

**Summary of
Aggregate Revenue
Requirement (ARR) & Generation Tariff
for FY 2026-27**

filed by
Odisha Hydro Power Corporation Limited

for approval

before

**The Hon'ble Odisha Electricity Regulatory
Commission**

Bhubaneswar

January 2026

SUMMARY OF ARR PROPOSAL OF OHPC FOR FY 2026-27

1. PROCEDURAL HISTORY

- 1.1. The Odisha Hydro Power Corporation Ltd. (OHPC) is a generating company established in 1995 under the Companies Act, 1956, to manage hydroelectric power generation in Odisha. Following the unbundling of the Odisha State Electricity Board (OSEB) in 1996, OHPC took over the assets, liabilities, and personnel of hydroelectric projects from OSEB and the Government of Odisha. The power generated by OHPC, except for a 5 MW share allocated to Chhattisgarh State from the Hiraakud Hydro Electric Project (HHEP), is dedicated entirely to Odisha.
- 1.2. Under the Electricity Act, 2003, and the Odisha Transfer Scheme, 2005, GRIDCO manages the bulk purchase and distribution of power generated by OHPC. The 5 MW share to Chhattisgarh is supplied as per agreements and directives following legal proceedings and orders by the Ministry of Power, Government of India.

2. Installed Capacity

- 2.1. The installed capacity of HHEP, Burla increased from 275.5MW to 287.8MW and The installed capacity of various Hydro Stations owned by Odisha Hydro Power Corporation (OHPC) is increased from 2063.5MW to 2099.8 (2039.8+ 60) MW including 50% Odisha share of Machhkund. The Installed Capacity of MHEP is 120MW (i.e. 17MW x 3 = 51MW and 23MW x 3 = 69MW) of MHEP(Jt.) scheme. So, the 50% Odisha Share from MHEP being 60 MW, has been considered for computation of total IC of OHPC.

3. Design Energy of OHPC Stations

- 3.1. The Design Energy (DE) of a Hydro Power Station is an important parameter for determination of Tariff. The approved Design Energy of OHPC Power Stations for the FY 2026-27 is given in the table below:

Table 1 : Design Energy approved for the FY 2025-26 (In MU)

Name of the Power Station	Formula	Design Energy (DE)	Design Energy for sale
RHEP	A	525.00	519.75
UKHEP	B	832.00	823.68
BHEP	C	1183.00	1171.17
HHEP	D	684.00	660.52
CHEP	E	490.00	484.12
UIHEP	F	1962.00	1942.38
Sub Total	G=A+B+C+D+E	5676.00	5601.62
Odisha share of MHEP (Jt.) Scheme	H	262.50	259.35
Total	I=G+H	5938.50	5860.97

- 3.2. Auxiliary energy consumption (AUX) of Hydro generating station with static excitation system is 1% for installed capacity above 200MW & 1.2% for installed capacity up to 200MW are considered as per Regulation 50 (e) of OERC (Terms & Conditions for Determination of Generation Tariff) Regulations 2024.

3.3. The energy sold by different power stations of OHPC for the last five years are given below:

Table 2 : Energy sold by different power stations of OHPC for the last five years
(in MU)

Name of the Power Station	Design Energy (DE)	Saleable Design Energy (DE)	Actual Sale of 2020-21 (In MU)	Actual Sale of 2021-22 (In MU)	Actual Sale of 2022-23 (In MU)	Actual sale of 2023-24 (In MU)	Actual sale of 2024-25 (In MU)
RHEP	525.00	519.75	980.77	837.92	732.53	754.79	850.17
UKHEP	832.00	823.68	771.26	440.01	531.94	565.33	787.39
BHEP	1183.00	1171.17	1594.30	1001.96	980.72	1012.07	1632.93
HHEP	684.00	660.52	613.82	700.72	886.34	850.22	747.39
CHEP	490.00	484.12	322.37	263.24	319.53	294.70	217.60
UIHEP	1962.00	1942.38	1713.10	1124.80	1351.49	1687.00	1392.77
Total	5676.00	5601.62	5878.45	5995.62	4368.65	4802.55	5628.25
MHEP	259.35	298.97	315.24	254.23	386.13	224.96	386.13
Total	5938.5	5860.97	5877.61	6294.59	4683.89	5056.78	5853.21

4. Status of Secondary Fund as on 31.03.2025:

4.1. OHPC submitted that the status of Secondary Fund as on 31.03.2025 as (-) Rs 141.254 Crs. Though OHPC was adjusting this amount in the secondary energy fund, but CAG of India has observed to keep this compensation in a separate account, as the matter is under sub-judice in the Court of Law.

