indranil Dutta)
Managing Director



AFFIDAVIT

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
Bhubaneswar**

FILE NO.

CASE NO. _____ OF 2018

IN THE MATTER OF: Petition for Re-determination of Tariff for Odisha Power Generation Corporation Ltd. for FY 2018-19 pursuant to the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in Civil Appeal No. 9485 of 2017

AND

IN THE MATTER OF:

Odisha Power Generation Corporation Ltd. (OPGC)
Zone-A, 7th Floor, Fortune Towers,
Chandrasekharpur, Bhubaneswar – 751 023

..... Petitioner

I, Ritwik Mishra, son of Shri. Muralidhar Mishra, aged about 49 years, residing at Flat No. E/3, Brindavan Enclave, Khandagiri Bari, Bhubaneswar – 751 030, do solemnly affirm and say as follows:

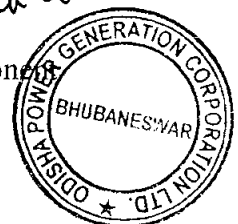
- (a) That I am the General Manager (C&RA) of Odisha Power Generation Corporation Limited, the Petitioner in the above matter and am duly authorised by the said Petitioner to make this affidavit on its behalf.
- (b) The statements made in paragraphs ...1 to 4..... of the Petition herein now shown to me are true to my knowledge and statements made in paragraphs ...1 to 4... are based on information made available to me and I believe them to be true.

Ritwik Mishra

Deponent

[Signature]

MUSKAR SAHOO
NOTARY, BHUBANESWAR
GOVT. OF ODISHA
Mob - 9337129137

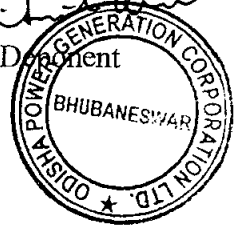


Verification

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

Verified at Bhubaneswar on the ^{24th} day of May, 2018.

[Handwritten Signature]
24.5.2018
Deponent
MUSKAR SAHOO
NOTARY, BHUBANESWAR
GOVT. OF ODISHA
Mob: 9337129137



ODISHA POWER GENERATION CORPORATION LIMITED
BHUBANESWAR



**PETITION FOR RE-DETERMINATION OF TARIFF FOR FY
2018-19 PURSUANT TO THE JUDGMENT OF THE HON'BLE
SUPREME COURT DATED APRIL 19, 2018 IN CIVIL APPEAL
NO. 9485 OF 2017**

MAY, 2018

**BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION,
BHUBANESHWAR**

CASE No. ____ of 2018

IN THE MATTER OF Petition for Re-determination of Tariff for Odisha Power Generation Corporation Ltd. for FY 2018-19 pursuant to the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in Civil Appeal No. 9485 of 2017

AND

IN THE MATTER OF Odisha Power Generation Corporation Ltd. (OPGC Ltd.),
THE APPLICANT Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur,
Bhubaneswar-751023, Odisha, India(Petitioner)

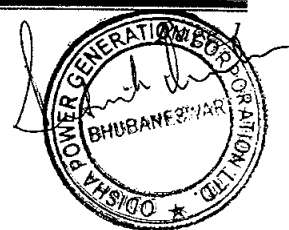
**ODISHA POWER GENERATION CORPORATION LIMITED ("The Petitioner")
RESPECTFULLY SUBMITS AS FOLLOWS:**

Odisha Power Generation Corporation Limited (hereinafter referred as "OPGC" or "the Petitioner") is a company incorporated under the Companies Act, 1956 and having its registered office at Zone-A, 7th floor, Fortune Towers, Chandrasekharpur, Bhubaneswar, Odisha-751023.

GRIDCO Limited ("GRIDCO") had entered into Bulk Power Supply Agreement ("PPA") with OPGC dated August 13, 1996, for purchase of power from its Generating Units 1 & 2, having capacity of 420 MW (210 MW x 2) of IB Thermal Power Station. The said PPA came into force from January 1, 1995 and was approved by Government of Odisha ("GoO") in exercise of its power under Section 43A of the Electricity (Supply) Act, 1948.

OPGC, GRIDCO and GoO signed a Tripartite Agreement dated October 18, 1998 ("Tripartite

Petition for Re-determination of Tariff for FY 2018-19



Agreement”) providing certain further amendments to the existing PPA and other provisions including those concerning the establishment of Units 3 & 4 of IB Thermal Power Station by OPGC. Further an Escrow and Securitization Agreement dated November 30, 1998 was entered between OPGC, GRIDCO and Union Bank of India. In 2001, disputes arose between the parties in respect of the enforcement of the said Escrow and Securitization Agreement.

After resolving the disputes between the parties, OPGC and GRIDCO agreed to amend the existing PPA and Tripartite Agreement based on GoO Notification dated June 21, 2008 (“2008 Notification”). The relevant extract of the GoO’s Notification dated June 21, 2008 is as follows:

“3. After careful consideration of the recommendations of the task force, Government have been pleased to decide as under;

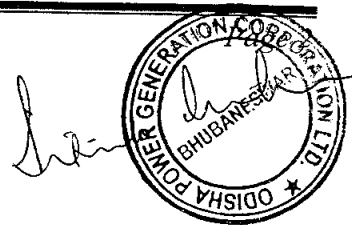
(a) In order to avoid any ambiguity with regard to tariff norms and parameters for Units 1 & 2, the provisions for calculation of incentive in the existing PPA shall stand amended to enhance the Plant Load Factor (PLF) from 68.49% to 80%. All other terms and parameters for determination of tariff for Units 1 & 2 shall be as per the existing PPA. Suitable amendments will be made in the PPA accordingly including deletion of all reference to change in tariff parameters in future. In other words, all tariff parameters will stand frozen till validity of amended PPA notwithstanding modification in tariff norms by CERC from time to time.

(b) The amended PPA shall be filed before the OERC for consent/approval.

(c) The amended PPA shall be effective with effect from 01.04.2007.”

Accordingly, an agreement was signed on September 6, 2012 as Supplemental to the Tripartite Agreement executed on October 18, 1998 (together called “Amended Tripartite Agreement”). The Amended Tripartite Agreement has been made effective from October 12, 2009.

Subsequently, OPGC and GRIDCO signed an amendment to existing PPA on December 19, 2012 by amending certain clauses (together called the “Amended PPA”).



Hon'ble OERC vide its Order dated April 27, 2015 approved the Amended PPA as under (with emphasis added by underlining):

"9. The above stipulation in PPA provides for settlement of issues if any arise due to implementation of this PPA in a future date the same shall be resolved basing on mutual discussion keeping intent and objects of the PPA intact. Therefore, the Commission has no objection to approve the PPA including its amendment between GRIDCO and OPGC for purchase of power from Unit 1 & 2 of Ib Thermal Power Station as it stands now.

...

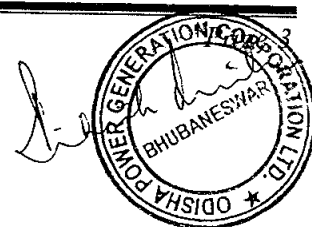
11. Since the power purchase by GRIDCO from Unit 1 & 2 of Ib Thermal Power Station has been continuing as per mutual agreement without approved PPA and the Commission has approved the same in the ARR of GRIDCO for the concerned year there is no need to reopen the same as per the above Regulation. The parties should therefore, settle the power purchase process for the period prior to implementation of the above Regulation taking into account the original PPA and its supplemental one as approved by us now."

Further, Hon'ble OERC in the said Order dated April 27, 2015 (Case No. 13/2002) directed OPGC to file an application for determination of Generation Tariff, as per approved Amended PPA, for rest of the control period starting from FY 2016-17 onwards since tariff for FY 2014-15 and FY 2015-16 has already been approved by Hon'ble OERC in GRIDCO's ARR. The relevant extract of the Order of the Hon'ble OERC is reproduced below:

"13. Due to the above provision in the Regulation read with Regulation 7.13 of the same Regulations, OPGC shall make an application before the Commission as per the above approved PPA each year for determination of tariff for the rest of the control period starting from FY 2016-17 onwards since the tariff for the FY 2014-15 and 2015-16 has already been approved by the Commission in the ARR of GRIDCO for the said year basing on the submission of GRIDCO."

