



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 - 751 023, Odisha.

Ph. : 0674-2303765 - 66, Fax : 0674 - 2303755 / 56

Web : www.opgc.co.in

Ref: OPGC/Units 1 & 2/Tariff /2021-22/

1459

November 26, 2021

To,

The Secretary,

Odisha Electricity Regulatory Commission,

Plot No.4, Chunokoli, Sailashree Vihar

Bhubaneswar- 751 021

Sub: Authorisation of Mr. Haresh Kumar Satapathy, DGM (R&C) for filing of tariff petition for FY 2022-23

Sir,

This is to certify that Mr. Haresh Kumar Satapathy, functioning as Deputy General Manager, Regulatory & Commercial, Odisha Power Generation Corporation Ltd., posted at the corporate office at Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur, Bhubaneswar-751023, Odisha, India (Petitioner), is hereby authorised to file the petition for determination of Generation Tariff of OPGC Unit 1&2 for FY 2022-23 and appear on behalf of the petitioner for the tariff hearing and other procedure before OERC.

Thanking you
Yours faithfully


(P. K. Mohapatra)
Managing Director

Managing Director
Odisha Power Generation Corporation Ltd.
Bhubaneswar

AFFIDAVIT

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

FILE NO. _____

CASE NO. _____ OF 2021

IN THE MATTER OF: Application for determination of Generation Tariff for FY 2022-23 for Odisha Power Generation Corporation Ltd. under Sections 62 & 86 of the Electricity Act, 2003 read with Approved Bulk Supply Agreement along with Supplemental Agreement (together referred to as the 'Amended PPA'), related provisions of OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 and OERC (Conduct of Business) Regulations, 2004, and Hon'ble Supreme Court Order dated April 19, 2018 in Case No. 9485 of 2017.

AND

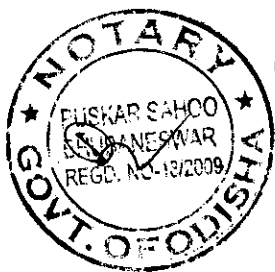
IN THE MATTER OF:

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

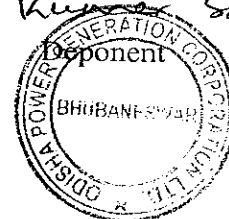
..... Petitioner

I, Haresh Kumar Satapathy, son of Shri. Kailash Chandra Satapathy, aged about 53 years, do solemnly affirm and say as follows:

- (a) That I am the Deputy General Manager (Regulatory & Commercial) 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 5 ... of the Petition herein now shown to me are true to my knowledge and statements made in paragraphs 1 to 5 ... are based on information made available to me and I believe them to be true.



Haresh Kumar Satapathy



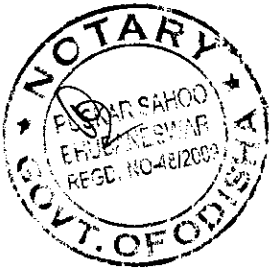
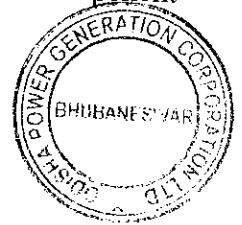
Verification

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 29th day of November, 2021.

Hareesh Kumar Satapathy

Deponent

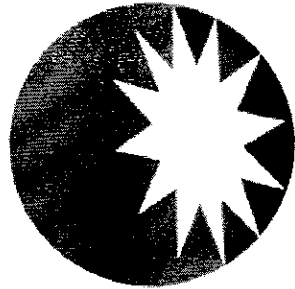


Puskar Sahoo
29.11.2021

**PUSKAR SAHOO
NOTARY, BHUBANESWAR
GOVT. OF ODISHA
Mob: 9337129137**

ODISHA POWER GENERATION CORPORATION LIMITED

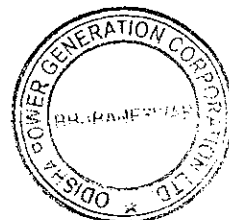
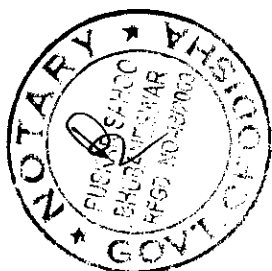
BHUBANESWAR



OPGC
Power for Progress

**PETITION FOR DETERMINATION OF TARIFF FOR
IB TPS UNITS 1 & 2 FOR FY 2022-23**

NOVEMBER 29, 2021



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

CASE No. ____ of 2021

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1 & 2 for
FY 2022-23

AND

IN THE MATTER OF Odisha Power Generation Corporation Ltd. (OPGC Ltd.),
THE APPLICANT Zone-A, 7th Floor, Fortune Towers, Chandrasekharpur,
Bhubaneswar - 751 023, Odisha, India (Petitioner)

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

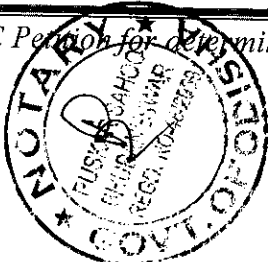
Odisha Power Generation Corporation Limited (hereinafter referred as “OPGC” or “the Petitioner”) is a company incorporated under the Companies Act, 1956 and having its registered office at Zone-A, 7th floor, Fortune Towers, Chandrasekharpur, Bhubaneswar, Odisha-751023.

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.

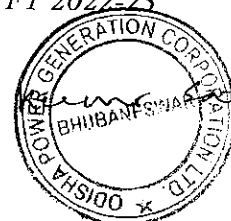
OPGC, GRIDCO and GoO signed a Tripartite Agreement dated October 18, 1998 (“Tripartite Agreement”) providing certain further amendments to the existing PPA and other provisions including those concerning the establishment of Units 3 & 4 of IB Thermal Power Station by OPGC. Further an Escrow and Securitization 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.

OPGC Petition for determination of Tariff of Unit 1 and Unit 2 for FY 2022-23

Page 1



Hareesh



Hareesh

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.

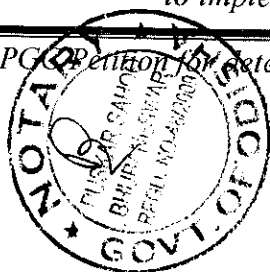
Subsequently, OPGC and GRIDCO signed an amendment to existing PPA on December 19, 2012 by amending certain clauses (together called the “**Amended PPA**”).

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*

OPGC Petition for determination of Tariff of Unit 1 and Unit 2 for FY 2022-23

Page 2



Harman Kumar



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."

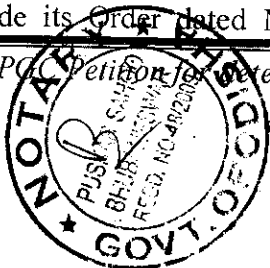
Further, Hon'ble OERC in the said Order dated April 27, 2015 (Case No. 13/2002) directed OPGC to file an application for determination of Generation Tariff, as per approved Amended PPA, for rest of the control period starting from FY 2016-17 onwards since tariff for FY 2014-15 and FY 2015-16 has already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

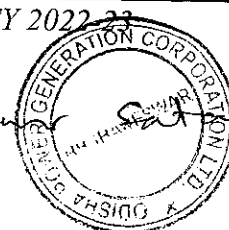
In compliance with the above directions of the Hon'ble OERC, OPGC filed a Petition for Approval of Generation Tariff for FY 2016-17 under Section 62 and 86 of the Electricity Act, 2003 ("the Act"), approved Amended PPA and related provisions of the OERC (Terms and Conditions of Generation Tariff) Regulations, 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)

OPGC Petition for Determination of Tariff of Unit 1 and Unit 2 for FY 2022-23

Page 3



Harish Kumar Satapathy



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.

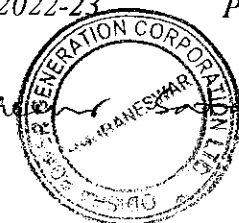
OPGC filed an Appeal before the Hon'ble Appellate Tribunal (Appeal No. 126 of 2016) for Electricity ("APTEL") against the said Tariff Order for FY 2016-17 in Case No. 53/2015. During the pendency of the stated Appeal before the Hon'ble APTEL, OPGC filed the Petition for Approval of Generation Tariff 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 Supreme Court 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 Supreme Court 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 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. 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.



Harish Kumar



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."

In accordance with the above, OPGC filed the Petitions for Re-determination of Tariff for FY 2016-17, FY 2017-18 and FY 2018-19 before the Hon'ble OERC on May 25, 2018 considering the original project cost as per the approved Amended PPA. The said Petition was numbered as Case No. 33 of 2018 and the final Order was issued by the Hon'ble Commission on March 28, 2019.

OPGC also filed a separate Petition, numbered as Case No. 54 of 2018, for approval of additional capitalisation for FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 in compliance to the Commission's directive in the Tariff Order for FY 2018-19 dated March 22, 2018 and Hon'ble Supreme Court Order in Civil Appeal No. 9485 of 2017 dated 19.04.2018.

In line with the approach adopted in Petitions in Case No. 33 of 2018 and Case No. 54 of 2018, OPGC had filed Petition for approval of Generation Tariff for FY 2019-20. The said Petition was numbered as Case No. 70 of 2018 and the final Order was issued by the Hon'ble Commission on March 29, 2019.