4.2. OHPC submitted that in the above matter final Order of Hon'ble High Court of Odisha & decision of Govt. of Odisha is awaited in order to address the above and provide necessary financial effect in the ARR of OHPC.

5. Revision of Design Energy of HHEP and CHEP:

5.1. OHPC is constantly losing energy charges 31MU (i.e. 14.81MU at HHEP, Burla & 15.95MU at CHEP, Chiplima) on annual basis due to restriction in generation upto 595Ft R.L by DoWR, Govt. of Odisha.

5.2. Pending decision from DoE/ DoWR, OHPC has not considered reduction in Design Energy of HHEP, Burla & CHEP, Chiplima due to restriction in Generation at HHEP, Burla below RL 595ft in Hirakud Reservoir.

Table 3 : Minimum R.L Attended in the Water Year

MDDL (In ft)	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
590	598.39	599.65	599.73	599.65	600.02	600.39

5.3. Considering the above facts, OHPC proposes the following Design Energy for its Power stations for computation of tariff for the FY 2026-27.

Table 4 : Proposed Design Energy for FY 2026-27

(in MU)

Name of the Power Station	Design Energy approved for FY2025-26	Saleable Design Energy for GRIDCO approved for FY 2025-26	Design Energy proposed for FY 2026-27	Saleable Design Energy proposed for GRIDCO for FY 2026-27
RHEP	525.00	519.75	525.00	519.75
UKHEP	832.00	823.68	832.00	823.68
BHEP	1183.00	1171.17	1183.00	1171.17
HHEP	684.00	660.52	684.00	660.52
CHEP	490.00	484.12	490.00	484.12
UIHEP	1962.00	1942.38	1962.00	1942.38
Sub Total	5676.00	5601.62	5676.00	5601.62
MHEP Odisha Share	262.50	259.35	262.50	259.35
Total	5938.50	5860.97	5938.50	5860.97

5.4. OHPC has prayed before the Hon'ble Commission to approve the proposed Saleable Design Energy of different power stations of OHPC for FY 2026-27 as furnished in the Table above. Further the deficit of secondary energy fund amounting to (-) Rs 141.254 Cr may kindly be recognized.

6. Reservoir Level and Anticipated Generation for FY 2026-27

6.1. The Reservoir Level of OHPC Power Stations as on 15.11.24 vis-à-vis on 15.11.25 is given below:

Table 5 : Reservoir level of power stations

Reservoirs	As on 15.11.2024	As on 15.11.2025
Rengali	120.75mtr.	122.31mtr.
Kolab	855.38mtr.	856.21mtr.
Balimela	1505.80ft.	1508.90ft.
Hirakud	626.04ft.	629.62ft.
Indravati	634.33mtr.	640.69mtr.

6.2. The actual generation of different Power Stations under OHPC from 01.04.2025 up to 15.11.2025 and anticipated generation up to 31.03.2026 for the FY 2025-26 prepared on the basis of the availability of water, irrigation requirement and peak load requirement of power in co-ordination with DoE, DoWR, GRIDCO and SLDC is furnished below.

Table 6 : Actual /Anticipated Energy Generation

(In MU)

Name of the power stations	Actual generation from 01.04.25 up to 15.11.25 (In MU)	Anticipated generation from 16.11.25 to 31.03.26 based on DoWR & DoE Schedule (in MU)	Total Anticipated generation for the FY 2025-26 based on DoWR & DoE Schedule (in MU)
RHEP	845.1676	189.0516	1034.2192

Name of the power stations	Actual generation from 01.04.25 up to 15.11.25 (In MU)	Anticipated generation from 16.11.25 to 31.03.26 based on DoWR & DoE Schedule (in MU)	Total Anticipated generation for the FY 2025-26 based on DoWR & DoE Schedule (in MU)
UKHEP	601.7790	312.4580	914.2370
BHEP	981.7190	637.5780	1619.2970
HHEP	802.6120	201.6410	1004.2530
CHEP	190.9430	133.1030	324.0460
UIHEP	1134.8415	692.6275	1827.4690
Total	4557.0621	2166.4591	6723.5212

6.3. So, there shall be shortfall of 856.3801MU from the approved designed energy of 5676MU. The extra/ shortfall in generation from the design energy of the respective Power Stations shall be accounted towards the secondary energy fund as per Order of the Hon'ble Commission which presently stands as (-) 141.254 Crs.

