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27/1/2025

Sri Muralidhar Sahu
Notary, Bhubaneswar
Bhubaneswar-14
Regd. No.-76/2012

BEFORE THE
ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESHWAR

File No. 3
Case No. 82/2024

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1 & 2 for
FY 2025-26

AND

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

AND

IN THE MATTER OF Consolidated Submission of information in response to the
comments of Stakeholders

I, Haresh Kumar Satapathy, son of Shri Kailash Chandra Satapathy, aged about 55 years, do
solemnly affirm and say as follows:

- (a) That I am the Additional General Manager (C&RA) of Odisha Power Generation Corporation Limited, the Petitioner in the above matter and am duly authorised by the said Petitioner to make this affidavit on its behalf.
- (b) The replies made in response to comments of the four (4) Stakeholders on OPGC's application for approval of Generation Tariff for FY 2025-26 are based on information provided to me and I believe them to be true to the best of my knowledge.

Bhubaneswar
January 27, 2025

Haresh Kumar Satapathy

Deponent



M
27/1/2025
Sri Muralidhar Sahu
Notary, Bhubaneswar
Bhubaneswar-14
Regd. No.-76/2012



BEFORE THE
ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESHWAR

M
28/11/2024
Sri Muralidhar Sahu
Notary, Bhubaneswar
Bhubaneswar-14
Regd. No.-76/2012

File No. 3

Case No. 82/2024

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1 & 2 for
FY 2025-26

AND

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

AND

IN THE MATTER OF Consolidated Submission of information in response to the
comments of Stakeholders

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

Odisha Power Generation Corporation Limited (herein after referred as "OPGC" or "the
Petitioner") filed the Petition for approval of Generation Tariff for its IB Thermal Power
Station (2x210 MW) for FY 2025-26 before the Hon'ble Odisha Electricity Regulatory
Commission ("OERC" or "Commission") on 25.11.2024 which has been registered as Case
No. 82 of 2024.


1. In response to the Public Notice dated 17.12.2024, the following four (4) Stakeholders
submitted their objections against the Petition:
 - A. Shri R. C. Satpathy, President of Upobhokta Mahasangha, Bhubaneswar &
Secretary of National Institute of Indian Labour
Plot No.302 (B), Beherasahi, Nayapalli, Bhubaneswar -751012
 - B. Shri Anand Kumar Mohapatra, Freelance Power Analyst,
Plot No. 799/4, Kotiteertha Lane, Old Town, Bhubaneswar -02.



Atanesh Kumar Satapathy

C. Sr. General Manager (RA & Strategy),
TPWODL, Sambalpur

D. Chief General Manager (PP).
GRIDCO Ltd., Janpath, Bhubaneswar


Sri Muralidhar Sahu
Notary, Bhubaneswar
Bhubaneswar-14
Regd. No.-76/2012


2. As directed by the Hon'ble Commission vide its letter Ref. No. Case No. 82/2024/1467, date.13.12.2024, replies to the comments of the individual Stakeholders mentioned at Sl. (A) to (D) above are submitted as Filing-3, which are integral part of this consolidated submission.
3. OPGC humbly prays before the Hon'ble Commission to consider the consolidated response, this filing-3 towards the objections/suggestions/comments of all the Stakeholders.
4. The Petitioner OPGC craves leave and reserves its right to make further submission during the hearing.



Deponent

Bhubaneswar
January 27, 2025




Sri Muralidhar Sahu
Notary, Bhubaneswar
Bhubaneswar-14
Regd. No.-76/2012

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19/1/2025
Sri Muralidhar Sanu
Notary, Bhubaneswar
Bhubaneswar-14
Regd. No.-76/2012

BEFORE THE
ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESHWAR

File No. 3(A)
Case No. 82/2024

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1 & 2 for
FY 2025-26

AND

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

AND

IN THE MATTER OF Reply to Submissions of Shri Ramesh Ch. Satpathy, received
vide Affidavit dated 16.01.2025

I, Haresh Kumar Satapathy, son of Shri Kailash Chandra Satapathy, aged about 55 years, do solemnly affirm and say as follows:

- (a) That I am the Additional General Manager (C&RA) of Odisha Power Generation Corporation Limited, the Petitioner in the above matter and am duly authorised by the said Petitioner to make this affidavit on its behalf.
- (b) The replies made herein in response to submissions of Shri Ramesh Ch. Satpathy, with respect to OPGC's Petition for approval of Generation Tariff for FY 2025-26 are based on information provided to me and I believe them to be true to the best of my knowledge.

Haresh Kumar Satapathy
Deponent

Bhubaneswar
January 27 2025



BEFORE THE
ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESHWAR

File No. 3(A)
Case No. 82/2024

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1&2 for FY
2025-26
AND

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

IN THE MATTER OF Reply to Submissions of Shri Ramesh Ch. Satpathy, received
vide Affidavit dated 16.01.2025

**ODISHA POWER GENERATION CORPORATION LIMITED MOST RESPECTFULLY
SHEWETH:**

Odisha Power Generation Corporation Limited (hereinafter referred as “OPGC” or “the Petitioner”) filed the Petition for approval of Generation Tariff for Units 1&2 (2 x 210 MW) of its IB Thermal Power Station for FY 2025-26 before the Hon’ble Odisha Electricity Regulatory Commission (hereinafter referred as “OERC” or “the Commission”) on 25.11.2024. The Petition has been registered as Case No. 82 of 2024. Shri Ramesh Ch. Satpathy, vide Affidavit dated 16.01.2025 has sent objections/ suggestions in the aforementioned Petition, before the Hon’ble Commission.

The Petitioner specifically denies every averment, allegation and assertion made by the stakeholder save where expressly stated otherwise or insofar as they pertain to matters of record. Further, it is



Ramesh Kumar Satpathy

submitted that nothing in the instant submission ought to be construed as an admission on the part of the Petitioner unless expressly so stated. The Petitioner reiterates and affirms the contents of the captioned Petition and the same may be read as part and parcel of the instant submission. The Petitioner craves leave to make additional submissions in response to objections raised by the Stakeholder, should the need arise.

The replies to the comments of the Stakeholder are being submitted below:

1. Stakeholder's Submission: "1. That, the OPGC being a generating unit of the Govt. of Odisha being the owner of 100% share of OPGC The Hon'ble Commission should direct the OPGC authorities to conduct the audit through CAG"

OPGC Response: OPGC humbly submits that its financial accounts are audited regularly in compliance with applicable statutory provisions, including audit by the Comptroller and Auditor General (CAG).