In compliance with the above directions of the Hon'ble OERC, OPGC filed a Petition for

Petition for Re-determination of Tariff for FY 2018-19

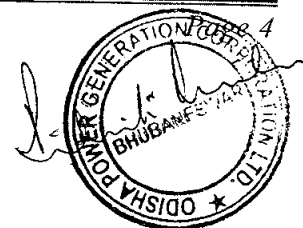


Approval of Generation Tariff for FY 2016-17 under Section 62 and 86 of the Electricity Act, 2003 ("the Act"), approved Amended PPA and related provisions of the OERC (Terms and Conditions of Generation Tariff) Regulations, 2014 ("2014 Tariff Regulations") and OERC (Conduct of Business) Regulations, 2004, as amended from time to time. The Hon'ble OERC, vide its Order dated March 21, 2016 disposed of the above Petition (Case No. 53/2015) approving the Generation Tariff of Units 1 & 2 of IB Thermal Power Station for FY 2016-17, exclusively in accordance with the terms and conditions of the 2014 Tariff Regulations, and not the 2008 Notification or the Amended PPA.

OPGC filed an Appeal before the Hon'ble Appellate Tribunal (Appeal No. 126 of 2016) for Electricity ("APTEL") against the said Tariff Order for FY 2016-17 in Case No. 53/2015. During the pendency of the stated Appeal before the Hon'ble APTEL, OPGC filed the Petition for Approval of Generation Tariff for FY 2017-18 and the Hon'ble OERC disposed of the said Petition (Case No. 62/2016) vide its Order dated March 23, 2017 determining the Generation Tariff for FY 2017-18 in line with its approach adopted in the tariff determination for FY 2016-17. Hon'ble APTEL vide its Judgment dated April 6, 2017 in the stated Appeal upheld this Hon'ble Commission's Tariff Order for FY 2016-17.

Aggrieved by the Judgment of the Hon'ble APTEL, OPGC filed Civil Appeal No. 9485 of 2017 before the Hon'ble Supreme Court ("SC"). During the pendency of the stated Civil Appeal before the Hon'ble SC, OPGC filed the Petition for Approval of Generation Tariff for FY 2018-19 and the Hon'ble OERC disposed of the said Petition (Case No. 75/2017) vide its Order dated March 22, 2018 determining the Generation Tariff for FY 2018-19 in line with its approach adopted in the tariff determination for FY 2016-17. The Hon'ble SC vide its Judgment dated April 19, 2018 in the stated Appeal set aside the Tariff Order for FY 2016-17 and remanded the matter to the Hon'ble OERC for a fresh decision. In effect, the Hon'ble SC has held that primarily the tariff norms under the PPA are to be followed in determining OPGC's tariff. Further, to the extent there are tariff norms not covered by the PPA, the 2014 Tariff Regulations may be relied upon by the OERC to determine OPGC's tariff. It is submitted that the effect of the SC's Judgment is that this arrangement would apply for the

Petition for Re-determination of Tariff for FY 2018-19



entire term of the subsistence of the PPA viz. till 30.06.2026. Any contrary interpretation would violate Regulation 4.4 of the 2014 Tariff Regulations. The relevant extract of the Judgment of the Hon'ble SC is reproduced below:

“6. We are of the view that the Commission vide Order dated 27.04.2015 on the joint application of the parties dated 26.02.2014 rightly fixed the tariff but the view taken in subsequent order dated 21.03.2016 which has been upheld on appeal is unsustainable.

7. Accordingly, we set aside the impugned order and remand the matter to the State Commission for fresh decision. The State Commission may take into account the Notification dated 21.06.2008 for the fixed costs, the PPA for the variable costs specified therein and for other costs not reflected in the PPA, statutory Regulations may be applied.

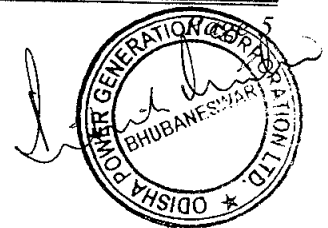
8. The appeal shall stand disposed of as indicated above.

9. The parties may appear before the State Commission for further proceedings on 2.07.2018.”

Further, Hon'ble OERC vide its Order dated May 5, 2018 in Case No. 43 of 2017 ruled as under:

“4. Heard the parties at length. As the Hon'ble Supreme Court vide their order dated 19.04.2018 in Civil Appeal No. 9485/2017 has set aside the order dated 21.03.2016 passed by the Commission and remanded the matter for fresh decision, OPGC Ltd. is required to file fresh application for determination of Generation Tariff of its Unit-I & II within 15 days from date of this order. Basing on the said application of OPGC Ltd., a public notice shall be issued inviting suggestions /objections from the general public for re-determination of generation tariff for FY 2016-17 & FY 2017-18 which would be completed within one month fixing the date of hearing on 02.07.2018.”

Hon'ble OERC vide its Order dated March 22, 2018 determined the tariff for OPGC for FY 2018-19 considering the provisions of the OERC Generation Tariff Regulations, 2014. Hon'ble
Petition for Re-determination of Tariff for FY 2018-19



OERC vide its Order dated May 5, 2018 directed OPGC to file the Petition for tariff re-determination for FY 2016-17 and FY 2017-18 pursuant to the Judgment of the Hon'ble Supreme Court in CA No. 9485 of 2017. As the Hon'ble OERC had determined the tariff for OPGC for FY 2018-19 considering the provisions of the OERC Generation Tariff Regulations, 2014, the tariff for FY 2018-19 also need to be re-determined pursuant to the Judgment of the Hon'ble Supreme Court. Therefore, OPGC is filing the instant Petition for tariff re-determination for FY 2018-19.

OPGC requests the Hon'ble OERC to condone the delay in filing the Petition for tariff re-determination for FY 2018-19 and admit this Petition.

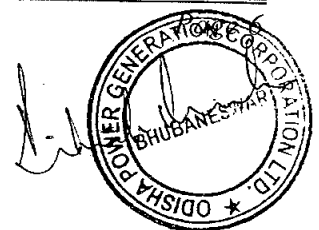
In view of the foregoing, this instant Petition for re-determination of tariff for FY 2018-19 is being filed herewith.

Prayers to the Hon'ble OERC

OPGC respectfully prays that the Hon'ble OERC may:

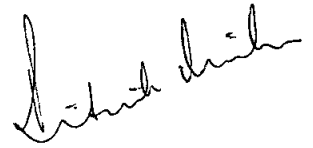
- i. Condone the delay in filing the instant Petition for re-determination of tariff for FY 2018-19 for Units 1 & 2 of IB Thermal Power Station.
- ii. Admit the instant Petition for re-determination of tariff for FY 2018-19 for Units 1 & 2 of IB Thermal Power Station.
- iii. Approve the tariff, including annual fixed cost and variable charges, for FY 2018-19 as claimed in the Petition.
- iv. Approve the recovery of differential amount arising out of tariff re-determination for FY 2018-19, till the issue of final Order by the Commission.
- v. Allow the recovery of additional capitalisation in accordance with the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in CA No. 9485/2017, which shall be claimed in a separate Petition being filed shortly as per the Commission's Order dated March 22, 2018.
- vi. Condone any inadvertent omissions, errors, short comings and permit OPGC to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date; and

Petition for Re-determination of Tariff for FY 2018-19



- vii. Pass such other and further Orders as deemed fit and proper in the facts and circumstances of the case.

Bhubaneswar
May 24, 2018



Petitioner

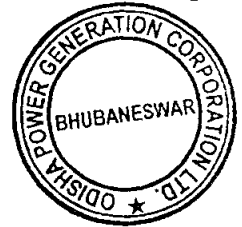
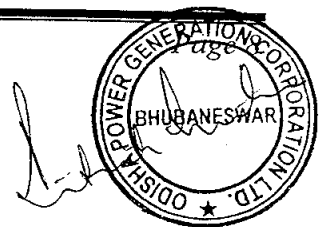


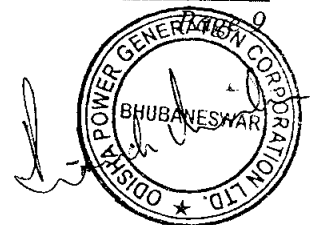
TABLE OF CONTENTS

1	INTRODUCTION	10
2	OVERALL APPROACH FOR FILING PETITION	17
3	RE-DETERMINATION OF GENERATION TARIFF FOR FY 2018-19	21
4	PRAYERS	32



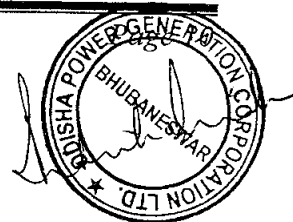
LIST OF TABLES

Table 3.1: Return on Equity for FY 2018-19(Rs. Crore).....	23
Table 3.2: O&M Expenses for FY 2018-19 (Rs. Crore).....	24
Table 3.3: Interest on Working Capital for FY 2018-19 (Rs. Crore)	26
Table 3.4: Annual Fixed Cost for FY 2018-19(Rs. Crore).....	26
Table 3.5: Operational Performance Parameters for FY 2018-19.....	28
Table 3.6: Price and Gross Calorific Value of Coal and Oil	29
Table 3.7: Energy Charges for 2018-19	29
Table 3.9: Generation Tariff for 2018-19	31