7. Gross Fixed Assets

7.1. OHPC has submitted that in view of the legal prohibition indicated by the Hon'ble Commission at para no. 98 of the Tariff Order of OHPC for the FY 2017-18 & assuming the extension of keeping in abeyance of the Upvaluation of Asset by the Govt. of Odisha for the Generators (OHPC) like previous years OHPC has considered the Historic Cost as on 01.04.1996 for computation of Tariff of Old power stations for FY2026-27.

Table 7 : ADDITIONAL CAPITALISATION FOR FY2024-25 (AUDITED)

Power Stations	Formula	New additions for FY2024-25 (Audited)	Additional capitalization less than Rs 20lakhs Capital Spares valuing up to Rs. 10 lakhs as per audited account 2024-25	Proposed New additions in Tariff calculation for FY 2024-25 (Audited)
		I	J	K=I-J
RHEP	A	1.284	0.177	1.107
UKHEP	B	9.055	1.214	7.842
BHEP	C	44.766	0.635	44.131
HHEP	D	6.588	0.666	5.923
CHEP	E	2.862	2.539	0.323
Sub Total	F=A+B+C+D+E	64.555	5.231	59.326
UIHEP	G	72.571	0.760	71.811
Total	H=F-G	137.126	5.991	131.137

7.2. The details of decapitalization of Gross Fixed asset considered for computation of tariff for FY2026-27 is furnished in the table below.

Table 8 : Proposed Decapitalization of Fixed Asset

Name of the Power Stations	Asset reduction during the FY 2011-12 to FY 2023-24	Asset reduction during the FY 2024-25 as per audited account	Total Asset reduction to be considered for tariff computation for 2026-27
	A	B	C=A+B
RHEP	(3.080)	0.813	(2.267)
UKHEP	0.710	0.022	0.732
BHEP	3.290	0.342	3.632
HHEP	24.330	0.526	24.856
CHEP	2.780	3.451	6.231
Sub Total	28.030	5.153	33.183
UIHEP	5.570	0.993	6.563
Total	33.600	6.146	39.746

7.3. The decapitalization of the asset of different power stations of OHPC from FY2011-12 to FY2023-24 approved by Hon'ble OERC in the Tariff Order of OHPC for Rs33.60Cr. The decapitalization of the asset of different power stations of OHPC for FY2024-25 as reflected in the audited account is Rs 6.146Cr. (Rs5.153Cr for Old power stations & Rs0.993Cr for UIHEP). The total decapitalization amount of Rs33.183Cr has been deducted from the Historic Cost for old power stations of OHPC since most of assets decapitalized belong to transfer asset. Similarly, Rs. 6.563 Cr. has been deducted from the GFA of UIHEP towards decapitalization for determination of Tariff.

7.4. The total Project Cost/ GFA for computation of tariff for FY2026-27 is considered as follows:

- 1) Total proposed additional capitalization as on 31.03.2024 considered in the truing up petition.
- 2) Estimated additional capitalization for the FY2024-25.
- 3) The Historic cost for old power stations (Rs 479.80 Crs)
- 4) The Approved original Project Cost/ GFA of UIHEP (Rs 1194.79Cr)
- 5) Total proposed deletion as on 31.03.2025 considered in the truing up petition.
- 6) The total Project Cost/ GFA for FY2026-27= (1) +(2) + (3) + (4) – (5)

7.5. In view of the above, the Project Cost/ GFA considered for Computation of Tariff for FY2026-27 are furnished in the Table below:

Table 9 : Project Cost for tariff Calculation for FY 2026-27

(in Rs. Cr.)