2. Stakeholder's Submission: "2. That, the OPGC has proposed PLF reduction i.e. 81.46% but in all the thermal Power Station of the State such as IPPs & Central Sector NTPC are now generating more than 85 to 90% PLF. As such, the Hon'ble Commission should pass order directing OPGC to be functional with more than 85% PLF"

OPGC Response: OPGC humbly submits that the actual PLF of the plant depends on scheduled maintenance outages and other operating conditions beyond the control of OPGC during a given year. Notably, in FY 2016-17, OPGC achieved a PLF of 87.92%, securing the top position among thermal generating stations in the State Sector. Further, OPGC has set a target to export 2,764.07 MU of power to GRIDCO for FY 2025-26, corresponding to a gross PLF of 84.37%

3. Stakeholder's Submission: "3. That, the OPGC in all of their ARR application before the OERC have mentioned their functioning as per the PPA signed between GRIDCO & OPGC knowing fully well PPA is a separate & tariff hearing is separate matter. At present the Govt is the owner of 100%



Harish Kumar Saha-fah

share of OPGC, the calculation of PPA as per direction of the Hon'ble Supreme Court should be stopped"

OPGC Response: OPGC humbly submits that the Petition for approval of Generation Tariff for FY 2025-26 has been filed in accordance with the approved Amended PPA pursuant to the Hon'ble Supreme Court's Order dated 19.04.2018 in Civil Appeal No. 9485 of 2017 and the Hon'ble Commission's Orders dated 28.03.2019 in Case No. 33. of 2018 and subsequent Tariff Orders issued till FY 2024-25.

It is humbly submitted that, regardless of changes in ownership, the fundamental principles governing tariff determination cannot change, and the tariff needs to be determined in accordance with the provisions of the PPA, in compliance with the Hon'ble Supreme Court's judgment. Hence, assertions by the stakeholder suggesting non-compliance with the Supreme Court's Orders are unwarranted.

4. Stakeholder's Submission: *"4. That, the applicant OPGC have proposes 9.5% auxiliary consumption whereas, the central thermal power station like NTPC are 5.5% auxiliary consumption. As such, the auxiliary calculation should be made as per the regulation."*

OPGC Response: The normative auxiliary consumption claimed by OPGC for its Units #1&2 is 9.50% in accordance with the approved Amended PPA even though the actual auxiliary consumption has remained above 10% since COD of the station. The Hon'ble Commission approved the normative auxiliary consumption of 9.50% for Units 1&2 while determining tariff for the years till FY 2024-25. The reference to auxiliary consumption of central generating stations like NTPC is misplaced as they are different for different unit configuration as per Tariff Regulations of the Hon'ble Central Electricity Regulatory Commission.

5. Stakeholder's Submission: *"5. That, the applicant OPGC may be directed to produce the no. of force outage & reason for such outage from the year 2016 till today."*

OPGC Response: It is humbly submitted that the information sought by the stakeholder is not relevant for determination of tariff for FY 2025-26 and hence does not warrant any reply.



Hareesh Kumar Satapathy

Nevertheless, in compliance to Hon'ble Commission's direction in the Tariff Order dated 13.02.2024, OPGC has submitted numbers of forced outages in last 5 years including reason for such outage and remedial measures taken to forestall such incidents at Para 5.6 of the main Petition. Also, additional information related to the same has been provided at Para-13 in our filing-2 dated 17.01.2025, in compliance to the queries raised by the Hon'ble. Commission. Copy of filing-2 is being shared with the esteemed stakeholder.

6. Stakeholder's Submission: "6. That, the OPGC has to submit the month wise cash flow statement showing sources of inflow & outflow of cash from the FY 2010-11 to March 23."

OPGC Response: OPGC humbly submits that the audited annual account for FY 2023-24 has been submitted as Annexure-15 to the Tariff Petition. Further, the annual reports of OPGC are published on the website of OPGC and the stakeholder may refer to the same.

7. Stakeholder's Submission: "7. That, the OPGC has to produce the detail action plan they have prepared for development of mini-Hydro Projects now under their disposal. The list of mini hydro power projects, their functioning, their per unit cost should be produced before the Hon'ble Commission."

OPGC Response: OPGC humbly submits that the information requested by the stakeholder is not relevant for the determination of the tariff for Units 1 & 2 of the Ib-Thermal (Coal- based) Power Generating Station. Hence, no response is deemed necessary in this regard.

8. Stakeholder's Submission: "8. That, the OPGC has to produce the no. of cases pending before different courts & amount paid for legal expenses of the said cases from 2015-16, 2016-17, 2017-18, 2018-19 & 2019-20, 2020-21, 2021-22 , 2022-23 and 2023-24 all the cases should be dropped considering the merit."

OPGC Response: OPGC humbly submits that the information sought by the stakeholder is not relevant as Petitioner has claimed only normative O&M expenses and has not separately sought any compensation for legal expenses. Hence, no response is deemed necessary in this regard.



officer name satapan

9. Stakeholder's Submission: "9. That, it has come to our notice, the Govt. of Odisha, Dept. of Energy, have published in newspaper for sale of 49% share of the OPGC, which is strongly oppose it as because OPGC is a profit making generating unit of the state & regularly paying dividend Rs. 200 Crs per year. Further, it is a brown fill power project & going to install 2 Units i.e., Unit-5 & 6 (total 4x660 MW) for the interest of consumers, the units should not be sold. The Hon'ble Commission direct the Govt. of Odisha, why the Govt will sale the profit making unit, the reason should be produced & explained before the hearing of the case."

"10. That, the Govt. of Odisha, being the owner of OPGC should immediately intimate the Hon'ble Commission, why the top heads of the Company should not be appointed as per the guideline of Soven Kanungo Expert Committee."

OPGC Response: OPGC humbly submits that the above submissions of the stakeholder are irrelevant to the ongoing tariff proceedings before the Hon'ble Commission and hence deserves no specific response.

10. Stakeholder's Submission: "11. That, the OPGC have 51% share of OCPL & managing the entire OCPL as a subsidiary company of OPGC & now incurring profit more than Rs. 600 Crs. If it is a fact, the amount for 51% OPGC share should be added as a non-tariff income of the Company & tariff claim of OPGC should be reduced accordingly."

OPGC Response: OPGC humbly submits that OPGC's tariff determination is governed primarily by the terms of the approved Power Purchase Agreement (PPA) executed between OPGC and GRIDCO by the Hon'ble OERC. The Hon'ble Supreme Court of India, in Civil Appeal No. 9485 of 2017 (Judgment dated 19.04.2018), unequivocally held that tariff norms prescribed under the PPA must take precedence. OPGC's approved PPA, which governs tariff determination for Units 1 & 2 of IB Thermal Power Station, contains no provision mandating the deduction of NTI from AFC. Since NTI is not recognized within the contractual structure of the PPA, it is not applicable for tariff computation under the existing framework of Units #1&2. Therefore, inclusion of NTI for AFC



affairer Kumar Satapathy

determination would contravene both the binding PPA terms and the judgment of the Hon'ble Supreme Court.

11. Stakeholder's Submission: "12. That, the OPGC has to produce the loss of paddy & other crops of the consumer due to damage of ash-pond last 1 year in different times. The detail of such should be produce before the Hon'ble Commission."

OPGC Response: OPGC humbly submits that the stakeholder's submissions have no relevance on the present tariff proceedings before the Hon'ble Commission and hence deserves no specific response.

12. Stakeholder's Submission: "13. That, the OPGC is a 100% Govt. owned company. The present application will be treated as Govt. application on power generation. The PPA with Govt. on dated 18.10.1998 should not be accepted for determination of tariff."

OPGC Response: OPGC respectfully submits that it is a legally distinct corporate entity operating as a generating company under the Electricity Act, 2003, bound by its duly executed Power Purchase Agreement (PPA) dated 18.10.1998 approved by the Hon'ble Commission. The present tariff determination process is governed by statutory principles of transparency, prudence check, and contractual obligations, irrespective of ownership structure, and any assertion to disregard a validly executed PPA lacks legal merit and contravenes established regulatory practices.