In line with the approach adopted in Petitions in Case No. 33 of 2018, Case No. 54 of 2018 and Case No. 70 of 2018, OPGC had filed Petition for approval of Generation Tariff for FY 2020-21. The said Petition was numbered as Case no. 69 of 2019 and the final Order was issued by the Hon'ble Commission on April 22, 2020.

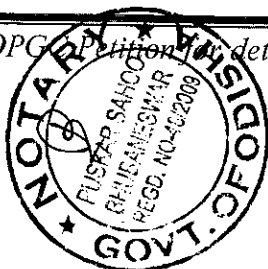
The Hon'ble OERC notified the Odhisa Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 ("**OERC Generation Tariff Regulations, 2020**") on August 26, 2020 in exercise of the powers conferred by Section 61 and Section 62 read with Section 181 of the Act. As per these Regulations, the Tariff Period is for four years, i.e., FY 2020-21 to FY 2023-24.

Regulation 7(6) of OERC Generation Tariff Regulations, 2020 stipulates as follows:

"7. ...

- (6) *"Notwithstanding anything contained above the existing generation plants of OHPC and OPGC (UNIT-I & II) 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.*

Provided that the OHPC and OPGC (Unit - I & II) 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:



Hamesh Kumar Saha



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

The Hon'ble Commission vide its Order dated October 28, 2020 in Case No. 43 of 2017 on the Petition filed by OPGC has opined that for computation of Energy Charges, the Gross Calorific Value of coal is to be considered on “as delivered basis”. OPGC has filed Appeal No. 189 of 2020 before the Hon'ble APTEL against this Hon'ble Commission's Order dated October 28, 2020 in Case No. 43 of 2017 on the GCV to be considered for tariff computation. Both OPGC and GRIDCO have completed pleadings in OPGC's I.A. No. 1632 of 2020 (for Interim Relief) as well as Main Appeal No 189 of 2020. In the hearing dated 26.11.2020 before the Hon'ble APTEL, GRIDCO undertook not to initiate any coercive action against OPGC till next hearing pursuant to this Hon'ble Commission's Order dated 28.10.2020 in Case No. 43 of 2017. Subsequently, the APTEL vide its various daily order in the above matter has directed to continue the interim relief. As of date, both parties have completed pleadings in the matter. The matter is listed for hearing on 14.01.2022.

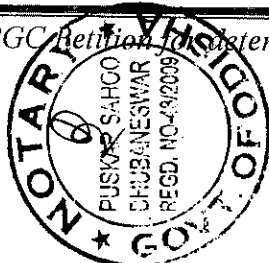
In accordance with the provisions of OERC Generation Tariff Regulations, 2020 and in line with the approach adopted in Petitions in Case No. 70 of 2018, Case No. 33 of 2018, Case No. 54 of 2018 and Case No. 69 of 2019, OPGC had filed Petition for approval of Generation Tariff for FY 2021-22. The said Petition was numbered as Case no. 71 of 2020 and the final Order was issued by the Hon'ble Commission on March 26, 2021.

Further, Hon'ble Commission vide order dated May 21, 2021 in Petition No. 54 of 2018 disallowed actual additional capitalisation for FY 2015-16 to FY 2017-18 and proposed additional capital expenditure for FY 2018-19. OPGC has filed an Appeal before Hon'ble Appellate Tribunal for Electricity (APTEL) on November 15, 2021, as DFR No. 407/2021 against this Hon'ble Commission's Order dated May 21, 2021 in Case No. 54 of 2018.

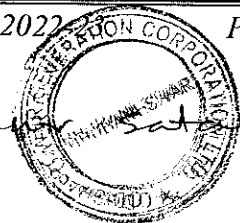
Prayers to the Hon'ble OERC

OPGC respectfully prays that the Hon'ble OERC may:

- i) Admit the instant Petition.



Harish Kumar Satapathy



- ii) Approve the tariff, including annual fixed cost and variable charges, for FY 2022-23 as claimed in the Petition.
- iii) Approve the other charges for FY 2022-23 as claimed in the Petition and recovery of other charges on actual basis during FY 2022-23.
- iv) Approve the recovery of FPA in accordance with the approved PPA during FY 2022-23.
- v) Allow OPGC to file a separate Petition regarding additional capitalisation from FY 2015-16 to FY 2022-23 after the APTEL Judgment is issued on the Appeal filed by OPGC on Hon'ble Commission's Order dated May 21, 2021 in Case No. 54 of 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.

Haren Kumar Satapata

Bhubaneshwar

November 29, 2021

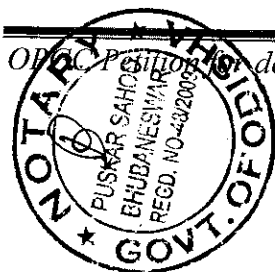
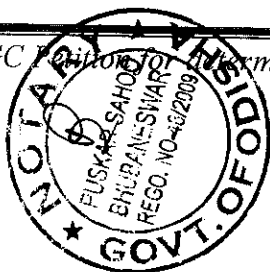
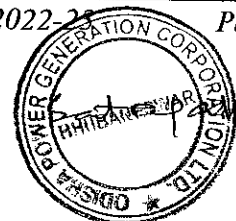


TABLE OF CONTENTS

1	Introduction	11
2	Overall Approach for Filing Petition	20
3	Generation Tariff for FY 2022-23 considering the original project cost	23
4	Summary of Tariff Proposal for FY 2022-23	42
5	Prayers	43

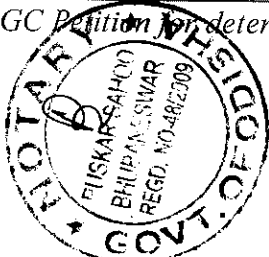


Harish Kumar

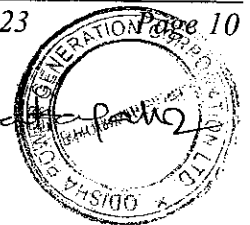


LIST OF TABLES

Table 3-1: Return on Equity corresponding to original project cost (Rs. Crore).....	27
Table 3-2: O&M Expenses for FY 2022-23 (Rs. Crore).....	28
Table 3-3: Interest on Working Capital corresponding to original project cost (Rs. Crore).....	29
Table 3-4: Annual Fixed Cost corresponding to original project cost (Rs. Crore).....	29
Table 3-5: Operational Performance Parameters for FY 2022-23.....	31
Table 3-6: Price and Gross Calorific Value of Coal and Oil	36
Table 3-7: Variable Charges for 2022-23	36
Table 3-8: Other Charges corresponding to the original project cost (Rs. Crore).....	41
Table 4-1: Summary of Tariff Proposal for FY 2022-23.....	42
Table 4-2: Other Charges for FY 2022-23.....	42

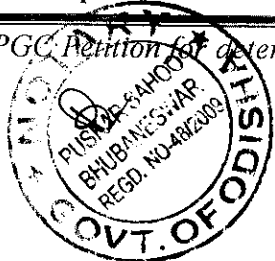


Pravesh Kumar Sahoo

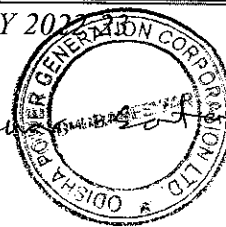


1 Introduction

- 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 - 751 023.
- 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



Pranesh Kumar



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.

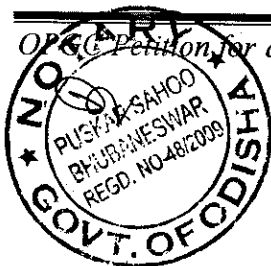
(b) The amended PPA shall be filed before the OERC for consent/approval.

(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



Pranesh Kumar Saha

ODISHA POWER GENERATION CORPORATION LIMITED
REGD. NO. 10/2009
Sudip Kumar

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.

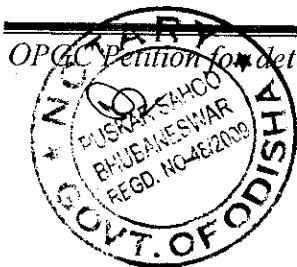
...

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:

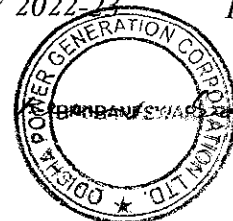
The existing generation plants of OHPC and OPGC may make an application



OPGC Application for determination of Tariff of Unit 1 and Unit 2 for FY 2022-23

Page 13

Handwritten signature



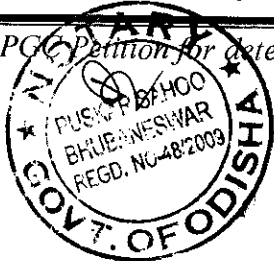
as per the Format prescribed by the Commission for determination of tariff as per annual schedule, by November 30th of every year for determination of tariff in respect of the units of the generating station completed or projected to be completed within six months from the date of application.

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:

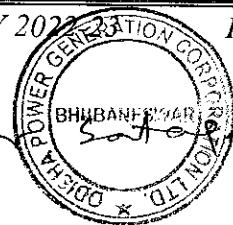
13. *Due to the above provision in the Regulation read with Regulation 7.13 of the same Regulations, OPGC shall make an application before the Commission as per the above approved PPA each year for determination of tariff for the rest of the control period starting from FY 2016-17 onwards since the tariff 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 neither the 2008 Notification nor 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 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

OPGC Petition for determination of Tariff of Unit 1 and Unit 2 for FY 2022-23 Page 14



Harsh Kumar



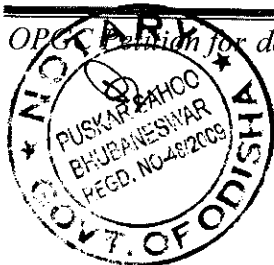
Order dated March 23, 2017 determining the Generation Tariff for FY 2017-18 in line with its approach adopted in the tariff determination for FY 2016-17. Hon'ble APTEL vide its Judgment dated April 6, 2017 in the stated Appeal upheld this Hon'ble Commission's Tariff Order for FY 2016-17.