Name of the power stations	Historic cost of assets as on 01.04.1996 & Original GFA of UIHEP	New asset Addition from 01.04.1996 to 31.03.2024 (OERC Approved)	Additional Capitalization for FY 2024-25 excluding Additional capitalization less than Rs 20lakhs Capital Spares valuing up to Rs. 10 lakhs as per audited account 2024-25	Total Asset reduction / Decapitalization upto FY 2024-25	PSDF Grant upto FY 2022-23	GFA considered for Tariff calculation based on Historic Cost for FY 2026-27.
	A	B	C	D	E	F= A + B + C - D - E
RHEP	91.090	93.053	1.107	-2.267	3.133	184.384
UKHEP	108.310	49.219	7.842	0.732	3.299	161.340
BHEP	115.420	417.012	44.131	3.632	2.412	570.519
HHEP	72.750	447.052	5.923	24.856	0.982	499.887
CHEP	92.230	152.206	0.323	6.231	0.576	237.952
Sub Total	479.800	1158.542	59.326	33.183	10.402	1654.083
UIHEP	1194.790	189.476	71.811	6.563	3.776	1445.738
Total	1674.590	1348.018	131.137	39.746	14.178	3099.821

7.6. OHPC prays before the Hon'ble Commission to approve the Project Cost/ GFA of different power stations of OHPC amounting to Rs 3099.821 Crs for computation of tariff for FY2026-27.

8. Determination of Annual Fixed Cost

8.1. OERC (Terms and conditions for determination of Generation Tariff) Regulations, 2024 that specifies methodology for computation of tariff for supply of electricity from a hydro generating station. The tariff shall comprise capacity charge and energy charge to be shared on 50:50 basis for recovery of annual fixed cost.

8.2. The Annual Fixed Cost of a hydro generating station shall consist of the following components:

- Return on equity (ROE)
- Interest on loan capital
- Depreciation
- Interest on working capital
- Operation and Maintenance expense
- Income Tax

Less

- Non-tariff Income

9. Return on equity (ROE):

9.1. According to Clause No. 28(2) of OERC (Terms and conditions for determination of Generation Tariff) Regulations, 2024, stipulates that Return on equity shall be computed at the base rate of 14.0% for all thermal generating stations, at the base rate of 15.5% for run-of-river hydro generating station and at the base rate of 16.5% for storage type hydro generation station, pumped storage hydro generating station and run-of-river generating station with pondage.

**Table 10 : Computation of RoE for different power stations of OHPC for FY 2026-27
(in Rs. Cr.)**

Name of the Power Station	Capital Addition considered for RoE upto FY 2023-24 audited account (in Crs) {refer col. 8 of Table-13}	Share of Equity (%)	Value of Equity capital (in Crs)	ROE @16.5% as per New OERC Regulations 2024 & provisions under PPA
	A	B	C=A*B	D=16.5% of C
RHEP	91.027	30	27.308	4.506
UKHEP	53.762	30	16.129	2.661
BHEP	458.731	30	137.619	22.707
HHEP	451.993	30	135.598	22.374
CHEP	151.953	30	45.586	7.522
UIHEP	1445.738	25&30	374.310	61.761
Total	2653.204		736.550	121.531

9.2. OHPC prays before the Hon'ble Commission to approve Return on Equity of different power stations of OHPC amounting to Rs121.531Crs for the FY2026-27 as shown in the Table above.

10. Interest on loan

10.1. The loan liabilities on OHPC consist of state Government loan, PFC loans and Normative Loans. The State Government loan liabilities outstanding as on 01.04.1996 is given in the table below:

Table 11 : Loan liabilities transferred to OHPC by State Govt.

Description of loan	Formula	Amount as on 01.04.1996
9.8% loan	A	39.20
13% or 7% loan (UIHEP)	B	497.86
Interest free loan (UIHEP)	C	132.14
13% loan (Potteru)	D	14.30
Zero Coupon Bond-I	E	383.10
Zero Coupon Bond-II	F	383.10

10.2. OHPC has submitted that based on the earlier directions of Hon'ble OERC, OHPC has not considered the impact of interest on Govt Loan & Normative Loan of UIHEP in the Tariff Calculation of OHPC for the FY2026-27. Similarly, OHPC has

not claimed the accumulated interest on Govt Loan & Normative Loan of UIHEP as regulatory asset in view of the directives of Hon'ble OERC.