13. Stakeholder's Submission: "14. That, the Coal cost of OCPL should not be equal with MCL. The coal of OCPL cost should be less than the MCL as because OCPL is the own company of OPGC."

OPGC Response: OPGC respectfully submits that the cost of coal procured from OCPL is governed by the OERC (Determination of Input Price of Coal from Integrated Mine) Regulations, 2024. Pending determination of Input Price of Coal of OCPL mines, the coal procured is being settled as per Regulations of the above mentioned Input Price Regulations.



Chandrasekhar Kumar Satapathy

OPGC herewith submits the above information which may be read and considered along with the submissions made in main Petition. The Petitioner craves leave and reserves its rights to make further submission during the proceeding of the instant Petition.

Date: 27.01.2025

Place: Bhubaneswar

Hareesh Kumar Satapathy

Deponent



M
28/1/2025
Sri Muralidhar Sanu
Notary, Bhubaneswar
Bhubaneswar-14
Regd. No.-76/2012

BEFORE THE
ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESHWAR

File No. 3(B)

Case No. 82/2024

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1 & 2 for FY
2025-26

AND

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

AND

IN THE MATTER OF Reply to Submissions of Shri Ananda Kumar Mohapatra,
Freelance Power Analyst, received vide email dated 16.01.2025

I, Haresh Kumar Satapathy, son of Shri Kailash Chandra Satapathy, aged about 55 years, do solemnly affirm and say as follows:

- (a) That I am the Additional General Manager (C&RA) of Odisha Power Generation Corporation Limited, the Petitioner in the above matter and am duly authorised by the said Petitioner to make this affidavit on its behalf.
- (b) The replies made herein in response to submissions of Shri Ananda Kumar Mohapatra, Freelance Power Analyst with respect to OPGC's Petition for approval of Generation Tariff for FY 2025-26 are based on information provided to me and I believe them to be true to the best of my knowledge.

Haresh Kumar Satapathy
Deponent

Bhubaneswar
January 27, 2025



BEFORE THE
ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESHWAR

File No. 3(B)
Case No. 82/2024

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1 & 2 for FY
2025-26

AND

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

AND

IN THE MATTER OF Reply to Submissions of Shri Ananda Kumar Mohapatra,
Freelance Power Analyst, received vide email dated 16.01.2025

**ODISHA POWER GENERATION CORPORATION LIMITED MOST RESPECTFULLY
SHEWETH:**

Odisha Power Generation Corporation Limited (hereinafter referred as “OPGC” or “the **Petitioner**”) filed the Petition for approval of Generation Tariff for Units 1&2 (2 x 210 MW) of its IB Thermal Power Station for FY 2025-26 before the Hon’ble Odisha Electricity Regulatory Commission (hereinafter referred as “OERC” or “the **Commission**”) on 25.11.2024. The Petition has been registered as Case No. 82 of 2024. Shri Ananda Kumar Mohapatra, Freelance Power Analyst vide email dated 16.01.2025 has sent objections/ suggestions in the aforementioned Petition, before the Hon'ble Commission.

The Petitioner specifically denies every averment, allegation and assertion made by the stakeholder save where expressly stated otherwise or insofar as they pertain to matters of record. Further, it is submitted that nothing in the instant submission ought to be construed as an admission on the part of



Anand Kumar Mohapatra

the Petitioner unless expressly so stated. The Petitioner reiterates and affirms the contents of the captioned Petition and the same may be read as part and parcel of the instant submission. The Petitioner craves leave to make additional submissions in response to objections raised by the Stakeholder, should the need arise.

OPGC herewith submits para wise response to the Submissions of Shri Ananda Kumar Mohapatra which are relevant to Petition No 82 of 2024 as follows.

1. **Para 1 and 1.1:** This objection pertains to broader regulatory and sectoral timeline issues and is not related to the tariff filing petition of OPGC Units 1 & 2 for FY 2025-26. Hence, needs no reply.
2. **Para 1.2 (True Up) and Para 1.3 (Assessment of OPGC Financial Performance):** OPGC humbly submits that the present Petition filed by OPGC for its Units #1&2 is in accordance with the Hon'ble SC order in Civil Appeal No 9485/2017 dated 19.04.2018. The relevant excerpts of the Hon'ble SC is reproduced below for ready reference:

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

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

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

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

- 2.1 The Hon'ble Commission vide its Order dated 21.05.2021 in Petition No. 54 of 2018 disallowed the claimed actual additional capitalisation for FY 2015-16 to FY 2017-18 and the proposed additional capital expenditure for FY 2018-19. OPGC has filed an Appeal against the said Order dated 21.05.2021 before the Hon'ble APTEL on 15.11.2021, which has been registered as Appeal No. 335/2021. The matter is currently sub-judice.



Shri Ananda Kumar Mohapatra

2.2 Pending disposal of the Appeal No. 335/2021 by Hon'ble APTEL, OPGC had filed the Annual Tariff Petition Case No. 75 of 2022 with a prayer before the Hon'ble Commission for liberty to file separate Petition related to additional capitalisation on the basis of decision by Hon'ble APTEL in the said Appeal. In Para 74 of the Order dated 23.03.2023, the Hon'ble Commission was pleased to consider the prayer of OPGC and allowed to file a separate Petition related to additional capitalisation for the period from FY 2015-16 to FY 2022-23 after the APTEL's Judgement in Case No. 335/2021 is pronounced. The relevant extract from the said Order is reproduced below:

"74. As per the prayer of OPGC, the Commission hereby allow OPGC to file a separate petition relating to additional capitalisation for the period from the FY 2015-16 to the FY 2022-23 after the APTEL's Judgement is pronounced in the above appeal of OPGC."

2.3 In similar lines, the Hon'ble Commission was pleased to allow OPGC to file a separate petition relating to additional capitalisation for the period from the FY 2023-24 and FY 2024-25 after the APTEL's Judgement is pronounced in the above appeal of OPGC, in its Order dated 13.02.2024 in Case No 112/2023 (para-81).

2.4 It is respectfully submitted that Regulation 12(3) of the OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024, limits the scope of trueing up to expenses related to capital expenditure, including additional capital expenditure.

2.5 In view of the above and based on the outcome of the Appeal No 335/2021, OPGC will approach the Hon'ble Commission for approval of actual additional capitalisation since FY 2015-16 through a separate True up Petition. Further, the esteemed stakeholder may kindly refer to the Standalone Audited Accounts of OPGC for the FY 2023-24 submitted alongwith the Petition, and the audited accounts for the previous years available in our website, to assess financial performance of OPGC. OPGC remains committed to regulatory compliance and will file the necessary True-Up Petition based on the outcome of Appeal pending before the Hon'ble APTEL and the applicable Regulations. Accordingly, the request for additional financial documents and performance scrutiny in this proceeding is outside the scope of the current regulatory framework.