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 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.

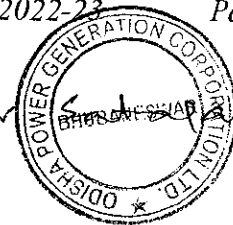
1.13 The relevant extract of the Judgment of the Hon'ble Supreme Court is reproduced below with relevant portion underlined:

"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.



Pranesh Kumar



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."

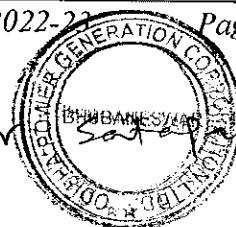
1.15 In accordance with the above, OPGC filed the Petitions for Re-determination of Tariff for FY 2016-17, FY 2017-18 and FY 2018-19 before the Hon'ble OERC on May 25, 2018 considering the original project cost as per the approved Amended PPA. The said Petitions were numbered as Case No. 33 of 2018 and the final Order was issued by the Commission on March 28, 2019.

1.16 OPGC also filed a separate Petition numbered as Case No. 54 of 2018, for approval of additional capitalisation for FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 in compliance to the Commission's directive in the Tariff Order for FY 2018-19 dated March 22, 2018 and Hon'ble Supreme Court order in Civil Appeal No. 9485/2017 dated April 19, 2018.

1.17 In line with the approach adopted in Petitions in Case No. 33 of 2018 and Case No. 54 of 2018, OPGC had filed Petition for approval of Generation Tariff for FY 2019-20. The said Petition was numbered as Case no. 70 of 2018 and the final Order was issued by the Hon'ble Commission on March 29, 2019.



Hanesh Kumar



- 1.18 In the mean while, the Hon'ble Commission extended the applicability of OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2014 for one year i.e, FY 2019-20 vide its notification dated February 4, 2020.
- 1.19 In line with the approach adopted in Petitions in Case No. 33 of 2018, Case No. 54 of 2018 and Case No. 70 of 2018, OPGC had filed Petition for approval of Generation Tariff for FY 2020-21. The said Petition was numbered as Case no. 69 of 2019 and the final Order was issued by the Hon'ble Commission on April 22, 2020.
- 1.20 The Hon'ble OERC notified the Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2020 ("OERC Generation Tariff Regulations, 2020") on August 26, 2020 in exercise of the powers conferred by Section 61 and Section 62 read with Section 181 of the Act. As per these Regulations, the Tariff Period is for four years, i.e. FY 2020-21 to FY 2023-24.
- 1.21 Regulation 7(6) of OERC Generation Tariff Regulations, 2020 stipulates as follows:

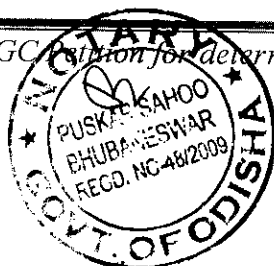
"7. ...

(6) *Notwithstanding anything contained above the existing generation plants of OHPC and OPGC (UNIT-I & II) 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.*

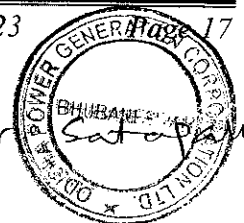
Provided that the OHPC and OPGC (Unit - I & II) shall make an application as per the prescribed Format with necessary information and explanations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred up to the date of commercial 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:

Provided further that application shall contain details of underlying

OPGC Application for determination of Tariff of Unit 1 and Unit 2 for FY 2022-23

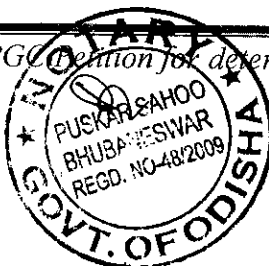


Haren Kumar Satapathy

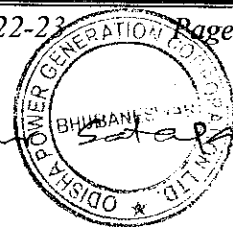


assumptions for projected capital cost and additional capital expenditure, wherever applicable."

- 1.22 Subsequently, the Hon'ble Commission vide its Order dated October 28, 2020 in Case No. 43 of 2017 on the Petition filed by OPGC has opined that for computation of Energy Charges, the Gross Calorific Value of coal is to be considered on "as delivered basis". OPGC has filed Appeal No. 189 of 2020 before the Hon'ble APTEL against this Hon'ble Commission's Order dated October 28, 2020 in Case No. 43 of 2017 on the GCV to be considered for tariff computation. Both OPGC and GRIDCO have completed pleadings in OPGC's I.A. No. 1632 of 2020 (for Interim Relief) as well as Main Appeal No 189 of 2020. In the hearing dated 26.11.2020 before the Hon'ble APTEL, GRIDCO undertook not to initiate any coercive action against OPGC till next hearing pursuant to this Hon'ble Commission's Order dated 28.10.2020 in Case No. 43 of 2017. Subsequently, the APTEL vide its various daily order in the above matter has directed to continue the interim relief. As of date, both parties have completed pleadings in the matter. The matter is listed for hearing on 14.01.2022.
- 1.23 In accordance with the provisions of OERC Generation Tariff Regulations, 2020 and in line with the approach adopted in Petitions in Case No. 70 of 2018, Case No. 33 of 2018, Case No. 54 of 2018 and Case No. 69 of 2019, OPGC had filed Petition for approval of Generation Tariff for FY 2021-22. The said Petition was numbered as Case no. 71 of 2020 and the final Order was issued by the Hon'ble Commission on March 26, 2021.
- 1.24 Further, Hon'ble Commission vide order dated May 21, 2021 in Petition No. 54 of 2018 disallowed actual additional capital expenditure for FY 2015-16 to FY 2017-18 and proposed additional capital expenditure for FY 2018-19. OPGC has filed an Appeal on November 15, 2021, registered as DFR No. 407/2021 against this Hon'ble Commission's Order dated May 21, 2021 in Case No. 54 of 2018. The Petition is yet to be admitted.
- 1.25 In the instant Petition, OPGC has claimed approval for Generation Tariff for FY 2022-23 based on the provision of the approved Amended PPA against the original project cost. With regard to the claim of additional components of Annual Fixed Charges towards



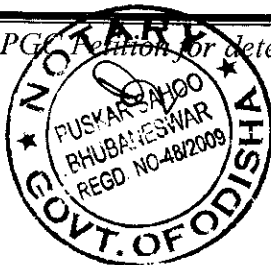
Harman Kumar Satapane



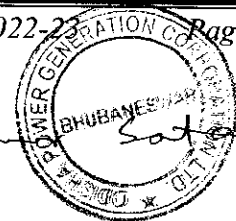
additional capitalisation for FY 2015-16 to FY 2020-21 and projected additional capitalisation for FY 2021-22 and FY 2022-23 will be claimed by OPGC through a separate petition based on the outcome of the Appeal registered as DFR No. 407/2021 against this Hon'ble Commission's Order dated May 21, 2021 in Case No. 54 of 2018.

1.26 The Petition is structured in the following manner:

- Section 1 (This Section): Introduction
- Section 2: Overall Approach for Filing Petition
- Section 3: Generation Tariff for FY 2022-23 considering original project cost
- Section 4: Summary of Tariff Proposal for FY 2022-23
- Section 5: Prayers



Pravesh Kumar Satapathy



2 Overall Approach for Filing Petition

2.1 The instant Petition has been filed for determination of Generation Tariff for FY 2022-23 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 Section 86(1) of the Electricity Act, 2003 stipulates as under:

“(1) The State Commission shall discharge the following functions:-

(a) determine the tariff for generation, supply, transmission and wheeling of electricity wholesale, bulk or retail, as the case may be, within the State:

.....”

2.3 The OERC Conduct of Business Regulations, 2004 stipulates as under:

“61. Generation Tariff:-

.....

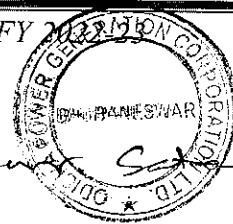
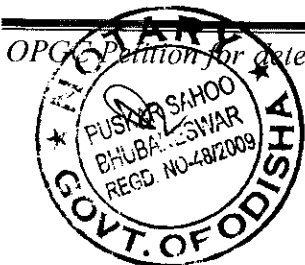
(2) the Generating Company may file an application by 30th November of each year to the Commission for determination of tariff for any of the generating station for the sale of energy in the State of Orissa giving the details of the fixed and variable costs associated with the generation and sale of energy from the generating station.

.....

(4) The Commission may determine the tariff for the sale of energy from the Generating Station of a Generating Company...”

2.4 Regulation 19(2) of OERC Generation Tariff Regulations, 2020 stipulates as follows:

“The Annual Fixed Cost for OHPC and OPGC (Unit-I & 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.”