1 Introduction

- 1.1 Odisha Power Generation Corporation Limited (herein after referred as “OPGC” or “the Petitioner”) is a company incorporated under the Companies Act, 1956 and having its registered office at Zone-A, 7th floor, Fortune Towers, Chandrasekharpur, Bhubaneswar, Odisha-751023.
- 1.2 GRIDCO Limited (“GRIDCO”) had entered into Bulk Power Supply Agreement (“PPA”) with OPGC dated August 13, 1996, for purchase of power from its Generating Units 1 & 2, having capacity of 420 MW (210 MW x 2) of IB Thermal Power Station. The said PPA came into force from January 1, 1995 and was approved by Government of Odisha (“GoO”) in exercise of its power under Section 43A of the Electricity (Supply) Act, 1948.
- 1.3 OPGC, GRIDCO and GoO signed a Tripartite Agreement dated October 18, 1998 (“Tripartite Agreement”) providing certain further amendments to existing PPA and other provisions including those concerning the establishment of Units 3 & 4 of IB Thermal Power Station by OPGC. Further, Escrow and Security Agreement dated November 30, 1998 was entered between OPGC, GRIDCO and Union Bank of India.
- 1.4 GRIDCO had approached the Hon’ble OERC for approval of the existing PPA in 2002. The jurisdiction of the Hon’ble OERC for approval of the existing PPA was challenged by OPGC before Hon’ble Orissa High Court, but was upheld by Hon’ble Orissa High Court. Further, aggrieved by this, OPGC filed a Special Leave Petition before Hon’ble Supreme Court (“SC”). The proceedings of the Hon’ble OERC were stayed pursuant to an interim Order of the Hon’ble SC dated April 29, 2005.
- 1.5 Subsequently, certain disputes arose between the parties on issues arising from the terms of the PPA, Tripartite Agreement and other agreements between the Parties. In order to resolve these disputes, the parties entered into discussion and GoO constituted a Task



Force vide Resolution No. 3895 dated May 7, 2007 for resolving disputes regarding tariff and other related matters. GoO based on the recommendations of Task Force, issued Notification No. 7216 dated June 21, 2008 ("2008 Notification") for resolving all such disputes on terms and conditions contained therein in regard to Unit 1 & 2 and also in regard to setting up of Unit 3 & 4, as overall settlement of all such disputes. The relevant extract of GoO 2008 Notification is as follows:

"3. After careful consideration of the recommendations of the task force, Government have been pleased to decide as under;

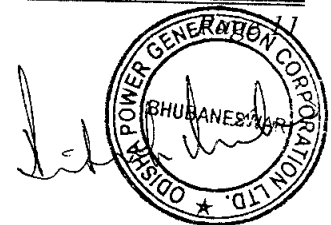
(a) In order to avoid any ambiguity with regard to tariff norms and parameters for Units 1 & 2, the provisions for calculation of incentive in the existing PPA shall stand amended to enhance the Plant Load Factor (PLF) from 68.49% to 80%. All other terms and parameters for determination of tariff for Units 1 & 2 shall be as per the existing PPA. Suitable amendments will be made in the PPA accordingly including deletion of all reference to change in tariff parameters in future. In other words, all tariff parameters will stand frozen till validity of amended PPA notwithstanding modification in tariff norms by CERC from time to time.

(b) The amended PPA shall be filed before the OERC for consent/approval.

(c) The amended PPA shall be effective with effect from 01.04.2007."

1.6 Pursuant to above, OPGC and GRIDCO agreed to amend existing PPA and Tripartite agreement based on GoO's 2008 Notification. Accordingly, an agreement was signed on September 6, 2012 as Supplemental to the Tripartite agreement executed on October 18, 1998 (together called as "Amended Tripartite Agreement"). The Amended Tripartite Agreement has been made effective from October 12, 2009.

1.7 Subsequently, OPGC and GRIDCO signed an amendment to existing PPA on December 19, 2012 by amending certain clauses (together called the "Amended PPA"), which was retrospectively brought to effect from April 1, 2007.



1.8 With the execution of this agreement, the Parties agreed that all pending differences have been settled and OPGC shall withdraw Special Leave Petition pending before Hon'ble SC. Further, Hon'ble SC vide its Order dated February 14, 2013 dismissed the Special Leave Petition as withdrawn by OPGC and in the said order Hon'ble SC directed OPGC to file the Amended PPA before Hon'ble OERC and the Hon'ble OERC shall consider the same appropriately in accordance with law.

1.9 Hon'ble OERC vide its Order dated April 27, 2015 approved the Amended PPA, being filed before Hon'ble OERC jointly by OPGC and GRIDCO, as under (with emphasis added by underlining):

"9. The above stipulation in PPA provides for settlement of issues if any arise due to implementation of this PPA in a future date the same shall be resolved basing on mutual discussion keeping intent and objects of the PPA intact. Therefore, the Commission has no objection to approve the PPA including its amendment between GRIDCO and OPGC for purchase of power from Unit 1 & 2 of Ib Thermal Power Station as it stands now.

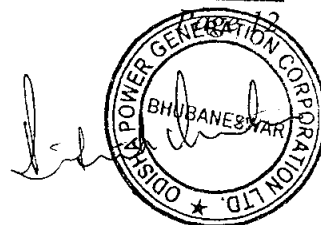
...

11. Since the power purchase by GRIDCO from Unit 1 & 2 of Ib Thermal Power Station has been continuing as per mutual agreement without approved PPA and the Commission has approved the same in the ARR of GRIDCO for the concerned year there is no need to reopen the same as per the above Regulation. The parties should, therefore, settle the power purchase process for the period prior to implementation of the above Regulation taking into account the original PPA and its supplemental one as approved by us now."

1.10 Further, Hon'ble OERC in the said Order dated April 27, 2015 directed OPGC to file an application for determination of Generation Tariff, as per approved Amended PPA, for rest of the control period starting from FY 2016-17 onwards since tariff for FY 2014-15 and FY 2015-16 has already been approved by Hon'ble OERC in ARR of GRIDCO. The relevant extract of the OERC Order is reproduced below:

"12. The Regulation 2.7 of OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2014 provides as follows:

Petition for Re-determination of Tariff for FY 2018-19



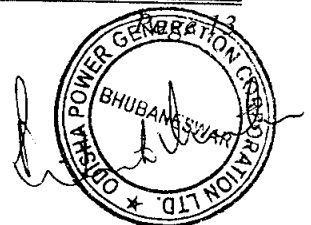
"The existing generation plants of OHPC and OPGC may make an application as per the Format prescribed by the Commission for determination of tariff as per annual schedule, by November 30th of every year for determination of tariff in respect of the units of the generating station completed or projected to be completed within six months from the date of application.

Provided that the OHPC and OPGC shall make an application as per the prescribed Format with necessary information and explanations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred 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 of tariff is filed of the generating station:"

13. Due to the above provision in the Regulation read with Regulation 7.13 of the same Regulations, OPGC shall make an application before the Commission as per the above approved PPA each year for determination of tariff for the rest of the control period starting from FY 2016-17 onwards since the tariff for the FY 2014-15 and 2015-16 has already been approved by the Commission in the ARR of GRIDCO for the said year basing on the submission of GRIDCO."

1.11 In compliance with the above directions of the Hon'ble OERC, OPGC filed a Petition for Approval of Generation Tariff for FY 2016-17 under Section 62 and 86 of the Act, approved Amended PPA and related provision of OERC (Terms and Conditions of Generation Tariff) Regulations, 2014 and OERC (Conduct of Business) Regulations, 2004, as amended from time to time. The Hon'ble OERC, vide its Order dated March 21, 2016 disposed of the above Petition (Case No. 53/2015) approving the Generation Tariff of Units 1 & 2 of IB Thermal Power Station for FY 2016-17 exclusively in accordance with the terms and conditions of the 2014 Tariff Regulations, and not the 2008 Notification or the Amended PPA. OPGC filed Appeal No. 126 of 2016 before the Hon'ble Appellate Tribunal for Electricity ("APTEL") against the said Tariff Order for

Petition for Re-determination of Tariff for FY 2018-19

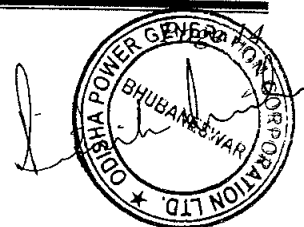


FY 2016-17 in Case No. 53/2015. During the pendency of the stated Appeal before the Hon'ble APTEL, OPGC filed a Petition for Approval of Generation Tariff for FY 2017-18 and the Hon'ble OERC disposed of the said Petition (Case No. 62/2016) vide its Order dated March 23, 2017 determining the Generation Tariff for FY 2017-18 in line with its approach adopted in the tariff determination for FY 2016-17. Hon'ble APTEL vide its Judgment dated April 6, 2017 in the stated Appeal upheld this Hon'ble Commission's Tariff Order for FY 2016-17.