11. Normative Loans

11.1. OHPC has submitted Rs. 40.994 Crs. as Interest on Loan for the FY 2026-27 as shown below:

Table 12: Statement of Outstanding Loan & Interest thereon for the FY 2026-27

Sl. No.	Source of Loan	Loan O/S as on 01.04.2026 (Rs. in Crs.)	Interest on Loan for the FY 2026-27 (Rs. in Crs.)
1	State Govt. Loan of UIHEP @7%*	14.180	0.00
2	Normative Loan of Rs78.74Cr for UIHEP, Mukhiguda @ 7%	78.740	0.00
3	Normative Loan of CHEP@ 9.80%	50.642	4.798
4	Normative Loan of UKHEP@ 9.80%	18.795	1.781
5	Normative Loan of HHEP@ 8.75%	106.513	9.009
6	Normative Loan of BHEP@ 9.60%	144.642	13.423
7	Normative Loan of RHEP@ 9.80%	19.214	1.820
8	Normative Loan of UIHEP@ 7.0%	150.207	10.164
Total		582.933	40.994

11.2. The Power Station wise interest on loan and guarantee commission as described above is given below:

Table 13: Interest on loan of different powerhouse of OHPC (Rs. Cr.)

Source of loan	Interest on loan for FY 2026-27						(Rs. In Crs)
	RHEP	UKHEP	BHEP	HHEP	CHEP	UIHEP	TOTAL
Normative loan	1.820	1.781	13.423	9.009	4.798	10.164	40.994

11.3. Therefore, OHPC prays before the Hon'ble Commission to approve Rs 40.994 Crs. in the tariff of OHPC for the FY2026-27 for payment of Interest towards Normative Loans of the different Power Stations of OHPC as mentioned in the above table.

12. Depreciation:

12.1. The depreciation amount to be claimed in the ARR & Tariff of OHPC for the FY 2026-27 is shown below:

Table 14: Depreciation Claim for the FY 2026-27 (Rs. in Crs)

Power Stations	Project Cost	Rate of Depreciation	Depreciation	Loan Repayment	Depreciation Claimed@2.57% of the GFA or Loan repayment Whichever is higher
	A	B	C=A*B	D	E = Higher between C&D
RHEP	184.384	2.57%	4.739	1.281	4.739
UKHEP	161.340		4.146	1.253	4.146

Power Stations	Project Cost	Rate of Depreciation	Depreciation	Loan Repayment	Depreciation Claimed@2.57% of the GFA or Loan repayment Whichever is higher
	A	B	C=A*B	D	E = Higher between C&D
BHEP	570.519		14.662	9.643	14.662
HHEP	499.887		12.847	7.101	12.847
CHEP	237.952		6.115	3.376	6.115
UIHEP	1445.738		37.155	40.244	40.244
Total					82.754

12.2. Operation a OHPC has prayed before the Hon'ble Commission to approve Rs. 82.754 Crs towards Depreciation for the FY 2026-27.

13. Operation and Maintenance (O&M) Expenses:

13.1. O & M Expenses has been calculated as per the OERC (Terms & Conditions for Determination of Generation Tariff) Regulations 2024. Accordingly, power station wise and asset wise estimated additional capitalization Rs 20lakhs and Capital Spares valuing up to Rs. 10 lakhs as per Audited Account of OHPC for the FY2024-25 amounting to Rs 5.991Crs are added to compute Gross proposed O&M Expenditure of OHPC power stations for FY2026-27.

Table 15: Statement of O & M Expenses for different power stations of OHPC for FY 2026-27
(Rs.in Cr.)