Sudhakar

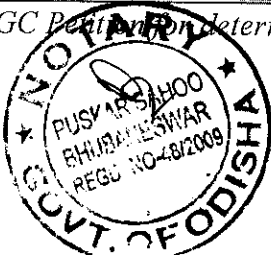
2.5 Considering aforesaid provisions, along with the provisions and judgements as mentioned in Chapter 1 (Introduction) of the instant Petition, i.e., Regulation 7(6) of OERC Generation Tariff Regulations, 2020, the Hon'ble Supreme Court Judgement dated April 19, 2018, the instant petition has been filed based on the following agreements 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.

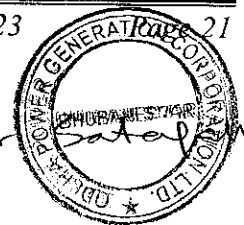
2.6 In line with the approach adopted in Petition in Case No. 71 of 2020, OPGC is filing the instant Petition for approval of Generation Tariff for FY 2022-23 as under:

Tariff components	Considering original project cost as per the Approved Amended PPA
O&M expenses	✓
Depreciation	×
Interest on loans	×
Interest on working capital	✓
Return on Equity	✓
Variable Charges	✓

OPGC Petition for determination of Tariff of Unit 1 and Unit 2 for FY 2022-23

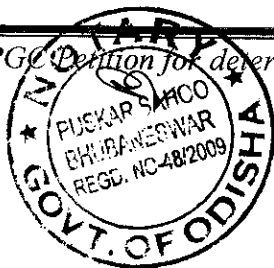


Pranesh Kumar

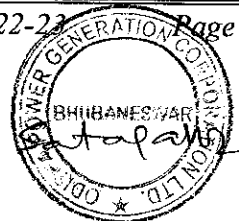


Tariff components	Considering original project cost as per the Approved Amended PPA
Other Charges	✓

- 2.7 It is submitted that the claim of additional components of Annual Fixed Charges towards additional capitalisation for FY 2015-16 to FY 2020-21 and projected additional capitalisation for FY 2021-22 and FY 2022-23 will be claimed by OPGC through a separate petition based on the outcome of the Appeal registered as DFR No. 407/2021 before Hon'ble APTEL.
- 2.8 In Section 3, OPGC has submitted the generation tariff for FY 2022-23 considering the original project cost as per the Approved Amended PPA. In Section 4, OPGC has submitted the summary of tariff proposal for FY 2022-23.



Hanesh Kumar



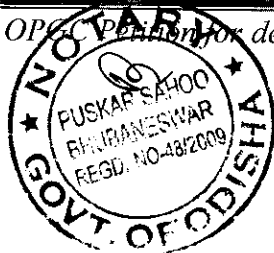
3 Generation Tariff for FY 2022-23 considering the original project cost

Computation of Annual Fixed Cost

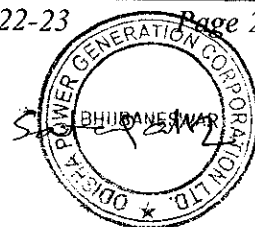
- 3.1 As discussed earlier, the Hon'ble Supreme Court vide its Judgment dated April 19, 2018 has held that primarily the tariff parameters under the PPA are to be followed in determining OPGC's tariff. Accordingly, OPGC has considered the tariff parameters as per the provisions of PPA.
- 3.2 As per Clause 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.
- 3.3 The computation of each of the above components of the Annual Fixed Cost is detailed in the subsequent paragraphs.

Capital Cost

- 3.4 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. Further, the Hon'ble Commission in its Tariff Order for FY 2021-22 had considered the original capital cost of the project as Rs. 1060 Crore. In view of this, OPGC has considered the capital cost of Rs. 1060 Crore for the purpose of computation of tariff for FY 2022-23.



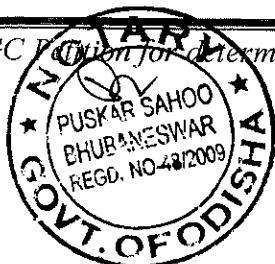
Harish Kumar



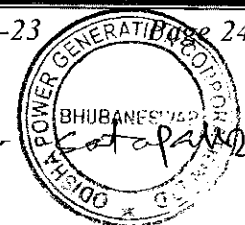
Additional Capitalisation

- 3.5 OPGC had claimed the additional capitalisation of Rs. 13.32 Crore, Rs. 20.94 Crore and Rs. 44.11 Crore for FY 2015-16, FY 2016-17 and FY 2017-18 respectively vide Case No. 54 of 2018 respectively.
- 3.6 Vide Case No. 69 of 2019, OPGC had claimed the actual additional capitalization of Rs. 43.78 Crore for FY 2018-19, The Case No. 69 of 2019 was disposed of without considering additional capitalisation for FY 2018-19, as it were linked to the Case No 54 of 2018 which was under active consideration of the Commission.
- 3.7 Vide Case No. 71 of 2020, OPGC had claimed the actual additional capitalisation of Rs. 6.41 Crore for FY 2019-20, revised additional capitalisation for FY 2020-21 and projected additional capitalisation for FY 2021-22. However, Hon'ble Commission disposed of the said Petition without considering the additional capitalisation, as order in Case No 54 of 2018 was reserved by the Commission.
- 3.8 Hon'ble Commission vide order dated May 21, 2021 in Petition No. 54 of 2018 disallowed actual additional capital expenditure for FY 2015-16 to FY 2017-18 and ruled as follows:

"32. The Commission heard the parties. As per judgement of Hon'ble Supreme Court dated 19.04.2018 the norms for variable cost shall be as per PPA and the notification of the State Government dated 21.06.2008 shall be used for fixed cost. For other costs not reflected in the PPA, the statutory Regulation may be applied. The two power generating units have been in operation since 1994 and 1996 respectively. They will complete their useful life by the year 2026 unless it is extended as per PPA. The Petitioner has also not submitted the Residual Life Assessment study. Therefore, a few years are left for life of the power plant to come to an end. If FGD is not installed then power station shall be phased out much earlier as per the MOEF guideline. As per the judgement of Hon'ble Supreme Court from the point of view of fixed cost the Government notification dated 21.06.2008 is only to be considered. However, Hon'ble Court has given relaxation in the variable cost by mentioning that if anything is not reflected in



Shanesh Kumar



the PPA then statutory Regulation shall apply. Proposal for additional capitalisation as submitted by the Petitioner shall have impact on the fixed cost of the power station. However, this has been frozen by Government notification which has been concurred by Hon'ble Supreme Court. Therefore, it is not possible on our part to consider expenditure incurred by the Petitioner in different areas as additional capitalisation rather they would come under relaxed O&M norms of PPA. After incurring the expenditure of Rs. 122.15 crore the PLF of the plant has not improved substantially which can be seen from the following table.

Year	PLF
2016-17	86.01%
2017-18	74.18%
2018-19	82.42%
2019-20	69.73%

Therefore, expenditure is of the nature of Operation and Maintenance or some sort of renovation and modernization. The petitioner has also not sought the prior approval of the Commission for incurring expenditure which is required for Additional Capitalisation similar to that they have sought for FGD installation in unit III and IV. Moreover, original project report is also not available to justify that the present work is additional in nature particularly the extension of height of Ash pond etc. However, if the life of the plant is extended further, this expenditure can be capitalized under the head of Renovation and Modernization. The petitioner, however, has not given any proposal for life extension. RLA study is yet to be carried out. The petitioner is at liberty to do so and come up with such proposal. Therefore, Additional capital expenditure for a plant which is going to be phased out soon should not be allowed. Hence, the expenditure proposed by the petitioner may be met from Operation and Maintenance Expenditure. The O&M norm as per PPA for Unit-1 and 2 is highly relaxed with escalation of 8% every year from the base value in the year 1996 as per PPA which is higher than norms of OERC Regulation. Therefore,

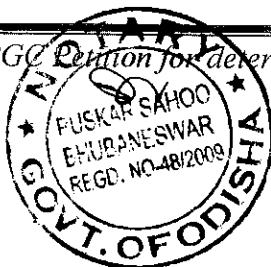
any additional expenditure can be accommodated there.”

- 3.9 OPGC has filed an Appeal on November 15, 2021, registered as DFR No. 407/2021 against this Hon'ble Commission's Order dated May 21, 2021 in Case No. 54 of 2018.
- 3.10 It is further submitted that after detailed discussions/deliberations with GRIDCO towards Renovation & Modernisation for enhancement of plant life and implementation of FGD and FGC for complying the revised Emission Standards as prescribed by MoEF&CC, OPGC filed a Petition registered as Case No 66 of 2021 for in-principle approval of the Hon'ble OERC. The Hon'ble Commission has been pleased to dispose off the Case vide its Order dated November 03, 2021. In the meanwhile, OPGC has filed a review petition before Hon'ble Commission for reconsidering construction of a new ash pond commensurate with proposed extended life of the plant, which has not been considered by the Commission in the above Case. Implementation of the R&M and FGD and FGC shall be taken up after receiving concurrence from the Board of Directors of OPGC.
- 3.11 In the instant Petition, OPGC has not claimed actual additional capitalisation for FY 2020-21 and projected additional capitalisation for FY 2021-22 and FY 2022-23. Based on the outcome of the Appeal filed against the Hon'ble Commission's order in Case No. 54 of 2018, OPGC will approach the Hon'ble Commission for approval of actual additional capitalisation for FY 2015-16 to FY 2020-21 and projected additional capitalisation for FY 2021-22 and FY 2022-23 through a separate petition.

Debt : Equity Ratio

- 3.12 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. Further, the Hon'ble Commission in its Tariff Order for FY 2021-22 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 2022-23.