1.12 Aggrieved by the Judgment of the Hon'ble APTEL, OPGC filed Civil Appeal No. 9485 of 2017 before the Hon'ble SC. During the pendency of the stated Civil Appeal before the Hon'ble SC, OPGC filed the Petition for Approval of Generation Tariff for FY 2018-19 and the Hon'ble OERC disposed of the said Petition (Case No. 75/2017) vide its Order dated March 22, 2018 determining the Generation Tariff for FY 2018-19 mostly in line with its approach adopted in the tariff determination for FY 2016-17. The Hon'ble SC vide its Judgment dated April 19, 2018 in the stated Appeal set aside the Tariff Order for FY 2016-17 and remanded the matter to the Hon'ble OERC for a fresh decision. In effect, the Hon'ble SC has held that primarily the tariff norms under the PPA are to be followed in determining OPGC's tariff. Further, to the extent there are tariff norms not covered by the PPA, the 2014 Tariff Regulations may be relied upon by the OERC to determine OPGC's tariff. It is submitted that the effect of the SC's Judgment is that this arrangement would apply for the entire term of the subsistence of the PPA viz. till 30.06.2026. Any contrary interpretation would violate Regulation 4.4 of the 2014 Tariff Regulations. This being the case, it is no longer permissible to rely on the generic tariff norms under the 2014 Tariff Regulations for the purpose of determining fixed costs and variable costs, which must now be determined in accordance with the tariff norms under the approved PPA.

1.13 The relevant extract of the Judgment of the Hon'ble SC is reproduced below with relevant portion underlined:

Petition for Re-determination of Tariff for FY 2018-19



“6. We are of the view that the Commission vide Order dated 27.04.2015 on the joint application of the parties dated 26.02.2014 rightly fixed the tariff but the view taken in subsequent order dated 21.03.2016 which has been upheld on appeal is unsustainable.

7. Accordingly, we set aside the impugned order and remand the matter to the State Commission for fresh decision. The State Commission may take into account the Notification dated 21.06.2008 for the fixed costs, the PPA for the variable costs specified therein and for other costs not reflected in the PPA, statutory Regulations may be applied.

8. The appeal shall stand disposed of as indicated above.

9. The parties may appear before the State Commission for further proceedings on 2.07.2018.”

1.14 Further, Hon’ble OERC vide its Order dated May 5, 2018 in Case No. 43 of 2017 ruled as under:

“4. Heard the parties at length. As the Hon’ble Supreme Court vide their order dated 19.04.2018 in Civil Appeal No. 9485/2017 has set aside the order dated 21.03.2016 passed by the Commission and remanded the matter for fresh decision, OPGC Ltd. is required to file fresh application for determination of Generation Tariff of its Unit-I & II within 15 days from date of this order. Basing on the said application of OPGC Ltd., a public notice shall be issued inviting suggestions /objections from the general public for re-determination of generation tariff for FY 2016-17 & FY 2017-18 which would be completed within one month fixing the date of hearing on 02.07.2018.”

1.15 The Hon’ble OERC vide its Order dated March 22, 2018 determined the tariff for OPGC for FY 2018-19 considering the provisions of the OERC Generation Tariff Regulations, 2014. Hon’ble OERC vide its Order dated May 5, 2018 directed OPGC to file the Petition for tariff re-determination for FY 2016-17 and FY 2017-18 pursuant to the Judgment of the Hon’ble Supreme Court in CA No. 9485 of 2017. As the Hon’ble OERC had determined the tariff for OPGC for FY 2018-19 considering the provisions of the

Petition for Re-determination of Tariff for FY 2018-19

Page 15



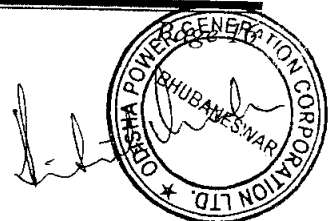
The image shows a handwritten signature in black ink over a circular stamp. The stamp contains the text "ODISHA POWER GENERATION CORPORATION LTD." around the perimeter and "BHUBANESWAR" in the center. There is a small star symbol at the bottom of the stamp.

OERC Generation Tariff Regulations, 2014, the tariff for FY 2018-19 also need to be re-determined pursuant to the Judgment of the Hon'ble Supreme Court. Therefore, OPGC is filing the instant Petition for tariff re-determination for FY 2018-19.

1.16 In view of the foregoing, this instant Petition for re-determination of tariff for FY 2018-19 is being filed herewith.

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Petition for Re-determination of Tariff for FY 2018-19



2 Overall Approach for Filing Petition

- 2.1 The instant Petition has been filed for re-determination of Generation Tariff for FY 2018-19 for IB Thermal Power Station of OPGC Ltd., having installed capacity of 420 MW (2 x 210 MW- Unit 1 & 2), located at Banharpalli in District Jharsuguda.
- 2.2 Hon'ble SC vide its Judgment dated April 19, 2018 in remanding the matter to Hon'ble OERC for fresh decision ruled as under:

“6. We are of the view that the Commission vide Order dated 27.04.2015 on the joint application of the parties dated 26.02.2014 rightly fixed the tariff but the view taken in subsequent order dated 21.03.2016 which has been upheld on appeal is unsustainable.

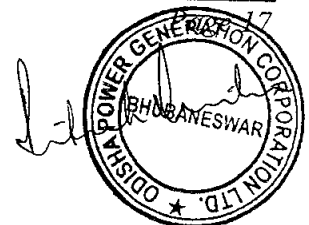
7. Accordingly, we set aside the impugned order and remand the matter to the State Commission for fresh decision. The State Commission may take into account the Notification dated 21.06.2008 for the fixed costs, the PPA for the variable costs specified therein and for other costs not reflected in the PPA, statutory Regulations may be applied.

8. The appeal shall stand disposed of as indicated above.”

- 2.3 The Hon'ble OERC vide its Order dated March 22, 2018 determined the tariff for OPGC for FY 2018-19 considering the provisions of the OERC Generation Tariff Regulations, 2014. Hon'ble OERC vide its Order dated May 5, 2018 directed OPGC to file the Petition for tariff re-determination for FY 2016-17 and FY 2017-18 pursuant to the Judgment of the Hon'ble Supreme Court in CA No. 9485 of 2017. As the Hon'ble OERC had determined the tariff for OPGC for FY 2018-19 considering the provisions of the OERC Generation Tariff Regulations, 2014, the tariff for FY 2018-19 also need to be re-determined pursuant to the Judgment of the Hon'ble Supreme Court. Therefore, OPGC is filing the instant Petition for tariff re-determination for FY 2018-19.

- 2.4 Accordingly, the instant Petition has been filed based on the following agreements

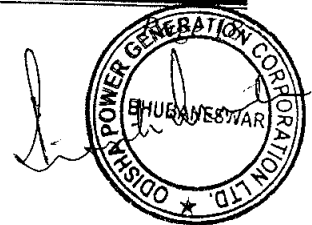
Petition for Re-determination of Tariff for FY 2018-19



entered between the parties:

- (a) Bulk Power Supply Agreement between OPGC and GRIDCO, dated August 13, 1996 ("PPA") and an agreement as Supplemental to Bulk Power Supply Agreement dated December 19, 2012 ("Amended PPA"). Both agreements were approved by the Hon'ble OERC vide its Order dated April 27, 2015.
- (b) Tripartite Agreement between OPGC, GRIDCO and Government of Odisha dated October 18, 1998 ("Tripartite Agreement")
- (c) Govt. of Orissa ("GoO") Notification No. 7216/E dated June 21, 2008.
- (d) Agreement as Supplemental to Tripartite Agreement dated September 6, 2012 ("Amended Tripartite Agreement") which was approved by Hon'ble OERC vide its Order dated April 27, 2015.
- (e) Escrow and Securitization Arrangement dated November 30, 1998 entered between OPGC, GRIDCO and Union Bank of India, which was approved by Hon'ble OERC vide its Order dated April 27, 2015.