Attorney Kunal Satapathy

3. **Para 1.4 (ARR and Tariff Petition):** Under the principles of the Multi-Year Tariff (MYT) framework and the Tariff Policy, the two-part tariff—of generating stations comprising Annual Fixed Charges (AFC) and Energy Charge Rate (ECR)—is determined in accordance with the norms prescribed by the Hon'ble Commission in the Tariff Regulations and/or the prevailing Power Purchase Agreement (PPA), as applicable. As the tariff for the generating stations is to be determined by the Commission as per the specified norms (like NAPAF, NAPLF etc.) in the Regulations for the Tariff Period, the need for forecasting the ARR and expected revenue are irrelevant. Though, there is specific provision for Truing-Up of tariff for the generating stations, there is no provision for annual reconsideration of revenue earned by the generating station during determination of tariff by the Commission.

3.1 Regulation 9(7) of the OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2024, provides the framework for tariff determination applicable to OHPC and OPGC. In accordance with this provision, OPGC is required to file a Tariff Petition in the prescribed format, incorporating details of capital expenditure and additional capital expenditure certified by auditors. OPGC's present Petition for FY 2025-26 has been duly submitted in full compliance with Regulation 9(7), providing all requisite information related to capacity charges, base energy charges, and other applicable charges for reimbursement.

3.2 Therefore, OPGC respectfully submits that its filing practice adheres strictly to the applicable Regulations and directives of the Hon'ble Commission. Any additional clarifications required regarding capacity charges, energy charges, or other costs have been, and will continue to be, provided within the scope of regulatory compliance and in the format prescribed by the Hon'ble Commission.

4. **Para 1.5 (RGO):** Ministry of Power, Government of India vide resolution dated 27th February, 2023 has notified the Renewable Generation Obligation as per Revised Tariff Policy, 2016. The extract of the notification is as follows:

"2.0 In pursuance of clause 6.4 (5) of the Tariff Policy 2016, it has been decided that any generating company establishing a coal/lignite-based thermal generating station and



Haren Kumar Satapathy

having the Commercial Operation Date (COD) of the project on or after 1" April 2023 shall be required to establish renewable energy generating capacity (in MW) i.e. Renewable Generation Obligation (RGO) of a minimum of forty percent (40%) of the capacity (in MW) of a coal/lignite-based thermal generating station or procure and supply renewable energy equivalent to such capacity.

3.0 A coal/lignite based thermal generating station with Commercial Operation Date (COD) of the project between 1" April 2023 and 31 March 2025 shall be required to comply with RGO of 40% by 1" April 2025, and any other coal/lignite based thermal generating station with Commercial Operation Date (COD) of the project after 1" April 2025 shall be required to comply with RGO of 40% by the COD."

- 4.1 OPGC humbly submits that its current and future renewable energy projects, including solar and potential wind projects, are aligned with the requirements of RGO. In its effort to comply with the above Government Notifications, OPGC is also trying to identify new patch of land for establishment of Solar (RE) Project to comply RGO requirement for its proposed upcoming expansion Project of Unit 5&6.
- 4.2 Further, the Hon'ble Commission published the proposed/draft OERC (Procurement of Energy from Renewable Sources and its Compliance) Regulations, 2024 seeking views/ suggestion opinion on or before 13.09.2024. OPGC vide its submission dated 13.09.2024 has put its views on various points including the concerns in implementing RGO for Coal-Based Thermal Stations in the absence of any regulatory provision of power tie-up and firm beneficiary commitments from RE projects under RGO. The above said Regulations are under the consideration of Hon'ble Commission for finalisation.
- 4.3 OPGC remains committed to integrate renewable energy into its generation mix and contribute to the reduction of carbon emissions, in alignment with national and global climate goals. OPGC humbly submits before the Hon'ble Commission to consider its request submitted for finalisation of RGO Regulations.

धारेण कुमर सातपथ



5. **Para 1.6 (Levellized Tariff):** The determination and disclosure of levelised tariff for renewable energy projects are governed by the applicable regulations and guidelines issued by the Central Electricity Regulatory Commission (CERC), the Odisha Electricity Regulatory Commission (OERC), and relevant policy frameworks. As OPGC's renewable energy project i.e its 50 MW Solar PV Project is currently in the bidding stage and the PPA for same is under discussion, detailed tariff calculations, including levelised cost estimations, will be undertaken at the appropriate stage in compliance with the regulatory requirements.

5.1 Until the renewable energy projects reach a stage where the parameters required for determination of levelised tariff are finalized, it would be premature and futile to present any theoretical levelised tariff. Therefore, any allegation of non-submission of levelised Tariff of the renewable project at this preliminary stage is without merit. OPGC will ensure full regulatory compliance and transparency in tariff submissions for renewable energy projects as and when required under applicable law.

6. **Para 2 (Additional Capitalisation):** The original project cost of OPGC Stage-I was duly considered at Rs. 1060 Crores, as approved by the Hon'ble Commission. As submitted above at Para. 2, OPGC shall be filing a separate Petition for approval of Additional Capitalisation based on the outcome of the Appeal pending before Hon'ble APTEL. However, as requested by the esteemed stakeholder, the year wise book value of the additional capitalisation done by the Applicant since FY 2015-16 other than the original project cost are as follows:

FY	Book Value of Additional Capitalisation
2015-16	17,83,75,846
2016-17	23,36,00,961
2017-18	49,77,86,141
2018-19	45,37,80,890
2019-20	6,74,99,292
2020-21	5,55,80,786
2021-22	12,70,38,418
2022-23	16,54,93,953
2023-24	12,17,45,538



Satyananda
Haren Kumar

OPGC humbly submits that installation of FGD and FGC in OPGC Units #1&2 is put on hold on account of the recent recommendations from CSIR-NEERI regarding the installation of FGD systems (File No: I-22/2/61/2020-P&E dated 24.09.2024).

7. **Para 2.1 to 2.5 (Public Capital):** OPGC, being a wholly owned Government of Odisha enterprise, the investments in OPGC's projects and operations are aimed at ensuring efficient, reliable, and affordable electricity generation while complying with regulatory directives and national policies. All capital investments are reflected in the company's audited financial statements and balance sheets. The financial records are audited by statutory auditor and C&AG Auditor and regulatory scrutiny, ensuring accuracy and compliance with applicable laws.
8. **Para 3 & Para 3.7 (NTI):** OPGC's tariff determination is governed primarily by the terms of the approved Power Purchase Agreement (PPA) executed between OPGC and GRIDCO by the Hon'ble OERC. The Hon'ble Supreme Court of India, in Civil Appeal No. 9485 of 2017 (Judgment dated 19.04.2018), unequivocally held that tariff norms prescribed under the PPA must take precedence. OPGC's approved PPA, which governs tariff determination for Units 1 and 2 of IB Thermal Power Station, contains no provision mandating the deduction of NTI from AFC. Since NTI is not recognized within the contractual structure of the PPA, it is not applicable for tariff computation under the existing framework. Therefore, inclusion of NTI for AFC determination would contravene both the binding PPA terms and the judgment of the Hon'ble Supreme Court.
9. **Para 3.1 & 3.2 (RoE):** OPGC humbly submits that norms and parameters prescribed in PPA are adopted for determination of Tariff of OPGC Units #1&2 in accordance with the Supreme Court Order as quoted at Para 2 above. Accordingly, the tariff of Units #1&2 are being determined by Hon'ble OERC since FY 2016-17 considering project cost of Rs. 1060 Crore with equity of Rs. 450 Crore and loan of Rs. 610 Crore as per approved Amended PPA vide Order dated 27.04.2015. Hence, OPGC has considered actual debt : equity ratio, as approved in Amended PPA, for the purpose of determining tariff applicable for FY 2025-26. Accordingly, Return on Equity (ROE) of Rs. 72 Crore for FY 2025-26 is calculated at a rate of

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16% as per the terms of the PPA. Therefore, the concerns raised regarding profit-making and equity claims are misplaced and without legal merit.