OPGC Petition for determination of Tariff of Unit 1 and Unit 2 for FY 2022-23



Spencer Kumar



Depreciation

3.13 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 corresponding to Original Capital Cost of Generating Station are fully depreciated by the financial year ending March 31, 2009.

3.14 In view of the above, OPGC does not submit any claim towards the depreciation for FY 2022-23.

Return on Equity

3.15 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%. Further, the Hon'ble Commission in its Tariff Order for FY 2021-22 had approved the RoE for FY 2021-22 considering the original equity base of Rs. 450 Crore and rate of RoE of 16%. Accordingly, OPGC submits the Return on Equity for FY 2022-23 as under:

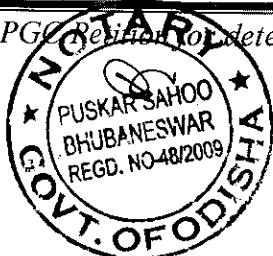
Table 3-1: Return on Equity corresponding to original project cost (Rs. Crore)

Sr. No.	Particulars	FY 2022-23
1	Actual Equity for Station	450.00
2	Rate of Return on Equity	16.00%
3	Return on Equity	72.00

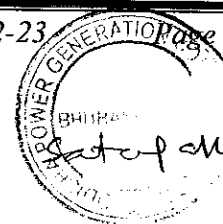
3.16 OPGC humbly request the Hon'ble OERC to approve the Return on Equity of Rs. 72.00 Crore for FY 2022-23.

Interest on Loan Capital

3.17 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 submits that loan amount of Rs. 610 Crore has been fully repaid by financial year ending March 31, 2012. In view of



Pranesh Kumar



Pranesh Kumar

the above, OPGC does not submit any claim towards the Interest on Loan Capital for FY 2022-23.

O&M Expenses

3.18 OPGC submits that Clause 3.0 (d) and (e) of Schedule II of the Amended PPA provides 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. The Hon'ble Commission in its Tariff Order for FY 2021-22 approved the O&M expenses for FY 2021-22 in line with the above stated provision of the approved Amended PPA.

3.19 Accordingly, OPGC submits the O&M Expenses for FY 2022-23 considering the escalation factor of 8% as per the methodology prescribed in Amended PPA as under:

Table 3-2: O&M Expenses for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Legend	FY 2022-23
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)^26)	190.46

3.20 OPGC humbly requests the Hon'ble OERC to approve O&M Expenses of Rs. 190.46 Crore for FY 2022-23.

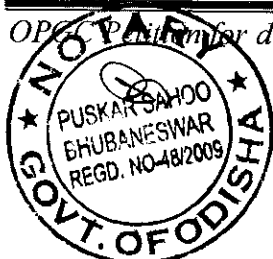
Interest on Working Capital

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

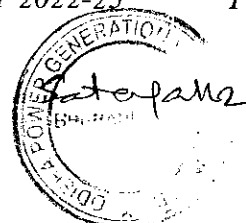
"f) Interest on Working Capital will be worked out on the following basis on normative level of generation calculated at the rate of interest applicable to OPGC for its Working capital facility as on the fixed charge computation date

i) Coal cost for 1.5 months

ii) Oil cost for 2 months



Atanem Kumar



iii) O&M expenses for 1 month

iv) Receivables for 2 months”

3.22 As regards the rate of interest, the above said clause stipulates the interest rate applicable to OPGC for its Working Capital facility. As OPGC has started availing working capital from external sources, the actual interest rate for the Working Capital facility availed by OPGC in FY 2021-22 as on November 2021 is 7.20%. Accordingly, the same has been considered for FY 2022-23.

3.23 Considering the Fuel Price and GCV as claimed in the below paragraphs of this section, OPGC submits the Interest on Working Capital for FY 2022-23 as under:

Table 3-3: Interest on Working Capital corresponding to original project cost (Rs. Crore)

Sr. No.	Particulars	FY 2022-23
1	Cost of Coal for one and half months	45.21
2	Cost of Secondary Fuel Oil for two months	7.33
3	O&M Expenses for one month	15.87
4	Receivables equivalent to two months	113.54
5	Total Working Capital Requirement	181.95
6	Interest Rate (%)	7.20%
7	Interest on Working Capital	13.10

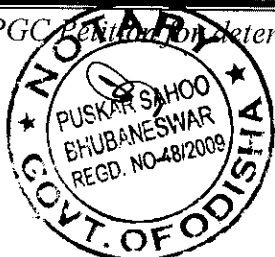
3.24 OPGC humbly request the Hon'ble OERC to approve the Interest on Working Capital of Rs. 13.10 Crore for FY 2022-23.

Summary of Annual Fixed Cost

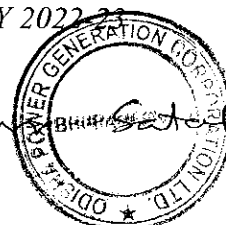
3.25 The Annual Fixed Cost proposed by OPGC for FY 2022-23 corresponding to the original project cost is summarised as under:

Table 3-4: Annual Fixed Cost corresponding to original project cost (Rs. Crore)

Particulars	FY 2022-23
Depreciation	0.00
Return on Equity	72.00
Interest on Loan Capital	0.00
O&M Expenses	190.46
Interest on Working Capital	13.10



(Handwritten signature)



Particulars	FY 2022-23
Total Annual Fixed Cost	275.56

3.26 OPGC humbly requests the Hon'ble OERC to approve Annual Fixed Cost of Rs. 275.56 Crore corresponding to original project cost for FY 2022-23.

Operational Performance Parameters

3.27 As discussed earlier, the Hon'ble SC vide its Judgment dated April 19, 2018 has held that primarily the tariff norms under the PPA are to be followed in determining OPGC's tariff. Accordingly, OPGC has considered the operational performance parameters as per the provisions of PPA.

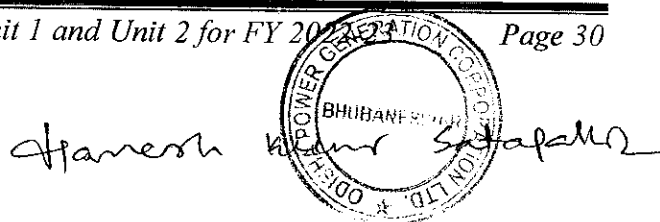
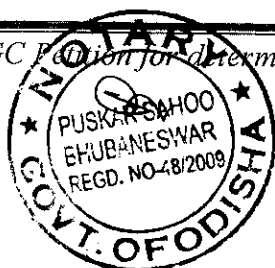
3.28 OPGC has considered the following Operational Performance parameters as under:

- (a) Normative Availability
- (b) Plant Load Factor (PLF)
- (c) Gross Station Heat Rate
- (d) Specific Oil Consumption
- (e) Auxiliary Energy Consumption

3.29 OPGC in Amended PPA signed with GRIDCO has agreed upon operational performance parameters. OPGC for computation of variable charges for FY 2022-23 has considered the operational performance parameters as per Clause 8 of Schedule II of the approved Amended PPA.

Normative Availability

3.30 As per Clause 3.0 (g) of Schedule II of the Amended PPA, Full Fixed Charges will be paid on achievement of Normative Availability of 68.49%.



Plant Load Factor (PLF)

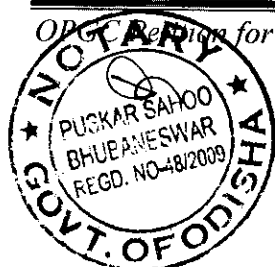
- 3.31 As per Clause 3.0 (g) of Schedule II of the Amended PPA, the interest on working capital will be worked out considering normative level of generation. Accordingly, OPGC has considered the PLF of 68.49%, equal to the Normative Availability for computing the coal cost, oil cost and receivables in the computation of interest on working capital.
- 3.32 As per Clause 3.0 (g) of Schedule II of the Amended PPA, the PLF applicable for computation of incentive shall be 80%. As per the generation plan submitted to GRIDCO, the ex-bus generation projected for FY 2022-23 is 2597.987 MU which corresponds to PLF of 78.03%.
- 3.33 **Gross Station Heat Rate:** Gross Station Heat Rate of 2500 kCal/kWh has been considered as per Clause 8 of Schedule II of the approved Amended PPA.
- 3.34 **Specific Oil Consumption:** Specific Oil Consumption of 3.5 ml/kWh has been considered as per Clause 8 of Schedule II of the approved Amended PPA.
- 3.35 **Auxiliary Consumption:** Auxiliary Consumption of 9.5% has been considered as per Clause 8 of Schedule II of the approved Amended PPA.
- 3.36 The Operational Performance parameters considered by OPGC are summarised as under:

Table 3-5: Operational Performance Parameters for FY 2022-23

Sr. No.	Particulars	Unit	FY 2021-22
1	Normative Availability	%	68.49%
2	Target PLF for incentive	%	80.00%
3	Auxiliary Consumption	%	9.50%
4	Station Heat Rate	kcal/kWh	2500
5	Specific Oil Consumption	ml/ kWh	3.50

Fuel Prices and GCV

- 3.37 During FY 2022-23, the entire coal requirement for OPGC Units 1&2 is proposed to be met from coal supply under existing FSA with Mahanadi Coal Fields Limited ("MCL").



Atanesh Kumar Sahoo

3.38 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 above monthly fuel price adjustment shall be consolidated at the end of the financial year and certified by the Statutory Auditor. These prices and GCV for oil and coal for one year shall be weighted averages (base) for the next year.”