- 2.5 The Hon'ble OERC notified the Terms & Conditions for Determination of Generation Tariff Regulations, 2014 ("2014 Tariff Regulations") on September 8, 2014 in exercise of the powers conferred by Section 61 and Section 62 read with Section 181 of the Act. These Regulations are valid during the Period from FY 2014-15 to FY 2018-19.
- 2.6 The Hon'ble OERC vide its Tariff Order for FY 2018-19 dated March 22, 2018 approved the Generation Tariff for OPGC considering the provisions of the 2014 Tariff Regulations.
- 2.7 Hon'ble SC vide its Judgment dated April 19, 2018 in Civil Appeal No. 9485 of 2017 set aside the stated Order and remanded the matter for fresh decision. In effect, the Hon'ble SC has held that primarily the tariff norms under the PPA are to be followed in determining OPGC's tariff. Further, to the extent there are tariff norms not covered by the PPA, the 2014 Tariff Regulations may be relied upon by the OERC to determine OPGC's tariff. It is submitted that the effect of the SC's Judgment is that this



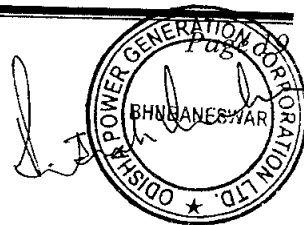
arrangement would apply for the entire term of the subsistence of the PPA viz. till 30.06.2026. Any contrary interpretation would violate Regulation 4.4 of the 2014 Tariff Regulations. This being the case, it is no longer permissible to rely on the generic tariff norms under the 2014 Tariff Regulations for the purpose of determining fixed costs and variable costs, which must now be determined in accordance with the tariff norms under the approved PPA. This Hon'ble Commission in its Tariff Order for FY 2018-19 had considered the O&M Expenses and norms for Interest on Working Capital as per OERC Generation Tariff Regulations, 2014 and not as per PPA. Accordingly, the fixed cost for FY 2018-19 in this petition has been claimed in accordance with the provisions of the approved Amended PPA.

- 2.8 Further, Hon'ble SC ruled that the provisions of the PPA should be considered for variable costs. The Hon'ble Commission in its Tariff Order for FY 2018-19 had considered the performance parameters i.e., Station Heat Rate, Auxiliary Consumption and Secondary Fuel Oil Consumption as per the 2014 Tariff Regulations and not as per norms specified in the PPA. Accordingly, the variable cost for FY 2018-19 has been claimed considering the performance parameters as specified in the approved Amended PPA. Furthermore, Hon'ble SC ruled that for other costs not reflected in the PPA, statutory Regulations may be applied. Accordingly, the costs not explicitly covered in the PPA have been claimed in accordance with the provisions of the 2014 Tariff Regulations.
- 2.9 OPGC, in its Tariff Petition for FY 2018-19, claimed the additional capitalisation actually incurred/proposed to be incurred and the recovery thereof through tariff. In this regard, the Commission, in its Tariff Order for FY 2018-19 ruled as under:

“Additional Capitalization

OPGC has submitted that, it has incurred additional capitalisation of Rs. 18.13 Crore and Rs.23.62 crore during FY 2015-16 and FY 2016-17 respectively. Out of which, it has claimed that Rs. 17.82 Crore and Rs.22.04 crore respectively have been incurred during the same period towards efficient and successful

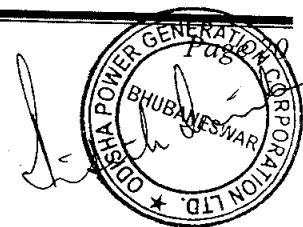
Petition for Re-determination of Tariff for FY 2018-19



operation of the generating station as per OERC Tariff Regulation 3.4(d) and should be considered for truing up of account for FY 2016-17. The rest of the amount has been spent for creation of minor assets which the Petitioner has not claimed. The Commission required evidential information from OPGC for prudence check and detail scrutiny. During public hearing, almost all the objectors requested the Commission to treat the expenditure on additional capitalization as expenditure on repair and maintenance. Therefore, this matter requires a separate hearing. OPGC may file a separate application in this regard.”

2.10 As per the directions of the Hon’ble OERC in the Tariff Order for FY 2018-19, OPGC is in process of preparing separate Petition for approval of additional capitalisation in accordance with the OERC Generation Tariff Regulations, 2014, and the separate Petition for approval of additional capitalisation for FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 will be filed shortly. OPGC requests Hon’ble OERC to allow the recovery of additional capitalisation in accordance with the Judgment of the Hon’ble Supreme Court dated April 19, 2018 in CA No. 9485/2017.

2.11 Accordingly, in the instant Petition the additional capitalisation is not considered and the impact of the same shall be considered in the separate Petition to be filed for approval of additional capitalisation.



3 Re-Determination of Generation Tariff for FY 2018-19

Computation of Annual Fixed Cost

3.1 As per Clause 3.0 of Schedule II of the Amended PPA, the Annual Fixed Cost of OPGC shall consist of the following components:

- (a) Depreciation;
- (b) Return on Equity;
- (c) Interest on Loan;
- (d) Operation and Maintenance Expenses;
- (e) Interest on Working Capital.

3.2 The computation of each of the above components of the Annual Fixed Cost is detailed in the subsequent paragraphs.

Capital Cost

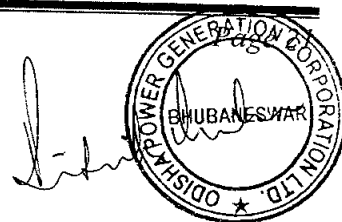
3.3 The Amended PPA signed between OPGC and GRIDCO has considered the Capital Cost of the Project as Rs. 1060 Crore. It is submitted that while approving the Amended PPA vide Order dated April 27, 2015, Hon'ble OERC has approved the capital cost of the project. In view of this, OPGC has considered the capital cost of Rs. 1060 Crore for the purpose of computation of tariff for FY 2018-19.

Additional capitalisation

3.4 As submitted in Para 2.6, OPGC craves leave for claiming the additional capitalisation in accordance with the OERC Generation Tariff Regulations, 2014, in a separate Petition to be filed in compliance to the directions of the Hon'ble OERC in its Order towards True Up Petition for FY 2016-17 and Tariff Order for FY 2018-19, dt: March 22, 2018.

Debt:Equity Ratio

3.5 OPGC submits that project cost of Rs. 1060 Crore as approved in Amended PPA included equity of Rs. 450 Crore and Loan of Rs. 610 Crore. It is submitted that while



approving the Amended PPA vide Order dated April 27, 2015, Hon'ble OERC has approved the equity of Rs. 450 Crore and loan of Rs. 610 Crore. Hence, OPGC has considered actual debt:equity ratio, as approved in Amended PPA, for the purpose of determination of tariff for FY 2018-19.

Depreciation

- 3.6 Hon'ble OERC, in its Tariff Order for FY 2018-19 had not approved any amount towards depreciation for FY 2018-19.
- 3.7 OPGC submits that Clause 3.0 (a) of Schedule II of the Amended PPA provides that depreciation charges shall be equal to 7.5% of the Capital Cost during the year. Considering the depreciation charges computed as per the provisions of the Amended PPA, the assets of Generating Stations are fully depreciated by the financial year ending March 31, 2009.
- 3.8 In view of the above, OPGC does not submit any claim towards the depreciation for FY 2018-19. However, the depreciation for FY 2018-19 corresponding to additional capitalisation will be claimed at the time of filing separate petition for approval of additional capitalisation.

Return on Equity

- 3.9 Hon'ble OERC, in its Tariff Order for FY 2018-19 had approved the Return on Equity of Rs. 72 Crore for FY 2018-19.
- 3.10 OPGC has considered the actual amount of equity of Rs. 450 Crore for computation of Return on Equity. The Clause 8.0 (10) of Schedule II of PPA provides for Return on Equity at the rate of 16%. Accordingly, OPGC submits the Return on Equity for FY 2018-19 as under:

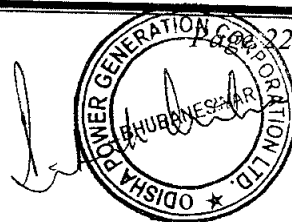


Table 3.1: Return on Equity for FY 2018-19(Rs. Crore)

Sr. No.	Particulars	Approved in the Tariff Order	Claimed for tariff re-determination
1.	Actual Equity for Station	450.00	450.00
2.	Rate of Return on Equity	16.00%	16.00%
3.	Return on Equity	72.00	72.00

3.11 OPGC humbly request the Hon'ble OERC to approve the Return on Equity of Rs. 72.00 Crore for FY 2018-19.

3.12 The Return on Equity for FY 2018-19 corresponding to additional capitalisation will be claimed at the time of filing separate petition for approval of additional capitalisation.

Interest on Loan Capital

3.13 Hon'ble OERC, in its Tariff Order for FY 2018-19 had not approved any amount towards interest on loan capital for FY 2018-19.

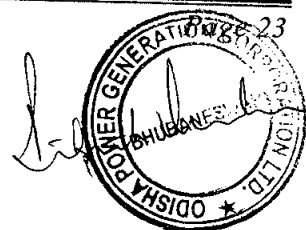
3.14 OPGC submits that Clause 8.0 (7) and (11) of Schedule II of the Amended PPA provides the loan amount of Rs. 610 Crore and interest on loan as per actuals. Considering the actual repayment made against the outstanding loan, OPGC submit that loan amount of Rs. 610 Crore has been fully repaid by financial year ending March 31, 2012. In view of the above, OPGC does not submit any claim towards the Interest on Loan Capital for FY 2018-19. However, the interest on loan capital for FY 2018-19 corresponding to additional capitalisation will be claimed at the time of filing separate petition for approval of additional capitalisation.