Particulars	Formula	RHEP	UKHEP	BHEP	HHEP	CHEP	Sub Total	UIHEP	CO	Total
		K	L	M	N	O	P=K+L+M+N+O	P	Q	R=P+Q
O & M expenses for FY 2025-26 approved by Hon'ble OERC	A	56.130	71.790	59.180	55.020	25.660	267.780	67.130	-	334.910
O & M expenses for FY 2023-24 as per Audited Account. (less DoWR expense of UIHEP)	B	47.826	52.889	49.620	47.392	23.187	220.914	55.380	35.640	311.934
O & M expenses for FY 2024-25 as per Audited Account (less DoWR expense of UIHEP)	C	52.095	62.588	53.139	56.678	31.589	256.089	71.742	48.323	376.154
Average of O&M expenses (2023-24 & 2024-25)	D	49.961	57.739	51.380	52.035	27.388	238.502	63.561	41.982	344.044
Escalation @5.47% for FY 2025-26	E	52.693	60.897	54.190	54.881	28.886	251.548	67.038	44.278	362.863
Escalation @5.47% for FY 2026-27	F	55.576	64.228	57.154	57.883	30.466	265.307	70.705	46.700	382.712

Particulars	Formula	RHEP	UKHEP	BHEP	HHEP	CHEP	Sub Total	UIHEP	CO	Total
		K	L	M	N	O	P=K+L+M+N+O	P	Q	R=P+Q
Corporate Office expenses apportioned to different units under OHPC based on Installed Capacity	G	5.724	7.326	11.676	6.589	1.648	32.963	13.737	46.700	-
Total O & M Expenses for the FY 2026-27(6+7)	H=F+G	61.299	71.554	68.830	64.472	32.115	298.270	84.441	-	382.712
Capital spares upto 10 Lakhs & assets below 20lakhs as per audited accounts of FY2024-25	I	0.177	1.214	0.635	0.666	2.539	5.231	0.760	-	5.991
Gross Total O&M Expenses for the FY2026-27 (Sl. No. 8 of Table-24 plus Sl. No. 1 of Table-25)	J=H+I	61.476	72.768	69.465	65.138	34.654	303.501	85.202	-	388.703

13.2. OHPC prays before the Hon'ble Commission to approve Rs. 388.703 Crs towards O&M Expenses for the FY 2026-27 for the different Power Stations of OHPC as mentioned in the above table.

14. Interest on Working Capital

14.1. Hon'ble OERC has stipulated the following regarding rate of interest on working capital for OHPC at

14.2. In accordance to the clause no. 32(4) of the OERC (Terms & Conditions for determination of Generation Tariff) Regulation, 2024, OHPC has proposed the station wise interest on working capital for FY 2026-27 and the same is mentioned below:

Table 16: Interest on Working Capital for FY 2026-27

(Rs. in Crs)

Description	Formula	RHEP	UKHEP	BHEP	HHEP	CHEP	Sub Total	UIHEP	Total
		N	O	P	Q	R	S=N+O+P+Q+R	T	U=S+T
Interest on Loan & GC	A	1.820	1.781	13.423	9.009	4.798	30.830	10.164	40.994
RoE	B	4.506	2.661	22.707	22.374	7.522	59.770	61.761	121.531
O & M Expenses	C	61.476	72.768	69.465	65.138	34.654	303.501	85.202	388.703
Depreciation	D	4.739	4.146	14.662	12.847	6.115	42.510	40.244	82.754
Less Non Tariff Income	E	1.931	1.099	4.994	1.259	0.302	9.585	2.782	12.367
Adjustment of Non-Tariff Income of FY2024-25	F	0.607	0.777	1.239	0.699	0.175	3.497	1.457	4.954

Description	Formula	RHEP	UKHEP	BHEP	HHEP	CHEP	Sub Total	UIHEP	Total
		N	O	P	Q	R	S=N+O+P+Q+R	T	U=S+T
Less Sale of Power to CSPDCL	G				3.403		3.403		3.403
Total	H=A+B+C+D+E+F-G	71.218	81.034	116.502	105.405	52.962	427.120	196.045	623.166
O & M Expenses for One Month	I	5.123	6.064	5.789	5.428	2.888	25.292	7.100	32.392
Maintenance spares @15% of O & M Expenses	J	9.221	10.915	10.420	9.771	5.198	45.525	12.780	58.305
Receivable equivalent to 45days of Annual Fixed Cost	K	9.127	10.395	14.822	13.418	6.749	54.513	24.831	79.344
Total Working Capital	L=I+J+K	23.472	27.375	31.031	28.617	14.835	125.330	44.712	170.042
Interest on Working Capital calculated @ 12.00 %	M=0.12*L	2.817	3.285	3.724	3.434	1.780	15.040	5.365	20.405

14.3. OHPC has prayed before the Hon'ble Commission to approve Rs 20.405 Crs towards Interest on Working Capital for the FY 2026-27 for the different Power Stations of OHPC as mentioned in the above table.