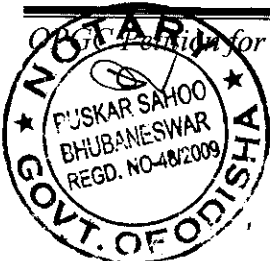
3.39 Hon'ble Commission vide its Order dated October 28, 2020 in Case No. 43 of 2017 on the Petition filed by OPGC regarding the dispute on Gross Calorific Value to be considered for tariff has ruled as under:

“13. We carefully heard the arguments and rival arguments of all the parties including opinions of experts. The bone of contention in this case is related to the calculation of Energy Charge Rate (ECR) of the power procured by GRIDCO from OPGC. After longstanding dispute in this matter, the Commission had finally redetermined the tariff for Unit-I and II of the petitioner vide case No.33 of 2018 dt.28.03.2019 for FY 2016-17, FY 2017-18 and FY 2018-19 pursuant to the judgment of the Hon'ble Supreme court of India dated 19.04.2018 in Civil Appeal No. 9485 of 2017. The Commission in the said order had directed as follows:

Directives of the Commission:

“40. The recovery of monthly Capacity Charges as approved by the Commission here shall be made as per the methodology stipulated in the PPA and GRIDCO Ltd. shall make payment after prudence check.

41. The operational norms like Auxiliary Consumption, Gross Station Heat Rate, and Consumption of Oil as indicated in Clause 8 of Schedule-II of the PPA and Price and GCV of Oil and Coal actually delivered to the power station as per



for determination of Tariff of Unit 1 and Unit 2 for FY 2022-23

Page 32

Hareesh Kumar Satapathy

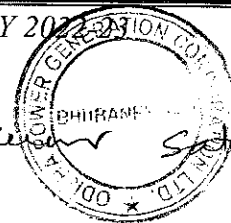
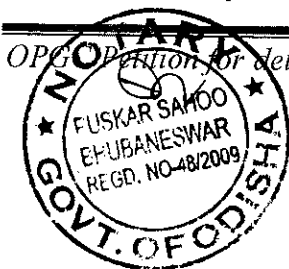


Clause 7 of Schedule-II of the PPA shall be considered. Accordingly claims of monthly Energy Charges shall be made by OPGC and GRIDCO Ltd. shall make payment after prudence check of all parameters of energy charges like GCV and price of Coal & Oil etc.”

The capacity charge and energy charge are to be computed as per the above order of the Commission.

14. Heat energy contents of the coal and oil are converted to electrical energy in the power station. Heat energy content of the coal per kilogram varies at different points starting from the time of its mining till its firing in the furnace due to addition and release of moisture and other impurities during its handling. PPA between the parties at clause-7 of Schedule-II specifies that Gross Calorific Value of the coal and oil shall be determined “as delivered to the power station”. It is understood from the submission of the experts and parties that the GCV of coal is measured at mines end by a third party agency named CIMFR on ‘equilibrated method’. This is done to arrive at a standardized pricing of coal of a particular grade. But the heat energy available in the power station from the coal depends upon moisture content and other impurities. Therefore, GCV of coal measured at equilibrated method requires moisture correction for determination of heat content available for energy conversion. Therefore, if we apply a moisture correction formula on “as billed” GCV which is determined on equilibrated method, we can arrive at GCV on total moisture basis. CERC in petition No.279/GT/2014 dated 30.07.2016 has also adopted this method. This is because the measurement of GCV on total moisture basis at power station end is the practice generally followed by the industry and it determines the volume of coal the power station requires to generate a particular quantity of energy.

$$\begin{aligned} & \text{GCV of coal as delivered to the power station (total moisture basis)} \\ & = \text{GCV} \times \frac{(1 - TM)}{(1 - IM)} \end{aligned}$$



Hanesh Kumar Saha

Where:

GCV= Gross Calorific value of coal as billed by coal supplier

TM= Total moisture as per CIMFR report

IM= Inherent moisture as per CIMFR report

The above formula should form the basis of calculation of GCV of coal on "as delivered basis" for computation of energy charge. The above formula shall take care of total moisture in calculation of GCV which is the prevalent industry practice.

15. The old bill of OPGC should be modified accordingly from April, 2017 onwards for the entire tariff period. The value of IM and TM should be adopted from the third party CIMFR report."

3.40 OPGC has filed Appeal No. 189 of 2020 before the Hon'ble APTEL against this Hon'ble Commission's Order dated October 28, 2020 in Case No. 43 of 2017 on the GCV to be considered for tariff computation. Both OPGC and GRIDCO have completed pleadings in OPGC's I.A. No. 1632 of 2020 (for Interim Relief) as well as Main Appeal No 189 of 2020. In the hearing dated 26.11.2020 before the Hon'ble APTEL, GRIDCO undertook not to initiate any coercive action against OPGC till next hearing pursuant to this Hon'ble Commission's Order dated 28.10.2020 in Case No. 43 of 2017. Subsequently, the APTEL vide its various daily order in the above matter has directed to continue the interim relief. As of date, both parties have completed pleadings in the matter. The matter is listed for hearing on 14.01.2022.

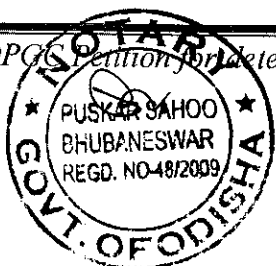
3.41 In line with the Judgement of the Hon'ble Supreme Court of India dated 18.04.2018 in Civil Appeal No. 9485 of 2017, variable costs for OPGC are to be determined as per the PPA. As per the provision of PPA, the GCV of Oil and Coal is to be considered as actually delivered to the power station.

3.42 Further, the Hon'ble Commission in Order dated March 26, 2021 in Case No. 71 of 2020 had ruled as follows:

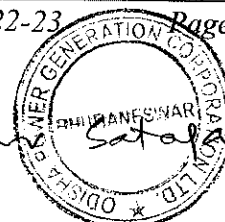
"Price & GCV of Coal and Secondary fuel oil

OPGC Petition for determination of Tariff of Unit 1 and Unit 2 for FY 2022-23

Page 34



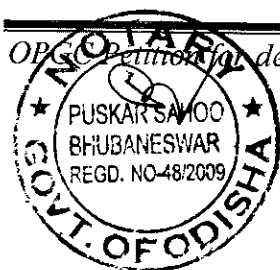
Harish Kumar Satapathy



92. The Commission vide its Order dated 28.10.2020 in Case No. 43/2017 has provided the basis for calculation of GCV of coal as delivered to the power station (total moisture basis). This has been challenged by OPGC in APTEL which is pending there. As per Clause 7 of Schedule-II of the PPA, Gross Calorific Value (GCV) of Secondary Oil and Coal is to be considered "as delivered" basis to the power station. During the present proceeding, we have earlier sought details from OPGC on GCV of Coal "as delivered" (at the delivery point) in line with the PPA and the Order of Hon'ble Supreme Court. OPGC has not submitted the details of the coal at the delivery point (basing on as billed GCV with moisture correction) and has rather submitted GCV of coal on "as fired" basis in total moisture method which does not appear even in their PPA. As per Commission's Order dated 28.10.2020, sampling report by CIMFR at mine's end with moisture correction would be considered for determining GCV of 'as delivered' Coal on total moisture basis. This is in line with PPA and order of Hon'ble Supreme Court. However, OPGC has taken a plea at para 3.35 of their tariff application that they have gone on appeal in Appeal No. 189/2020 to Hon'ble APTEL challenging order of the Commission in this regard in Case No. 43/2017 dated 28.10.2020. Therefore, in the absence of above details, the Commission has decided to consider the base GCV of Grade-14 (G-14), i.e. 3101 kcal/kg similar to last year order. On the query of the Commission OPGC has submitted that the price of G-14 coal has also been revised to Rs.1573.00/ MT including all charges w.e.f. 01.12.2020."

3.43 However, as the matter is sub judice before Hon'ble APTEL, OPGC has considered the GCV of coal and oil as actually delivered to the power station for the computation of energy charges.

3.44 As the instant Petition for tariff determination for FY 2022-23 is being filed before the end of the current year FY 2021-22, it is not possible to provide the auditor certified value of delivered price and GCV of oil and coal as part of the tariff submissions for the whole year. However, the actual delivered fuel prices and GCV of oil and coal for the period from April to September 2021, is available with OPGC, which has been



Hareesh Kumar Satapathy



considered for purpose of computation of tariff in the instant petition based on the auditor certified Half Yearly Fuel Price Invoice raised by OPGC on November 25, 2021. The copy of the Half Yearly Fuel Price for the period April, 2021 to September, 2021 is enclosed at **Annexure 1**. Further, the weighted average price of Secondary Fuel Oil has been considered in the ratio of 90:10 for HFO and LDO as per the provisions of the Amended PPA.