O&M Expenses

3.15 Hon'ble OERC, in its Tariff Order for FY 2018-19 had approved Rs. 130.87 Crore towards O&M expenses for FY 2018-19.

3.16 OPGC submits that Clause 3.0 (d) and (e) of Schedule II of the Amended PPA provides

Petition for Re-determination of Tariff for FY 2018-19



that O&M expenses for first year of operation at the rate of 2.5% of the capital cost which shall be escalated by 8% each year from April 1, 1996.

3.17 Accordingly, OPGC submits the O&M Expenses for FY 2018-19 considering the escalation factor of 8% as per the methodology prescribed in Amended PPA as under:

Table 3.2: O&M Expenses for FY 2018-19 (Rs. Crore)

Sr. No	Particulars		Claimed for tariff re-determination
1.	Capital Cost of Project considered for O&M Expenses as per Amended PPA	a	1030.00
2.	O&M Expenses for first year @ 2.5% of Capital Cost	$b=a*2.5\%$	25.75
3.	Escalation rate	c	8.00%
4.	O&M Expenses	$d=b*((1+c)^22)$	139.99

3.18 OPGC humbly request the Hon'ble OERC to approve O&M Expenses of Rs. 139.99 Crore for FY 2018-19.

Interest on Working Capital

3.19 Hon'ble OERC, in its Tariff Order for FY 2018-19 had approved Rs. 12.92 Crore towards interest on working capital for FY 2018-19.

3.20 The Clause 3.0 (f) of Schedule II of the Amended PPA provides the Interest on working Capital as under:

"f) Interest on Working Capital will be worked out on the following basis on normative level of generation calculated at the rate of interest applicable to OPGC for its Working capital facility as on the fixed charge computation date

- i) Coal cost for 1.5 months*
- ii) Oil cost for 2 months*
- iii) O&M expenses for 1 month*

iv) *Receivables for 2 months "*

3.21 As regards the rate of interest, the above said clause stipulates the interest rate applicable to OPGC for its Working Capital facility. It is submitted that OPGC has been meeting its working capital requirement through internal accruals.

3.22 As OPGC had not availed any actual working capital loan till now during FY 2018-19, the rate of interest for FY 2018-19 has been considered as 10.95% in accordance with Regulation 4.26 of the OERC Generation Tariff Regulations, 2014.

3.23 Hon'ble Supreme Court in its Judgment dated April 19, 2018 ruled that for the costs not reflected in the PPA, the statutory Regulations may be applied. Further, OPGC submits that Hon'ble APTEL in its Judgment dated May 28, 2009 in Appeal No. 111 of 2008 ruled as under:

"7) The Commission observed that in actual fact no amount has been paid towards interest. Therefore, the entire interest on working capital granted as pass through in tariff has been treated as efficiency gain. It is true that internal funds also deserve interest in as much as the internal fund when employed as working capital loses the interest it could have earned by investment elsewhere. Further the licensee can never have any funds which has no cost. The internal accruals are not like some reserve which does not carry any cost....."

3.24 In light of the above stated Judgments of Hon'ble Supreme Court and Hon'ble APTEL, OPGC requests the Hon'ble OERC to approve the interest on working capital considering the rate of interest in accordance with the OERC Generation Tariff Regulations, 2014.

3.25 Accordingly, OPGC submits the Interest on Working Capital for FY 2018-19 as under:

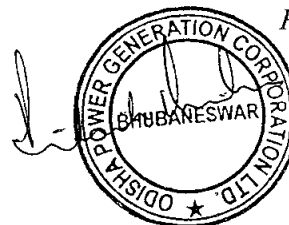


Table 3.3: Interest on Working Capital for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Claimed for tariff re-determination
1.	Cost of Coal for one and half months	42.47
2.	Cost of Secondary Fuel Oil for two months	5.04
3.	O&M Expenses for one month	11.67
4.	Receivables equivalent to two months	99.90
5.	Total Working Capital Requirement	159.08
6.	Interest Rate %	10.95%
7.	Interest on Working Capital	17.42

3.26 OPGC humbly request the Hon'ble OERC to approve the Interest on Working Capital of Rs. 17.42Crore for FY 2018-19.

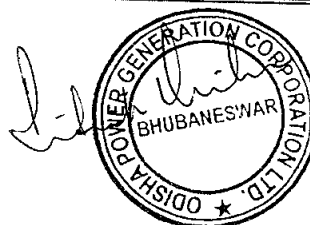
Summary of Annual Fixed Cost

3.27 The Annual Fixed Cost proposed by OPGC for FY 2018-19 is summarised as under:

Table 3.4: Annual Fixed Cost for FY 2018-19(Rs. Crore)

Sr. No.	Particulars	As approved by the Hon'ble Commission in Tariff Order for FY 2018-19	Claimed for tariff re-determination
1.	Return on Equity	72.00	72.00
2.	Depreciation	0.00	0.00
3.	Interest on Loan Capital	0.00	0.00
4.	Interest on Working Capital	12.92	17.42
5.	O&M Expenses	130.87	139.99
6.	Total Annual Fixed Cost	215.79	229.41

3.28 OPGC humbly request the Hon'ble OERC to approve Re-Determined Annual Fixed Cost of Rs. 229.41Crore for FY 2018-19.



Operational Performance Parameters

3.29 OPGC has considered the following Operational Performance parameters as under:

- (a) Plant Load Factor (PLF)
- (b) Gross Station Heat Rate
- (c) Secondary Fuel Oil Consumption
- (d) Auxiliary Energy Consumption

3.30 OPGC in Amended PPA signed with GRIDCO has agreed upon operational performance parameters. OPGC for computation of Energy charge for FY 2018-19 has considered the operational performance parameters as per Clause 8 of Schedule II of the approved Amended PPA.

Plant Load Factor (PLF)

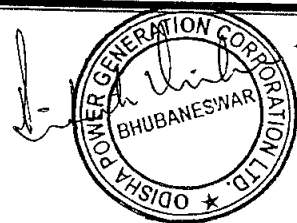
3.31 Hon'ble OERC, in its Tariff Order for FY 2018-19 had approved PLF of 87% for FY 2018-19.

3.32 As per Clause 3.0 (g) of Schedule II of the Amended PPA, full fixed charges will be paid to OPGC subject to adjustment provided OPGC achieves Actual Net Availability (AAN) within normal operating range of 68.49%.

3.33 As per Clause 3.0 (g) of Schedule II of the Amended PPA, the PLF applicable for computation of incentive shall be 80%.

3.34 **Gross Station Heat Rate:** Hon'ble OERC, in its Tariff Order for FY 2018-19 had approved Gross Station Heat Rate of 2450 kCal/kWh for FY 2018-19. Gross Station Heat Rate of 2500 kCal/kWh has been considered as per Clause 8 of Schedule II of the approved Amended PPA.

3.35 **Specific Oil Consumption:** Hon'ble OERC, in its Tariff Order for FY 2018-19 had approved Specific Oil Consumption of 0.42 ml/kWh for FY 2018-19. Secondary Fuel Oil



Consumption of 3.5 ml/kWh has been considered as per Clause 8 of Schedule II of the approved Amended PPA.

3.36 **Auxiliary Consumption:** Hon'ble OERC, in its Tariff Order for FY 2018-19 had approved Auxiliary Consumption of 9% for FY 2018-19. Auxiliary Consumption of 9.5% has been considered as per Clause 8 of Schedule II of the approved Amended PPA.

3.37 The Operational Performance parameters considered by OPGC are summarised as under:

Table 3.5: Operational Performance Parameters for FY 2018-19

Sr. No.	Particulars	Unit	As approved by the Hon'ble Commission in Tariff Order for FY 2018-19	Claimed for tariff re-determination
1.	Auxiliary Consumption	%	9%	9.50%
2.	Station Heat Rate	kcal/kWh	2450	2500
3.	Specific Oil Consumption	ml/ kWh	0.42	3.50

Fuel Prices and GCV

3.38 During FY 2018-19, the entire coal requirement for OPGC is proposed to be met from coal supply under existing FSA with Mahanadi Coal Fields Limited ("MCL").

3.39 Clause 7.0 of Schedule II of the existing PPA provides the computation of Fuel Cost. For computation of the fuel cost, OPGC has relied on the provisions of the Amended PPA which provides that the Price and Gross Calorific Value of coal and oil shall be considered as delivered to the Power Station. Further, Clause 9 of Schedule II of the PPA stipulates that the prices and GCV of oil and coal for one year shall be the base for the next year. Accordingly, OPGC has considered the actual weighted average prices and GCV of oil and coal for FY 2017-18 for re-determination of energy charges for FY 2018-19.