10. **Para 3.3 (Interest on Loan), Para 3.4 (Depreciation):** These are matter of fact and needs no reply.
11. **Para 3.5 (O&M Expenses):** OPGC submits that the claim for O&M expenses of Rs. 239.92 Cr for FY 2025-26 has been made as per the provisions of the approved PPA and applicable regulatory principles. With respect to the observation regarding consolidated financial statements, OPGC clarifies that the audited accounts reflect the financial performance of the entire company. However, the O&M expenses for Stage-I (Units #1&2) are accounted independently in the books of accounts. The break-up of actual O&M expenses for the previous financial Year FY 2023-24 and the current financial Year upto December-2024 has been submitted to the Hon'ble Commission as filing-2, is being shared with the esteemed stakeholder.
12. **Para 3.6 (IoWC):** OPGC submits that the proposed Interest on Working Capital (IoWC) for FY 2025-26 amounting to Rs. 16.86 Cr is on a normative basis as per the provisions of the approved Amended PPA. As coal is being used from both MCL and OCPL, the actual landed cost of coal for the period FY 2024-25 upto September-2024 has been considered. Also, the actual interest rate of 8.90% has been considered for computing Interest Rate on Working Capital for FY 2025-26, as OPGC has been availing working capital requirement.
13. **Para 4 (Energy Charges):** OPGC respectfully submits that the price and GCV of coal as approved by Hon'ble Commission vis-à-vis OPGC's proposal for FY 25 has been elaborated in Para 79 (b) of the Tariff Order for FY 2025, which is primarily due to revision in Declared Grade of Coal by MCL from G-14 to G-12. The observation of the Hon'ble Commission at Para 79 (b) is reproduced below:

"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 subjudice. In response to



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the Commission's queries, OPGC has submitted the actual coal prices and GCV from April 2023 till November 2023. In absence of the actual data from December 2023 till March 2024, the Commission is inclined to consider the notified price of Coal and GCV from December 2023 till March 2024. It may further be noted that MCL has revised the grade of Coal in November 2023 (G-14 revised to G-12 for Lakhanpur mines) and accordingly the revised GCV and price of Coal from December 2023 till March 2024 has been considered for arriving at the energy charges. Considering all the above operational norms, price and GCV of Coal and Secondary fuel oil parameters of PPA, details for calculation of energy charges are given in Table 12 below:"

14. **Para 4.1 to 4.4 (Consumption of Coal):** OPGC respectfully submits that the Original FSA for coal supply from MCL for an ACQ of 2.7 MT is valid for a period of 20 years from 1st April 2009. The addendum FSA executed with OCPL for supply of 1.35 MT of ACQ Coal for OPGC Units #1&2 is valid till 31st March 2030. However, the Ministry of Coal has accorded diversion of 1.35 MT of Coal for use in Unit #1&2 from OCPL for FY 2024-25 on an annual basis which is likely to be extended year on year basis.
- 14.1 The calculation of Base Energy Charge Rate, including specific coal consumption of 0.77 kg/kWh, is based on normative parameters specified in approved PPA. The project gross generation for FY 2025-26 is 3104.14 MU instead of 2764 MU as claimed by the esteemed stakeholder. Further, the received Coal quantity from OCPL & MCL put together in first six months of the current financial year is 1.27MT and the coal consumption quantity is 1.299 MT. The detailed receipt and consumption of Coal from MCL and OCPL has been given in Form-15 (C) and unfortunately the same numbers (quantity of coal as received from MCL+OCPL) has not been reflected in Table-3.6 due to inadvertent typological error and the Petitioner regrets for the same. It is to clarify that the numbers given in Form-15 (C) are considered for determination of Base Energy Charge Rate. Further, for better understanding of the observation of the stakeholder, the month wise and source wise coal receipt, coal consumed alongwith the weighted average GCV and Landed Cost of Coal considered for estimation of Energy Charge Rate is given below:

Atanesh Kumar Satapathy



Month	Coal Procured/Received (MT)			Coal Consumed (MT)			Weighted Avg GCV of coal (kcal/kg)	Landed Price of Coal (Rs/MT)
	MCL	OCPL	Total	MCL	OCPL	Total		
Apr-24	1,02,814	-	1,02,814	1,25,351	-	1,25,351	3,203	1,657
May-24	1,99,889	-	1,99,889	2,50,988	-	2,50,988	3,251	1,656
Jun-24	1,77,434	63,326	2,40,760	1,67,774	63,326	2,31,100	3,226	1,685
Jul-24	91,394	1,59,989	2,51,383	86,977	1,59,989	2,46,966	3,110	1,682
Aug-24	44,503	1,96,429	2,40,932	31,556	1,96,429	2,27,985	3,148	1,716
Sep-24	50,985	1,92,172	2,43,157	24,755	1,92,172	2,16,927	3,339	1,775
Total	6,67,019	6,11,916	12,78,935	6,87,401	6,11,916	12,99,317	3213.85	1697.31

14.2 In view of the above, the conclusion drawn by the stakeholder regarding surplus coal of 5,30,000 tons in this initial six months and further extrapolation to reach a Coal receipt figure of 4.142 MT at the end of the year is not correct. The actual coal to be consumed in the plant shall be dependent on the quality of coal and gross generation and accordingly, the coal shall be procured from both MCL and OCPL in accordance with the relevant FSA.

14.3 Moreover, the drop in GCV figure, which has been indicated by stakeholder during the period June- August'24 is due to the effect of monsoon season. It does not have anything to do with higher quantity of inferior coal supply form OCPL. Had we not received OCPL coal, the average GCV would have been much lower. If we refer to last year coal GCV of MCL coal during monsoon period, then it is 2968 kcal/kg. This corroborates the fact that OCPL Coal quality is consistent and better than MCL Coal.

15. **Para 4.5 (Price of Coal):** OPGC respectfully submits that OCPL is operating as a Joint Venture company of OPGC and Government of Odisha. Although OPGC has 51% shareholding in OCPL, both OPGC and OCPL are operating as separate legal entity and have executed a Fuel Supply Agreement (FSA) based on a Share Holding Agreement (SHA) to operate at arm's length, which reflects a deliberate effort to maintain separate identities.

15.1 Further, Regulation 9(1) of the OERC (Conduct of Business) Regulations, 2004 expressly permits only the affected or interested party to initiate a Petition before the Commission. Accordingly, OPGC files the Petition before OERC for the determination of generation tariff



Attorney Kumar Sathapana

for OPGC 3&4. Similarly, given the implications of the input price of coal determination, it is evident that OCPL stands as the affected party. Adhering to the regulatory framework, the Hon'ble Commission has notified OERC (Determination of Input Price of Coal from Integrated Mines) Regulations, 2024 on 29.05.2024 and OCPL shall be filing the Petition for determination of Input Price of Coal from Manoharpur Mines. OPGC humbly denies the allegation of failure on its part and is not liable to take the ownership of any failure by OCPL, for filing the application within the timeline.