3.45 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

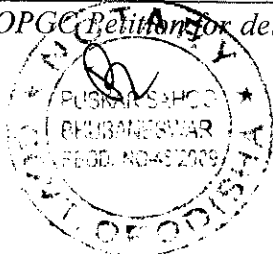
Sl. No.	Source of Coal	Base for FY 2022-23
1	Price of Coal (Rs. /MT)	1614.28
2	Price of LDO (Rs./kL)	52744.07
3	Price of HFO (Rs./kL)	49540.30
4	Gross Calorific Value of Coal (kCal/kg)	2772.64
5	Gross Calorific value of LDO (kCal/ltr.)	10000
6	Gross Calorific value of HFO (kCal/ltr.)	10000

Energy Charge

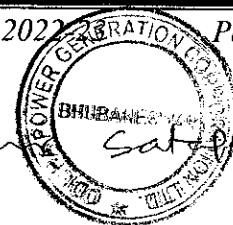
3.46 OPGC has computed Variable Charges for FY 2022-23 as per Clause 7.0 of Schedule II of the Amended PPA. The computation of Variable Charges for FY 2022-23 is given in the Table below:

Table 3-7: Variable Charges for 2022-23

Particulars	Unit	FY 2022-23
Auxiliary Consumption	%	9.50%
Gross Station Heat Rate	kCal/kWh	2500
GCV of Coal	kCal/kg	2772.64
GCV of Oil (LDO)	kCal/ltr	10000
GCV of Oil (HFO)	kCal/ltr	10000
Specific Coal Consumption	kg/kWh	0.89
Specific Oil Consumption-LDO	ml/kWh	0.35
Specific Oil Consumption-HFO	ml/kWh	3.15
Price of Coal	Rs./MT	1614.52
Price of Secondary Oil-LDO	Rs./ kL	52744.07
Price of Secondary Oil-HFO	Rs./ kL	49540.30
Variable Charges per kWh (base value)	Paisa/kWh	177.89



Aparna Kumar



3.47 OPGC humbly requests the Hon'ble OERC to approve Base Variable Charges of 177.89 Paise/kWh for FY 2022-23. Any variation in energy charges during the year on account of fuel prices and calorific value will be claimed through Fuel Price Adjustment in supplementary bills on half yearly basis as per the provisions of PPA.

Reimbursement of other charges

3.48 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."

3.49 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."

3.50 Accordingly, OPGC has claimed the following other charges for FY 2022-23 considering the actual figures of FY 2020-21 and rationale detailed in subsequent section:

- Electricity Duty
- Water Cess and Water Charges
- Energy Compensation Charges
- Tax and Cess on Land
- System Operation Charges (SOC) & Market Operation Charges (MOC) for SLDC
- ERPC Charges
- Income Tax
- Recovery of ARR & Tariff Petition Fee and Publication Expenses
- Contribution to Water Conservation Fund, Odisha

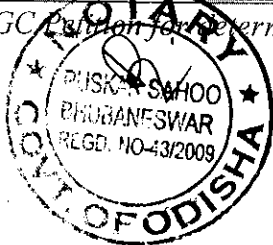
3.51 The Audited Accounts of OPGC for FY 2020-21 is enclosed as **Annexure-2**.

3.52 **Electricity Duty:** Electricity Duty is payable on the auxiliary consumption of the generating station at the prevailing rates, which is currently Rs. 0.55/kWh. OPGC has claimed the reimbursement of Electricity Duty of Rs. 17.35 Crore in FY 2020-21 from GRIDCO in accordance with the PPA. OPGC requests the Hon'ble Commission to consider the same amount of Rs. 17.35 Crore provisionally while determining the tariff for FY 2022-23. The actual Electricity Duty payable shall be billed in accordance with the provisions of the approved Amended PPA.

3.53 **Water Cess and Water Charges:** OPGC claims the Water Cess and Water Charges of Rs. 8.58 Crore which is the same as actually incurred in FY 2020-21.

3.54 **Energy Compensation Charge:** In addition to the regular Water Cess and Water Charges being paid to WRD, Govt. of Odisha, as per the Government of Odisha letter No. 6140 dated July 31, 2012 (Copy of letter attached as **Annexure-3**), OPGC is required

OPGC Petition for Determination of Tariff of Unit 1 and Unit 2 for FY 2022-23 Page 38

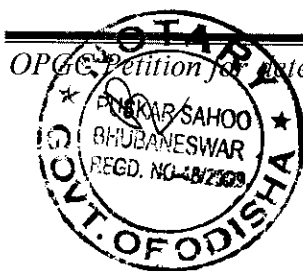


Handwritten signature of a representative of OPGC, with a circular stamp of the Odisha Power Generation Corporation Limited (OPGC) overlaid on it.



to pay additional charges to OHPC for drawl of water in the form of Energy Compensation Charge (ECC). Based on the proposal of OPGC, Hon'ble OERC was kind enough to approve Rs 0.43 Crore towards reimbursement of Energy Compensation Charge (ECC) vide its tariff order for FY 2021-22 for the Year FY 2021-22. Accordingly, in similar lines, OPGC requests the Hon'ble Commission to approve Rs 0.71 Crore towards reimbursement of ECC payable to OHPC for FY 2022-23, which is estimated on the basis of ECC claimed through the invoices raised by OHPC for the Year FY 2020-21 towards OPGC units 1&2.

- 3.55 Further, OHPC has raised invoice dated April 9, 2021 for Rs. 16,03,29,359/- from FY 2005-06 till March 2021 out of which Rs.9,25,18,561/- is towards delay payment surcharge and balance towards Energy Compensation Charge, which has not been paid since levy of the charge by OHPC. (Copy of OHPC Invoice is attached at **Annexure-4**). OPGC is continuously pursuing the matter with the Water Resources Department, Government of Odisha to waive the penalty along with interest, which is under its active consideration and till date the matter has not been resolved. In view of the above, OPGC requests the Hon'ble Commission to provisionally approve for reimbursement of the amount payable for the period and pass appropriate Order for reimbursement of such amount if paid by OPGC.
- 3.56 **Tax and Cess on land:** OPGC claims the tax and cess on land of Rs. 0.05 Crore, which is the same as actually incurred in FY 2020-21.
- 3.57 **System Operation Charges (SOC) & Market Operation Charges (MOC) for SLDC:** OPGC claims the amount of Rs. 0.34 Crore towards charges to be paid to SLDC for SOC and MOC, the same as per the SLDC Tariff Order for FY 2021-22.
- 3.58 **ERPC Charges:** OPGC claims the ERPC Charges of Rs. 0.16 Crore, as actually paid during FY 2020-21.
- 3.59 **Income Tax:** OPGC claims the income tax of Rs. 38.67 Crore considering the Return on Equity of Rs. 72 Crore corresponding to the original capital cost and the applicable tax rate of 34.94% on estimated basis for FY 2022-23. However, the actual income tax

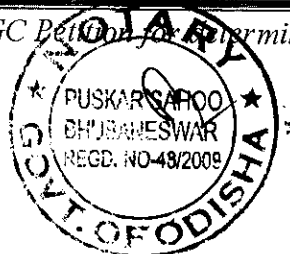


Pravesh Kumar Satapathy

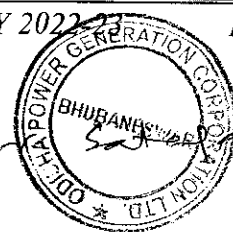
payable by OPGC for FY 2022-23 will depend upon several factors and OPGC will bill the actual income tax paid to GRIDCO for reimbursement.

- 3.60 **Recovery of ARR & Tariff Petition Fee and Publication Expenses:** OPGC claims the provisional amount of Rs. 0.30 Crore towards recovery of ARR & Tariff Petition Fee and Publication Expenses.
- 3.61 **Reimbursement of contribution towards Water Conservation Fund:** As per the Resolution of Department of Water Resources, Government of Odisha, dated May 18, 2015 (Copy attached as **Annexure-5**), OPGC is required to contribute an amount of Rs 30.65 Crore (12.26 Cusec X 2.5 Crore/Cusec) towards creation of Water Conservation Fund. Further, as per the Resolution of Department of Water Resources, Government of Odisha, dated November 3, 2015 (Copy attached as **Annexure-6**), the Government has provided the facility to industries to deposit their contribution to the Water Conservation Fund in five equal annual instalments. OPGC has also received a letter on July 14, 2015 from Main Dam Division, Burla to deposit the contribution towards Water Conservation Fund (Copy attached as **Annexure-7**). As the facility of making this payment is available in five equal annual instalments, OPGC claimed for reimbursement of an amount of Rs 6.13 Crore in FY 2021-22 towards contribution to Water Conservation Fund so as to make payment in five annual instalments to reduce the burden to be passed on in tariff.
- 3.62 Considering OPGC request for reimbursement of the charges of Rs. 6.13 Crore towards water conservation fund, the Hon'ble Commission in its Tariff Order for FY 2021-22 in case No 71 of 2020 ruled as under:

"101. As per the resolution of Department of Water Resources, Govt. of Odisha, dated 18.05.2015, OPGC has proposed approval of Rs. 6.13 Crore towards reimbursement of contribution to WCF during FY 2021-22. Further, respondent GRIDCO in its objection has submitted that the above amounts will be reimbursed to OPGC subject necessary direction of the Commission and submission of all supporting documents with regards to payment made by OPGC. This issue has been raised last year and from the submissions of GRIDCO, it is understood that no payment has yet been made by OPGC



Spavem Kuan



towards WCF. We direct that the above amount be reimbursed by GRIDCO subject to verification of supporting documents of actual payment vis-a-vis the Govt. order in this regard. However, at present, we allow Rs 6.13 Crore on this head for reimbursement by GRIDCO during 2021-22 subject to verification of documents by GRIDCO.”

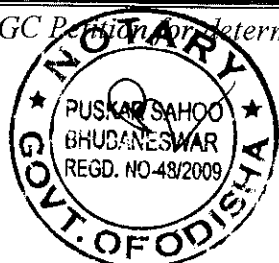
3.63 In similar lines, OPGC claims for reimbursement of an amount of Rs 6.13 Crore in FY 2022-23 towards contribution to Water Conservation Fund as second instalment out of the proposed five annual instalments to reduce the burden to be passed on in tariff and humbly requests the Hon’ble OERC to approve the same.