3.40 Accordingly, GCV and Price of Coal and Oil considered for tariff computation is summarised below:

Table 3.6: Price and Gross Calorific Value of Coal and Oil

Sl. No.	Source of Coal	Base for FY-2018-19
1	Price of Coal (Rs. /MT)	1482.19
2	Price of LDO (Rs./kL)	42521.55
3	Price of HFO	33380.33
4	Gross Calorific Value of Coal (kCal/kg)	2710
5	Gross Calorific value of LDO (kCal/ltr.)	10000
6	Gross Calorific value of HFO (kCal/ltr.)	10000

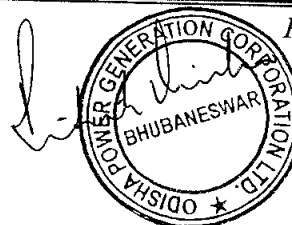
Energy Charge

3.41 OPGC has re-computed Energy Charge for FY 2018-19 as per Clause 7.0 of Schedule II of the Amended PPA. The computation of Energy Charge for FY 2018-19 is given in the Tables below:

Table 3.7: Energy Charges for 2018-19

Particulars	Unit	Approved in the Tariff Order	Claimed for tariff re-determination
Auxiliary Consumption	%	9.00%	9.50%
Gross Station Heat Rate	kCal/kWh	2450	2500
GCV of Coal	kCal/kg	3100	2710
GCV of Oil	kCal/kg	10000	10000
Specific Coal Consumption	kg /kWh	0.79	0.91
Specific Oil Consumption-LDO	ml/kWh	1.00	0.35
Specific Oil Consumption-HFO	ml/kWh	-	3.15
Price of Coal	Rs. / MT	1491.00	1482.19
Price of Secondary Oil-LDO	Rs. / kL	41390.00	42621.55
Price of Secondary Oil-HFO	Rs. / kL	-	33380.33
Energy Charge Rate	Paisa/kWh	131.18	162.24

3.42 OPGC humbly request the Hon'ble OERC to approve Energy Charge of 162.24 Paisa/kWh for FY 2018-19. OPGC submits that the variation in the energy charge rate



claimed for tariff re-determination and that approved by the Commission is mainly on account of the variation in norms of operation and GCV of coal. While Hon'ble OERC had considered the GCV of coal as 3100 kCal/kg in the computation of energy charges for FY 2018-19, OPGC was allowed to consider the actual GCV.

3.43 OPGC further requests the Hon'ble OERC to allow the recovery of differential AFC and energy charges arising out of the tariff re-determination for FY 2018-19, till the issue of the Order in this Petition.

Reimbursement of other charges

3.44 Clause 10.0 of the approved Amended PPA stipulates as under:

"10.0 LEVIES, TAXES, DUTIES, CESS ETC. :

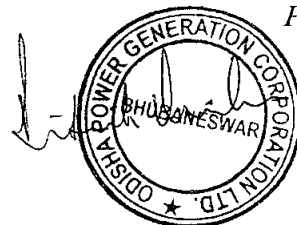
The above tariff is exclusive of any statutory taxes, levies, duties, cess or any other kind of imposition(s) whatsoever imposed/charged by any Government (Central/State) and/or any other local bodies/authorities on generation of electricity including auxiliary consumption or any other type of consumption, transmission, sale or on supply of power/energy and/or in respect of any of its installations associated with Generating Stations and/or on Transmission System, Environmental Protection, Water etc. However electricity duty payable on energy drawn by OPGC if any shall be payable by OPGC and reimbursed by GRIDCO."

3.45 Clause 11.0(vii) of the approved Amended PPA stipulates as under:

"vii) Supplementary bills will be raised for the following.

- a) Fuel price adjustment on half yearly basis*
- b) Incentive/disincentive at the end of year*
- c) Income Tax as per actual to be reimbursed as detailed in Para-6.0 of schedule – II*
- d) Any other charges/taxes etc. "*

3.46 OPGC in the instant Petition has not claimed recovery of other charges such as electricity



duty on auxiliary consumption, water cess and water charges, tax and cess on land, SoC & MoC Charges for SLDC, ERPC charges and Income Tax as the recovery of same was allowed by the Commission.

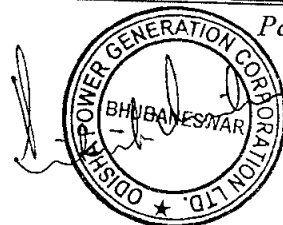
Summary of Re-Determined Generation Tariff for FY 2018-19

3.47 The summary of Re-Determined Generation Tariff proposed for FY 2018-19 is as under:

Table 3.8: Generation Tariff for 2018-19

Sr. No.	Particulars	Units	Approved in the Tariff Order	Claimed in tariff re-determination
1.	Annual Fixed Cost	Rs. Crore	215.79	229.41
2.	Energy Charge Rate	Paisa/kWh	131.18	162.24

3.48 OPGC humbly requests the Hon'ble OERC to approve the Generation Tariff for FY 2018-19 as claimed in this Petition and allow the recovery of differential amount arising out of the tariff re-determination. As stated earlier, the significant variation in the energy charge claimed for tariff re-determination and that approved by the Commission is mainly on account of the variation in norms of operation and GCV of coal.

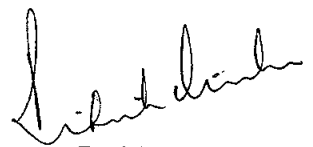


4 Prayers

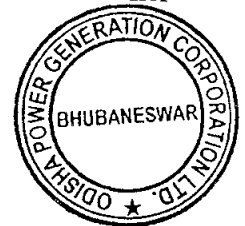
OPGC respectfully prays that the Hon'ble OERC may:

- i) Condone the delay in filing the instant Petition for re-determination of tariff for FY 2018-19 for Units 1 & 2 of IB Thermal Power Station.
- ii) Admit the instant Petition for re-determination of tariff for FY 2018-19 for Units 1 & 2 of IB Thermal Power Station.
- iii) Approve the tariff, including annual fixed cost and variable charges, for FY 2018-19 as claimed in the Petition.
- iv) Approve the recovery of differential amount arising out of tariff re-determination for FY 2018-19, till the issue of final Order by the Commission.
- v) Allow the recovery of additional capitalisation in accordance with the Judgment of the Hon'ble Supreme Court dated April 19, 2018 in CA No. 9485/2017, which shall be claimed in a separate Petition being filed shortly as per the Commission's Order dated March 22, 2018.
- vi) Condone any inadvertent omissions, errors, short comings and permit OPGC to add/change/ modify/ alter this filing and make further submissions as may be required at a future date; and
- vii) Pass such other and further Orders as deemed fit and proper in the facts and circumstances of the case.

Bhubaneswar
May 24, 2018



Petitioner

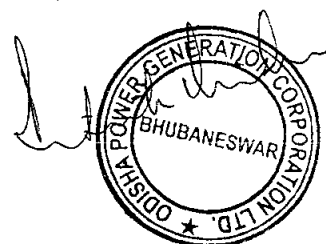


Checklist of Forms and other information/ documents for tariff filing for FY 2018-19

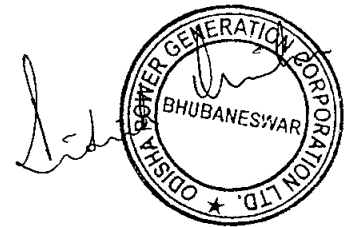
Name of Utility / Company: Odisha Power Generation Corporation Limited