15. NON- TARIFF Income

15.1. Clause No.35(1), (2) & 60 of OERC (Terms & Conditions for determination of Generation Tariff) Regulation, 2024 specifies that the non-tariff net income in case of generating station from rent of land or buildings, sale of scrap and advertisements shall be shared between the beneficiaries and the generating company, in the ratio 50:50.

Table 17: Non-Tariff Income of different Power Stations of OHPC for FY 2026-27

Description	RHEP	UKHEP	BHEP	HHEP	CHEP	UIHEP	Total
	A	B	C	D	E	F	G=A+B+C+D+E+F
Net sharable Non- Tariff Income	1.93	1.10	4.99	1.26	0.30	2.78	12.37
50% of net sharable Non- Tariff Income to be considered in ARR	-	-	-	-	-	-	12.37

15.2. Therefore, OHPC has prayed before the Hon'ble Commission to approve the sharable non-tariff income of Rs 12.37Cr different power stations for the FY2026-27 as shown in the Table above.

16. Annual Revenue Requirement (ARR) & Tariff for the FY 2026-27

16.1. Based on the above parameters the power station wise ARR and tariff of OHPC have been calculated for the FY 2026-27 as follows:

16.2. The values of ARR along with its different components and the average tariff computed considering the Saleable Design Energy of 5601.62MU for the FY 2025-26 is shown in the table below.

Table 18: Station wise ARR and Tariff for the FY 2026-27 considering saleable D.E. of 5601.62 MU

Details expenses	Formula	RHEP	UKHEP	BHEP	HHEP	CHEP	Sub Total	UIHEP	Total
Existing Saleable Design Energy (MU)	A	519.75	823.68	1171.17	660.52	484.12	3659.24	1942.38	5601.62
(Rs. in Crs.)									
Return on Equity	B	4.506	2.661	22.707	22.374	7.522	59.770	61.761	121.531
Interest on Loan	C	1.820	1.781	13.423	9.009	4.798	30.830	10.164	40.994
Depreciation	D	4.739	4.146	14.662	12.847	6.115	42.510	40.244	82.754
O&M Expenses	E	61.476	72.768	69.465	65.138	34.654	303.501	85.202	388.703
Interest on working capital	F	2.817	3.285	3.724	3.434	1.780	15.040	5.365	20.405
Total Cost	G=B+C+D+E+F	75.358	84.641	123.981	112.802	54.868	451.651	202.736	654.387
Less Non-Tariff Income as per Audited Account for FY2024-25	H	1.931	1.099	4.994	1.259	0.302	9.585	2.782	12.367
Adjustment of recovery of 3rd instalment of excess Non-Tariff income deducted in ARR of OHPC for FY2021-22 (Apportioned as per Installed Capacity)	I	0.607	0.777	1.239	0.699	0.175	3.497	1.457	4.954
Less Sale of power to CSPDCL for 2026-27	J				3.403		3.403		3.403
Total ARR for FY 2026-27	K=G-H-I-J	74.034	84.319	120.226	108.839	54.742	442.160	201.411	643.571
Average Tariff (p/u)	L=K*10/A	142.44	102.37	102.65	164.78	113.08	120.83	103.69	114.89

17. Two-Part Tariff

17.1. As per clause no. 45(1) of the OERC (Terms and conditions for determination of Generation Tariff) Regulation 2024, the annual fixed cost of a power station shall be recovered on monthly basis through capacity charge (inclusive of incentives) and energy charge. Accordingly, annual capacity charges, annual energy charges and energy charge rate of different power stations of OHPC for FY 2026-27 is shown below:

Table 19: Proposed Capacity charge & energy charge of OHPC power stations for FY 2026-27