3.64 Accordingly, the other charges claimed by OPGC for FY 2022-23 is as shown in the Table given below:

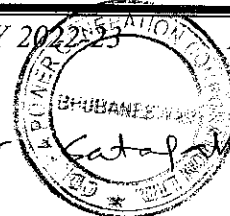
Table 3-8: Other Charges corresponding to the original project cost (Rs. Crore)

S. No.	Particulars	FY 2022-23
1	Electricity Duty	17.35
2	Water Cess and Water Charges	8.58
3	Energy Compensation Charges	0.71
5	Tax and Cess on land	0.05
6	SOC and MOC for SLDC	0.34
7	ERPC Charges	0.16
8	Income Tax	38.67
9	Recovery of ARR & Tariff Petition Fee	0.30
10	Contribution towards Water Conservation Fund	6.13
	Total	72.29

3.65 OPGC requests the Hon’ble Commission to provisionally approve the other charges of Rs. 72.79 Crore. OPGC further requests the Hon’ble Commission to direct GRIDCO Ltd. to reimburse the other charges on actual basis incurred during the year.



Amanesh Kumar



4 Summary of Tariff Proposal for FY 2022-23

4.1 Based on the above, the summary of Tariff Proposal for FY 2022-23 is as shown in the Table below:

Table 4-1: Summary of Tariff Proposal for FY 2022-23

Particulars	Units	Corresponding to original project cost
Depreciation	Rs. Crore	-
Return on Equity	Rs. Crore	72.00
Interest on loan	Rs. Crore	-
O&M expenses	Rs. Crore	190.46
Interest on working capital	Rs. Crore	13.10
Total Annual Fixed Cost	Rs. Crore	275.56
Variable Charges per kWh	Paisa/kWh	177.89

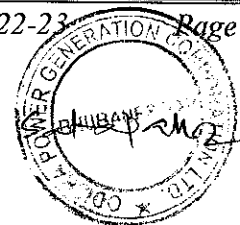
4.2 The summary of other charges for FY 2022-23 is as shown in the Table below:

Table 4-2: Other Charges for FY 2022-23

Particulars	Units	Corresponding to original project cost
Other Charges	Rs. Crore	72.29



Atanesh Kumar

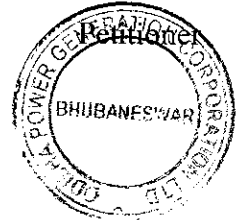


5 Prayers

OPGC respectfully prays that the Hon'ble OERC may:

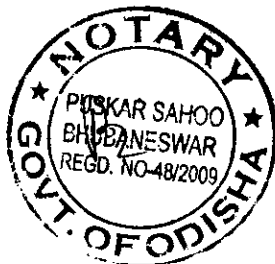
- i) Admit the instant Petition.
- ii) Approve the tariff, including annual fixed cost and variable charges for FY 2022-23 as claimed in the Petition.
- iii) Approve the other charges for FY 2022-23 as claimed in the Petition and recovery of other charges on actual basis during FY 2022-23.
- iv) Approve the recovery of FPA in accordance with the approved PPA during FY 2022-23.
- v) Allow OPGC to file a separate Petition regarding additional capitalisation from FY 2015-16 to FY 2022-23 after the APTEL Judgment is issued on the Appeal filed by OPGC on Hon'ble Commission's Order dated May 21, 2021 in Case No. 54 of 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.

Hanesh Kumar Satapathy



Bhubaneswar

November 29, 2021



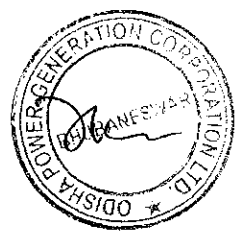
Puskar Sahoo
29.11.21
PUSKAR SAHOO
NOTARY, BHUBANESWAR
GOVT. OF ODISHA
MOB: 9337129137

Summary of Tariff Proposal (Generation Thermal)

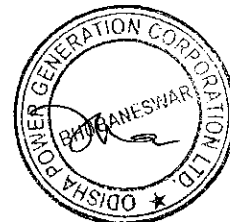
Name of the Utility / Company : Odisha Power Generation Corporation Limited

Name of the Thermal Power Station: IB TPS Units 1 & 2

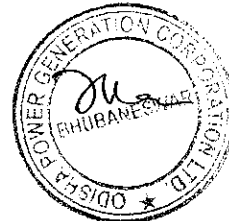
S.No.	Particulars	Reference	Units	FY 2022-23
1	2	3		4
A	Annual Fixed Cost			Corresponding to original project cost
1	O & M Expenses	Form 6.1	Rs. Crore	190.46
2	Depreciation	-	Rs. Crore	-
3	Interest on Term Loans	-	Rs. Crore	-
4	Interest on Working Capital Loans	Form 6.4	Rs. Crore	13.10
5	Return on Equity		Rs. Crore	72.00
	Total (A)		Rs. Crore	275.56
B	Rate of Variable Charge	Form 7.2	Paisa/kWh	177.89
C	Other Charges		Rs. Crore	72.29



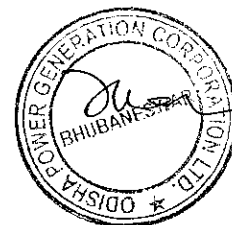
O&M Expenses			
Name of the Utility / Company : Odisha Power Generation Corporation Limited			FORM-6.1
Name of the Thermal Power Station: IB TPS Units 1 & 2			(Rs. In Crore)
S.No.	Particulars	Units	Value
1	2	3	4
1	Project Cost for O&M expenses	Rs. Crore	1030
2	O&M expenses for first year=2.5% of the project cost	Rs. Crore	25.75
3	Annual Escalation rate	%	8%
4	O&M expenses for FY 2022-23	Rs. Crore	190.46



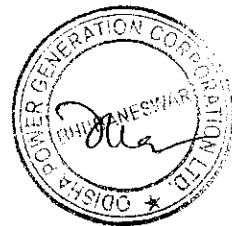
FORM-6.4			
Calculation of Interest on Working Capital Loan			
Name of the Utility / Company: Odisha Power Generation Corporation Limited			
Name of the Thermal Power Station: IB TPS Units 1 & 2			
(Rs. In Crore)			
Sl. No.	Particulars	Norms considered	FY 2022-23
			Corresponding to original project cost
1	Coal Cost	1.5 months	45.21
2	Oil Cost	2 months	7.33
3	O & M expenses	1 month	15.87
4	Receivables	2 months	113.54
5	Working capital Loan Requirement		181.95
6	Rate of Interest		7.20%
7	Interest on Working Capital		13.10



Energy Charges for Thermal Generation			
Name of the Utility / Company : Odisha Power Generation Corporation Limited			
			FORM-7.2
Particulars	Units	Reference	FY 2022-23
Operational Parameter			
Number of Units			
<i>Upto 250 MW</i>			2
Total Capacity	MW		420
Availability	%		68.49%
PLF	%		68.49%
Gross Generation	MU		2519.88
Auxiliary Energy Consumption	%		9.50%
Auxiliary Energy Consumption	MU		239.39
Net Generation	MU		2280.50
Heat Rate	kcal/kwh		2500
Fuel Parameters			
Calorific Value for Different Fuels			
Indigenous Coal	kcal/Kg	From 7.1 (C)	2772.64
HFO	kcal/Ltr.	From 7.1 (O)	10000
LDO	kcal/Ltr.	From 7.1 (O)	10000
Landed Fuel Price for different fuels			
Indigenous Coal	Rs/MT	From 7.1 (C)	1614.52
HFO	Rs/KL	From 7.1 (O)	49540.30
LDO	Rs/KL	From 7.1 (O)	52744.07
Specific Fuel Consumption			
Indigenous Coal	Kg/kWh		0.89
HFO	ml/kWh		3.15
LDO	ml/kWh		0.35
Total Fuel Consumption			
Indigenous Coal	MT		2240285
HFO	KL		7937.63
LDO	KL		881.96
Heat Content (each fuel separately)			
Indigenous Coal	Million kcal		6211514
HFO	Million kcal		79376
LDO	Million kcal		8820
Total Fuel Cost			
Indigenous Coal	Rs. Crore		361.70
HFO	Rs Crore		39.32
LDO	Rs Crore		4.65
Total fuel Cost	Rs Crore		405.67
Energy Charges per unit	Paisa/kWh		177.89



Return on Equity corresponding to original project cost		
Particulars	Units	FY 2022-23
Equity corresponding of original project cost	Rs. Crore	450.00
Rate of Return on Equity	%	16%
Return on Equity	Rs. Crore	72.00



Other Charges for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Corresponding to original project cost
1	Electricity Duty	17.35
2	Water Cess and Water Charges	8.58
3	Energy Compensation Charges	0.71
3	Tax and Cess on land	0.05
4	SOC and MOC for SLDC	0.34
5	ERPC Charges	0.16
6	Income Tax	38.67
7	Recovery of ARR & Tariff Petition Fee	0.30
8	Contribution towards Water Conservation Fund	6.13
	Total	72.29

Income Tax for FY 2022-23 (corresponding to original project cost)

S. No.	Particulars	Units	Value
1	Return on Equity	Rs. Crore	72.00
2	Rate of Income Tax	%	34.94%
3	Income Tax	Rs. Crore	38.67