16. **Para 4.6 (Higher Price of Coal):** The proposed coal price of Rs 1,697.31 per ton is the weighted average cost of Coal received during the period of April to September-2024 from both MCL and OCPL. Pending determination of Input Price by the Hon'ble Commission, the coal procured from OCPL is being billed as per the Regulations of OERC (Determination of Input Price of Coal from Integrated Mines) Regulations, 2024. The indicative cost of coal procured from both MCL and OCPL vis-à-vis the cost considered for determination of base Energy Charge Rate are submitted as part of filing-2 in the instant petition and the same is being shared with the stakeholder.
17. **Para 5 (Other Charges):** The proposed reimbursement of other charges from GRIDCO for the financial years FY25 and FY26 is in line with the legitimate financial requirements of OPGC to ensure the continued operation and compliance with regulatory norms. The increase in the proposed charges, particularly the Ash Utilization and Transportation Charges, is a direct reflection of the escalating costs incurred due to regulatory changes and operational exigencies. As per the MoEF mandate, all thermal Power generating stations are required to abide by the ash utilisation mandate and OPGC in its effort to comply with the same is targeting to enhance the ash utilisation to 76% thereby anticipating higher expenses and accordingly seeking reimbursement of the charges that are essential for sustaining its operations and complying with statutory obligations imposed by the relevant authorities.
18. **Para 6 (Collapse of Ash Pond C):** The collapse of Ash Pond-C at OPGC cannot be characterized as an entirely avoidable event, as it happened accidentally and without any prior indication/warning, which is beyond the reasonable control of the Company. It is crucial to note

Atanesh Kumar Satapathy



that the circumstances surrounding the collapse were not a direct consequence of any single individual's action or failure to act, and as such, holding officers responsible for unrecovered losses is not warranted. Furthermore, attributing fault or seeking recovery of losses from officers without conclusive evidence of culpable negligence or breach of duty is legally untenable. However, the cost incurred towards restoration of Ash Pond -C has been claimed under insurance and the claim settlement activity is under process.

19. **Para 7 (Stage II MYT & Input Price of OCPL Coal):** OPGC has duly complied with the regulatory requirements set forth in the OERC (Terms & Conditions for Determination of Generation Tariff) Regulations, 2024 and accordingly, the Application for True-Up for FY 2019-2024 and MYT for FY 2024-29 has already been filed for Stage-II (Unit-3&4) on 30th December 2024 before the Hon'ble OERC and the same has been registered as Case No 112/2024.. Therefore, the assertion regarding non-filing of the Tariff Application for OPGC Stage-II is factually incorrect.
20. **Para 8 (Reliability of Power Supply):** OPGC appreciates the views of the stakeholder towards improvement of reliability of power supply during peak summer period in Odisha.


OPGC herewith submits the above information which may be read and considered along with the submissions made in main Petition. The Petitioner craves leave and reserves its rights to make further submission during the proceeding of the instant Petition.

Date: 27.01.2025

Place: Bhubaneswar

Atanem Kumar Satapathy
Deponent




Sri Muralidhar Sanu
Notary, Bhubaneswar
Bhubaneswar-14
Regd. No.-76/2012

BEFORE THE
ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESHWAR

File No. 3(C)

Case No. 82/2024

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1 & 2 for FY
2025-26

AND

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

AND

IN THE MATTER OF Reply to Submissions of TPWODL, received vide email dated
18.01.2025

I, Haresh Kumar Satapathy, son of Shri Kailash Chandra Satapathy, aged about 55 years, do solemnly affirm and say as follows:

- (a) That I am the Additional General Manager (C&RA) of Odisha Power Generation Corporation Limited, the Petitioner in the above matter and am duly authorised by the said Petitioner to make this affidavit on its behalf.
- (b) The replies made herein in response to submissions of TPWODL, with respect to OPGC's Petition for approval of Generation Tariff for FY 2025-26 are based on information provided to me and I believe them to be true to the best of my knowledge.


Deponent

Bhubaneswar
January 27, 2025



BEFORE THE
ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESHWAR

File No. 3(C)

Case No. 82/2024

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1 & 2 for FY
2025-26

AND

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

AND

IN THE MATTER OF Reply to Submissions of TPWODL, received vide email dated
18.01.2025

**ODISHA POWER GENERATION CORPORATION LIMITED MOST RESPECTFULLY
SHEWETH:**

Odisha Power Generation Corporation Limited (hereinafter referred as “OPGC” or “the **Petitioner**”) filed the Petition for approval of Generation Tariff for Units 1&2 (2 x 210 MW) of its IB Thermal Power Station for FY 2025-26 before the Hon'ble Odisha Electricity Regulatory Commission (hereinafter referred as “OERC” or “the **Commission**”) on 25.11.2024. The Petition has been registered as Case No. 82 of 2024. TPWODL, vide email dated 18.01.2025 has sent objections/ suggestions in the aforementioned Petition, before the Hon'ble Commission.

The Petitioner specifically denies every averment, allegation and assertion made by the stakeholder save where expressly stated otherwise or insofar as they pertain to matters of record. Further, it is submitted that nothing in the instant submission ought to be construed as an admission on the part of the Petitioner unless expressly so stated. The Petitioner reiterates and affirms the contents of the captioned Petition and the same may be read as part and parcel of the instant submission. The



Haren Kumar Satapathy

Petitioner craves leave to make additional submissions in response to objections raised by the Stakeholder, should the need arise.

The para wise replies to the comments of the Stakeholder are being submitted below:

1. **Para 1 to 6:** These are matter of fact and needs no reply.
2. **Para 7 (IoWC):** OPGC submits that the proposed Interest on Working Capital (IoWC) for FY 2025-26 amounting to Rs. 16.86 Cr is on a normative basis as per the provisions of the approved Amended PPA. As coal is being used from both MCL and OCPL, the actual landed cost of coal for the period FY 2024-25 upto September-2024 has been considered. Also, the actual interest rate of 8.90% has been considered for computing Interest Rate on Working Capital for FY 2025-26, as OPGC has been availing working capital requirement.
3. **Para 8 & 9 (Other Charges):** OPGC humbly submits that the proposed reimbursement of other charges from GRIDCO for the financial years FY25 and FY26 is in line with the legitimate financial requirements of OPGC to ensure the continued operation and compliance with regulatory norms. The increase in the proposed charges, particularly the Ash Utilization and Transportation Charges, is a direct reflection of the escalating costs incurred due to regulatory changes and operational exigencies.
 - 3.1 As per the MoEF mandate, all thermal Power generating stations are required to abide by the ash utilisation mandate and OPGC in its effort to comply with the same is targeting to enhance the ash utilisation to 76% thereby anticipating higher expenses and accordingly seeking reimbursement of the charges that are essential for sustaining its operations and complying with statutory obligations imposed by the relevant authorities.
 - 3.2 OPGC respectfully submits that the proposed other charges for FY 2025-26, including Income Tax aligns with terms of the Approved PPA and the direction of the Hon'ble Commission that such taxes be reimbursed by GRIDCO on an actual basis. OPGC requests that this principle be consistently applied in the instant proceeding.