Form No.	Title of Tariff Filing Form	Tick
Form 1.1	Summary of Tariff Proposal(Thermal)	
Form 1.2	Summary of Tariff Proposal(Hydro)	✓
Form 2.1	Plant Characteristics	NA
Form 2.2	Details of COD, Type of hydro station, Capacity Index, Primary energy rate	NA
Form 2.3	Salient Features of Hydroelectric Project	NA
Form 3.1	Planned & Forced Outages	NA
Form 4.1	Revenue from Sale of Power (Previous year actual)	NA
Form 5.1	Non Tariff Income	NA
Form 6.1	O&M Expenses	NA
Form 6.2	Fixed Assets and Depreciation	✓
Form 6.3	Calculation of Interest on Loans	NA
Form 6.4	Calculation of Interest on Working Capital Loan	NA
Form 7.1 (C)	Details/Information to be Submitted in respect of Fuel for Computation of Energy Charges for FPA(Coal)	✓
Form 7.1 (O)	Details/Information to be Submitted in respect of Fuel for Computation of Energy Charges for FPA(Oil)	✓
Form 7.2	Energy Charges for Thermal Generation	✓
Form 8.1	Break-up of Capital Cost for Coal based projects	✓
Form 8.2	Break up of Capital cost for hydro power generating station	NA
Form 8.3	Break up of Capital Cost for Plant & Equipment(Hydro)	NA
Form 8.4	Statement of Additional Capitalisation after COD	NA
Form 8.5	IDC Planned and actual	NA
Form 8.6	Details of Foreign loans / Equity	NA
Form 8.7	Design energy and peaking capability (monthwise)- ROR with Pondage/Storage type new stations	NA
Form 8.8	Design energy and MW Continuous (monthwise)- ROR type new stations	NA
Other Information/ Documents		
Sl. No.	Information/Document	Tick
1	Certificate of incorporation, Certificate for Commencement of Business, Memorandum of Association, & Articles of Association (For New Station setup by a company making tariff application for the first time to OERC	NA
2	Stationwise and Corporate audited Balance Sheet and Profit & Loss Accounts with all the Schedules & annexures on COD of the Station or the new station for the relevant years.	NA
3	Copies of relevant loan Agreements	NA
4	Copies of the approval of Competent Authority for the Capital Cost and Financial package	NA
5	Copies of the Equity participation agreements and necessary approval for the foreign equity	NA
7	Copies of the BPSA/PPA with the beneficiaries, if any	NA
8	Detailed note giving reasons for time and cost over run, if applicable	NA
9	Details of SBI Base rate taken for calculator.	NA
10	Any other relevant information, in any to be specified	NA

Note: Electronic copy in the form of CD/Floppy disc shall also be furnished.



Summary of Tariff Proposal (Generation Thermal)				
Name of the Utility / Company : Odisha Power Generation Corporation Limited			FORM 1.1	
Name of the Thermal Power Station: IB Thermal Power Station			(Rs. In Crore)	
S.No.	Particulars	Reference	FY 2018-19	
			Approved in the Tariff Order	Claimed for tariff re-determination
A	Fixed Charge			
1	O & M Expenses	Form 6.1	130.87	139.99
2	Depreciation	Form 6.2	0.00	0.00
3	Interest on Term Loans & Fin. Charges	Form 6.3	0.00	0.00
4	Interest on Working Capital Loans	Form 6.4	12.92	17.42
5	Recovery of ARR & Tariff Petition Fees		-	-
6	Return on Equity		72.00	72.00
7	Total Fixed Charge		215.79	229.41
8	Less: Non-Tariff Income	Form 5.1	0.00	0.00
9	Net Fixed Charge		215.79	229.41
B	Variable Cost	Form 7.2	382.10	369.99
C	Total Cost		597.90	599.40
D	Unit Sold to Discoms in MU	Form 7.2	2912.82	2280.50
E	Rate of Fixed Charge(Paisa/kwh)		74.08	100.60
F	Rate of Variable Charge(Paisa/kwh)	Form 7.2	131.18	162.24
G	Rate of Sale of Energy (Paisa/kwh)		205.26	262.84



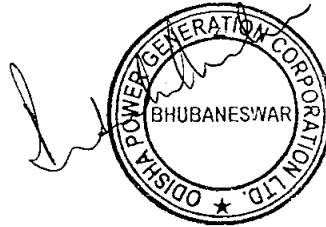
O&M Expenses

Name of the Utility / Company : Odisha Power Generation Corporation Limited

FORM-6.1

Name of the Thermal Power Station: IB Thermal Power Station

S.No.	Particulars	Units	Reference	FY 2018-19	
				Approved in the Tariff Order	Claimed for tariff re- determination
1	O&M Expense norms for Unit (per MW)	Rs. Cr.	Norms for O&M	0.312	-
2	No of Units	No.		2	2
3	O&M expense in Rs. Cr	Rs. Cr.		130.87	139.99
4	Allocation of corporate O&M Expense %	%	Based on Installed Capacity	0.00	0.00
5	Allocation of corporate O&M Expense in Rs. Cr	Rs. Cr.		0.00	0.00
6	Total O&M expense	Rs. Cr.		130.87	139.99



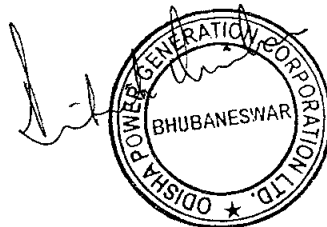
Calculation of Interest on Working Capital Loan

Name of the Utility / Company: Odisha Power Generation Corporation Limited

Name of the Thermal Power Station: IB Thermal Power Station

(Rs. In Crore)

Sl. No.	Particulars	FY 2018-19	
		Approved in the Tariff Order	Claimed for tariff re-determination
1	Coal Cost	30.66	42.47
2	Oil Cost	0.45	5.04
3	O & M expenses	10.91	11.67
4	Maintenance Spares	26.17	0.00
5	Recievables	49.82	99.90
6	Working capital Loan Requirement	118.02	159.08
7	Rate of Interest	10.95%	10.95%
8	Interest on Working Capital	12.92	17.42



Energy Charges for Thermal Generation				
Name of the Utility / Company : Odisha Power Generation Corporation Limited			FORM-7.2	
Name of the Thermal Power Station: IB Thermal Power Station				
Particulars	Units	Reference	FY 2018-19	
			Approved in the Tariff Order	Claimed for tariff re-determination
Operational Parameter				
Number of Units				
Upto 250 MW			2	2
More than 250 MW			-	-
Total Capacity	MW		420	420
Availability	%		85%	68.49%
PLF	%		87%	68.49%
Gross Generation	MU		3200.90	2519.88
Auxiliary Energy Consumption	%		9.00%	9.50%
Auxiliary Energy Consumption	MU		288.08	239.39
Net Generation	MU		2912.82	2280.50
Heat Rate	kcal/kwh		2450	2500
Fly Ash Utilization	%		-	-
Other By product utilization (with List)	%		-	-
Fuel Parameters				
Calorific Value for Different Fuels				
Fuel 5 (Indigenous Coal)	kcal/Kg	From 7.1 (C)	3100	2710
Fuel 4 (Imported Coal)	kcal/Kg	From 7.1 (C)		
Fuel 1 (HFO)	kcal/Ltr.	From 7.1 (O)		10000
Fuel 2(HSD)	kcal/Ltr.	From 7.1 (O)		
Fuel 3 (LDO)	kcal/Ltr.	From 7.1 (O)	10000	10000
Landed Fuel Price for different fuels				
Fuel 5 (Indigenous Coal)	Rs/MT	From 7.1 (C)	1491.00	1482.19
Fuel 4 (Imported Coal)	Rs/MT	From 7.1 (C)		
Fuel 1 (HFO)	Rs/KL	From 7.1 (O)		33380.33
Fuel 2(HSD)	Rs/KL	From 7.1 (O)		
Fuel 3 (LDO)	Rs/KL	From 7.1 (O)	41390.00	42621.55
Specific Fuel Consumption				
Fuel 5 (Indigenous Coal)	Kg/kWh		0.79	0.91
Fuel 4 (Imported Coal)	Kg/kWh			
Fuel 1 (HFO)	ml/kWh			3.15
Fuel 2(HSD)	ml/kWh			
Fuel 3 (LDO)	ml/kWh		0.42	0.35
Total Fuel Consumption				
Fuel 5 (Indigenous Coal)	MT		2525410.00	2292120.36
Fuel 4 (Imported Coal)	MT			
Fuel 1 (HFO)	KL			7937.63
Fuel 2(HSD)	KL			
Fuel 3 (LDO)	KL		1344.37968	881.96
Heat Content (each fuel separately)				
Fuel 5 (Indigenous Coal)	Million kcal		7828771.00	6211514.26
Fuel 4 (Imported Coal)	Million kcal			
Fuel 1 (HFO)	Million kcal			79376.35
Fuel 2(HSD)	Million kcal			
Fuel 3 (LDO)	Million kcal		13443.80	8819.59
Total Fuel Cost				
Fuel 5 (Indigenous Coal)	Rs Crore		376.54	339.74
Fuel 4 (Imported Coal)	Rs Crore			
Fuel 1 (HFO)	Rs Crore			26.50
Fuel 2(HSD)	Rs Crore			
Fuel 3 (LDO)	Rs Crore		5.56	3.76
Total fuel Cost			382.10	369.99
Other Charges and Adjustments				
Other Charges FOR WATER CESS & WATER CONSUMPTION	Rs Crore	As per actual	0.00	0.00
Other Adjustments	Rs Crore		0.00	0.00
Total Cost	Rs Crore		382.10	369.99
Cost of Generation per unit (Coal +oil+water)	Paisa/kWh		119.37	146.83
Energy Charges per unit	Paisa/kWh		131.18	162.24