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OPGC herewith submits the above information which may be read and considered along with the submissions made in main Petition. The Petitioner craves leave and reserves its rights to make further submission during the proceeding of the instant Petition.

Manish Kumar Satapathy

Deponent

Date: 27.01.2025

Place: Bhubaneswar



BEFORE THE
ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESHWAR

Sri Muralidhar Sanu
Sri Muralidhar Sanu
Notary, Bhubaneswar
Bhubaneswar-14
Regd. No.-76/2012

File No. 3(D)
Case No. 82/2024

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1 & 2 for FY
2025-26

AND

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

AND

IN THE MATTER OF Reply to submissions of GRIDCO, received vide email dated
23.01.2025

I, Haresh Kumar Satapathy, son of Shri Kailash Chandra Satapathy, aged about 55 years, do solemnly affirm and say as follows:

- (a) That I am the Additional General Manager (C&RA) of Odisha Power Generation Corporation Limited, the Petitioner in the above matter and am duly authorised by the said Petitioner to make this affidavit on its behalf.
- (b) The replies made herein in response to submissions of GRIDCO Ltd. on OPGC's application for approval of Generation Tariff for FY 2025-26 are based on information provided to me and I believe them to be true to the best of my knowledge.

Bhubaneswar
January 27, 2025



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Haresh Kumar Satapathy



BEFORE THE
ODISHA ELECTRICITY REGULATORY COMMISSION
BHUBANESHWAR

File No. 3(D)
Case No. 82/2024

IN THE MATTER OF Petition for determination of Tariff for IB TPS Units 1 & 2 for FY
2025-26

AND

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

AND

IN THE MATTER OF Reply to submissions of GRIDCO, received vide email dated
23.01.2025

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

Odisha Power Generation Corporation Limited (hereinafter referred as "OPGC" or "Petitioner") filed the Petition for approval of Generation Tariff for its IB Thermal Power Station (2x210 MW) for FY 2025-26 before the Hon'ble Odisha Electricity Regulatory Commission ("OERC" or "Commission") on 25.11.2024, which has been registered as Case No. 82 of 2024. GRIDCO Ltd. vide email dated 23.01.2025 submitted its objections/suggestions on the above Petition.

The Petitioner specifically denies every averment, allegation and assertion made by the stakeholder save where expressly stated otherwise or insofar as they pertain to matters of record. Further, it is submitted that nothing in the instant submission ought to be construed as an admission on the part of the Petitioner unless expressly so stated. The Petitioner reiterates and affirms the contents of the captioned Petition and the same may be read as part and parcel



Haren Kumar Satapathy

of the instant submissions. The Petitioner craves leave to make additional submissions in response to objection raised by the Stakeholder, should the need arise.

The para wise replies to the comments of the Stakeholder are submitted below except to those which are matters of facts on records and needs no reply.

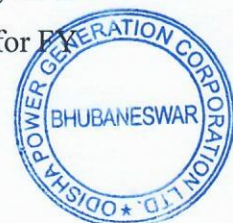
1. **Reply to Para 8.4 & 8.5:** OPGC humbly submits that, Hon'ble Commission vide Order dated 21.05.2021 in Petition No. 54 of 2018 disallowed OPGC's claim to consider actual additional capital expenditure for FY 2015-16 to FY 2017-18 and the proposed additional capital expenditure for FY 2018-19. OPGC has filed an Appeal against the said Order dated 21.05.2021 before the Hon'ble APTEL on 15.11.2021, which has been registered as Appeal No. 335/2021. The matter is currently sub-judice.

1.1 Pending disposal of the Appeal No. 335/2021 by Hon'ble APTEL, OPGC had filed the Annual Tariff Petition Case No. 75 of 2022 with a prayer before the Hon'ble Commission for liberty to file separate Petition related to additional capitalisation on the basis of decision by Hon'ble APTEL in the said Appeal. In Para 74 of the Order dated 23.03.2023, the Hon'ble Commission was pleased to consider the prayer of OPGC and allowed to file a separate Petition related to additional capitalisation for the period from FY 2015-16 to FY 2022-23 after the APTEL's Judgement in Case No. 335/2021 is pronounced. The relevant extract from the said Order is reproduced below:

"74. As per the prayer of OPGC, the Commission hereby allow OPGC to file a separate petition relating to additional capitalisation for the period from the FY 2015-16 to the FY 2022-23 after the APTEL's Judgement is pronounced in the above appeal of OPGC."

1.2 In similar lines, the Hon'ble Commission was pleased to allow OPGC to file a separate petition relating to additional capitalisation for the period from the FY 2023-24 and FY 2024-25 after the APTEL's Judgement is pronounced in the above appeal of OPGC, in its Order dated 13.02.2024 in Case No 112/2023 (para-81).

1.3 In the instant Petition, OPGC has not claimed any additional capitalisation for FY 2025-26 and has prayed before Hon'ble OERC to Allow OPGC to file a separate Petition regarding additional capitalisation for FY 2025-26 based on the outcome of the Appeal No 335/2021 pending before the Hon'ble APTEL. Accordingly, OPGC has prayed to approach the Hon'ble Commission for approval of actual additional capitalisation for FY



Pravara Kumar Sestapala

2015-16 to FY 2023-24 and projected additional capitalisation for FY 2024-25 and FY 2025-26 through a separate Petition.

1.4 The stakeholder at Para 8.4 has pleaded for non-consideration of additional capitalisation in view of the in-principle approval of R&M with 15 years life extension allowed by the Hon'ble Commission vide order dated 03.11.2021 in Case No 66 of 2021. It is humbly submitted that the in-principle approval by Hon'ble Commission and the claims likely to be made by the Petitioner post completion of Renovation & Modernisation ("R&M") are under the specific regulatory provision made by the Hon'ble Commission in its Tariff Regulations. The claim for Additional Capitalisation is being made as per the applicable specific Regulations of the Tariff Regulations. The aforesaid contention on part of the stakeholders overlooks fundamental conceptual difference among these distinct regulatory concepts. Further, R&M claims necessarily concern a proposed expenditure to be incurred in the future, while Petitioner's Additional Capitalisation claims herein are for expenses since FY 2015-16. As such, the stakeholder cannot be permitted to conflate/link these distinct regulatory concepts.

1.5 Further, OPGC respectfully submits that considering the submission and prayer of OPGC during the hearing of the Appeal No 335/2021, the Hon'ble APTEL has been pleased to put the matter under the "List of Short Matters", vide its Order dated 28.03.2023, so that the matter could be heard and disposed of expeditiously.

2. **Reply to Para 13:** It is humbly submitted that OPGC has claimed the O&M Expenses at 2.50% of the capital cost of Rs. 1030 Crore for the first year and escalated in accordance to provision of the approved amended PPA and the Judgement dated 19.04.2018 of the Hon'ble Supreme Court and the Hon'ble Commission has been considering the same methodology for O&M expenses for determination of generation tariff. OPGC humbly submits for approval of the O&M expenses as proposed in the Petition. Further, the actual O&M expenses of the generating station for the previous period has been submitted to the Hon'ble Commission vide its filing-2 in compliance to the queries raised by the Hon'ble Commission in the instant Petition and the same is being shared with GRIDCO also.

3. **Reply to Para 14 & 15:** It is submitted that the Petitioner has computed the working capital in accordance with the Clause 3.0(f) of Schedule II of the approved Amended PPA. Further, the Petitioner has considered the actual prevailing rate of interest of



officer cum secretary

working capital as of September 2024. The supporting document of actual interest rate of 8.90% has already been submitted by OPGC as Annexure-4 of filing-2 dated 17.01.2025 in response to the additional information sought by the Hon'ble Commission vide its letter no. 1551 dated 26.12.2024.

- 3.1 With regard to consideration of GCV for tariff determination, it is humbly submitted that OPGC has preferred an Appeal No. 189 of 2020 before Hon'ble APTEL against the Hon'ble Commission's Order dated 28.10.2020 in Case No. 43 of 2017 in the matter of GCV of coal to be considered for tariff computation and presently the matter is sub judice.
- 3.2 Therefore, considering above, it is requested before the Hon'ble Commission to allow interest on working capital and Annual Fixed Cost (AFC) as claimed in the instant Petition.
4. **Reply to Para 16 to 16.5:** It is submitted that the Petitioner has already submitted the actual details of the performance parameters for the current FY 2024-25 up to December 2024 on affidavit dated 17.01.2025 as Filing-2 in response to the additional information sought by the Hon'ble Commission vide letter dated 26.12.2024. The same is being shared with GRIDCO also.
- 4.1 It is humbly submitted that the Hon'ble Supreme Court vide its Judgement dated 19.04.2018 has unequivocally held that 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. OPGC in its Petition for computation of variable charges for FY 2025-26 has considered the operational performance parameters as per Clause 8 of Schedule II of the approved Amended PPA and requests the Hon'ble Commission to kindly approve the same.
5. **Reply to Para 18 & 20:** It is humbly submitted that OPGC has filed Appeal No. 189 of 2020 before the Hon'ble APTEL against this Hon'ble Commission's Order dated 28.10.2020 in Case No. 43 of 2017 in the matter of GCV to be considered for tariff computation. Pleadings in Appeal No 189 of 2020 have been completed and the Hon'ble APTEL, in its daily Order dated 15.09.2023, has directed for inclusion of the Appeal in the "List of Finals" for taking up hearing in its turn.



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5.1 Pending disposal of the Appeal No 189/2020 by the Hon'ble APTEL and without prejudice to OPGC's rights under law and contentions taken in Appeal No 189/2020, OPGC has considered the GCV of coal as mandated by Hon'ble OERC in its Order dated 28.10.2020 in Case No 43/2017 and GCV of oil as actually delivered to the power station for the computation of energy charges.

6. **Reply to Para 21:** OPGC humbly submits that the instant Petition has been filed for determination of Generation Tariff for its Units 1&2 following the same principles in Case No. 33 of 2018, Case No. 70 of 2018, Case No. 69 of 2019, Case No. 71 of 2020, Case No. 104 of 2021, Case No. 75 of 2022 and Case No. 112 of 2023. Accordingly, OPGC has prayed for allowing variation in energy charges during the year on account of fuel prices and calorific value to be claimed through Fuel Price Adjustment in supplementary bills on half yearly basis in accordance with the provisions of the approved Amended PPA.

7. **Reply to Para 22 to 24:** It is humbly submitted that as per Clause 10 & 11 of the approved amended PPA, OPGC has claimed the following other charges for FY 2025-26 considering the actual figures of FY 2023-24 and Projections for FY 2025-26, with rationale detailed in the Petition. The Hon'ble Commission is prayed to issue appropriate direction to GRIDCO for reimbursement of other charges on actuals in accordance with the approved Amended PPA.

7.1 OPGC humbly submits that the proposed reimbursement of other charges from GRIDCO for the financial years FY25 and FY26 is in line with the legitimate financial requirements of OPGC to ensure the continued operation and compliance with regulatory norms. The increase in the proposed Ash Utilization and Transportation Charges, is a direct reflection of the escalating costs incurred due to regulatory changes and operational exigencies. As per the MoEF mandate, all thermal Power generating stations are required to abide by the ash utilisation mandate and OPGC in its effort to comply with the same is targeting to enhance the ash utilisation to 76% thereby anticipating higher expenses and accordingly seeking reimbursement of the charges that are essential for sustaining its operations and complying with statutory obligations imposed by the relevant authorities.

7.2 Further, pending resolution of OPGC's request by Water Resources Department, Government of Odisha, OPGC has not made any payment towards Energy Compensation Charge (ECC) to OHPC in FY 2023-24. Therefore, no amount has been considered

Harish Kumar Sathapathy



towards ECC while projecting other costs for FY 2025-26. However, OPGC requests the Hon'ble Commission to kindly allow for reimbursement of such amount, if any, paid during FY 2025-26.

8. **Reply to Para 25 (a):** The Hon'ble Commission vide its Orders in Case No. 33 of 2018 (Para 42), Case No. 70 of 2018 (Para 105), Case No. 69 of 2019 (Para 101), Case No. 71 of 2020 (Para 108), Case No. 104 of 2021 (Para 60b) , Case No. 75 of 2022 (Para 80b) and Case No. 112 of 2023 (Para 86a) directed OPGC to claim the Fuel Price Adjustment and other charges through supplementary bills, which is being followed by OPGC. The practice being followed is in accordance with the approved PPA and any direction to change the practice beyond Half Yearly/Annual Fuel Price Adjustment will alter the terms and conditions of PPA.
9. **Reply to Para 27:** OPGC would like to submit that power imported from the grid system is being settled in accordance with the practice being followed as per the approved PPA and record note of discussion held on 13.08.1996 between OPGC and GRIDCO. The approved PPA has the appropriate provision for considering the tariff for power imported by OPGC for black start up along with its settlement. Hence, OPGC humbly submits before the Hon'ble Commission for allowing settlement of the imported power in accordance with the approved PPA.
10. **Reply to Para 28:** OPGC humbly submits that the energy scheduling to GRIDCO from its power station is being settled on net exchange basis every month, wherein actual generation is being considered as scheduled generation, in accordance with the practice being followed as per the approved Amended PPA.
11. **Reply to Para (C) of Prayer:** OPGC humbly submits that the audited prices and GCV for oil and coal are submitted to GRIDCO while claiming the half yearly fuel price adjustment through supplementary bills. As such, Coal Sampling Report of CIMFR has no bearing on the monthly energy bill raised by OPGC and hence the same is not being submitted along with the monthly bills. However, considering GRIDCO's request, in the interest of transparency, Third-Party Analysis report for the period upto September-2024 have been shared with GRIDCO.

affirmed humbly satisfied



OPGC herewith submits the above information which may be read and considered along with the submissions made in main Petition. The Petitioner craves leave and reserves its rights to make further submission during the proceeding of the instant Petition.

Harish Kumar Satapathy

Deponent

Bhubaneswar
January 27, 2025