Name of the Power Stations	Annual Fixed Cost (Rs in Crs.)	Capacity Charges (Rs in Crs.)	Energy Charges (Rs in Crs.)	Saleable Design Energy (in MU)	Energy Charge Rate(P/U)
	A=B+C	B	C	D	E=A*10/D
RHEP, Rengali	74.034	37.017	37.017	519.75	71.221
UKHEP, Baraniput	84.319	42.159	42.159	823.68	51.184
BHEP, Balimela	120.226	60.113	60.113	1171.17	51.327
HHEP, Burla	108.839	54.420	54.420	660.52	82.389
CHEP, Chiplima	54.742	27.371	27.371	484.12	56.538
UIHEP, Mukhiguda	201.411	100.705	100.705	1942.38	51.846

17.2. OHPC prays before the Hon'ble Commission to approve the AFC, ACC, AEC & ECR of its power stations as indicated in Table above for the FY 2026-27.

18. Application Fee and Publication Expenses

18.1. As per the OERC tariff regulation 2024, OHPC has to deposit application fee of Rs. 25 Lakhs for the FY2026-27. OHPC may be allowed to recover the same amount from GRIDCO. So, considering Rs.2.00 Lakhs as last year publication expense, OHPC propose Rs2.0Lakhs as reimbursement towards publication expenses for FY2026-27. Therefore, Hon'ble OERC may kindly approve Rs27 Lakhs to be reimbursed from GRIDCO towards application fees and publication expenses as shown in the Table below.

Table 20: Application Fees and Publication Expenses FY 2026-27

(Rs. In lakhs)

Particulars	Formula	Amount to be reimbursed
Application fee for FY2026-27	A	25.00
Publication expenses for FY2026-27	B	2.00
Total	C=A+B	27.00

19. Electricity Duty on Auxiliary Consumption

19.1. As per the agreed PPA, the taxes and duties including ED on auxiliary consumption etc payable by OHPC to the State Government and other statutory bodies shall be passed on to GRIDCO in the shape of supplementary bill raised by OHPC. GRIDCO will make payment accordingly within 30 days of receipt of bills.

19.2. Accordingly, the Rate of Electricity Duty / Unit has been revised from 30 paisa per Unit to 55 paisa per Unit with effect from 12th May 2017 as per the Gazette Notification No. 912 dtd. 12.05.2017. Accordingly, OHPC has computed ED @55paise per Unit for all power station for FY 2025-26 as reimbursement.

Table 21: ED claim for OHPC power station for FY 2026-27**(Rs. in Crs)**

Power Stations	Design Energy (in MU)	Proposed Percentage of Auxiliary Energy Consumption (in %)	Auxiliary Energy Consumption to be approved (in MU)	ED Rate Applicable (in Rs/Unit)	ED proposed for Reimbursement by OHPC @55p/u & AUX (in Crs)
RHEP	525	1	5.25	0.55	0.289
UKHEP	832	1	8.32	0.55	0.458
BHEP	1183	1	11.83	0.55	0.651
HHEP	684	1	6.84	0.55	0.376
CHEP	490	1.2	5.88	0.55	0.323
UIHEP	1962	1	19.62	0.55	1.079
Total	5676		57.74	0.55	3.176

19.3. Hence, OHPC prays before the Hon'ble OERC to kindly approve reimbursement of ED amounting to Rs. 3.176 Cr for the FY 2026-27 from GRIDCO which may kindly be provisioned in the ARR.

20. License Fee for Use of Water for Generation of Electricity

20.1. OHPC was paying water cess @1.1paise/ unit for the FY 2017-18, @1.2 paise/ unit for the FY2018-19, @1.3paise/ unit for the FY2019-20, @1.4paise/ unit for FY2020-21, @1.5paise/ unit for the FY2021-22, @1.6paise/ unit for the FY2022-23, @1.7paise/ unit for the FY2023-24, @1.8paise/ unit for FY2024-25, @1.9paise/ unit for FY2025-26 and got reimbursed from GRIDCO, @. In a similar manner OHPC shall pay License Fee on water used for generation of electricity for FY 2026-27 @ 2.0 paise/ unit amounting to Rs 11.352 Cr based on the approved design energy for generation as shown in the table below, which shall be reimbursed from GRIDCO on actual basis.

Table 22: License fee for Consumption of water for generation of electricity FY 2026-27**(Rs. in Crs)**

Power Stations	Design Energy (in MU)	Licence Fee on water Proposed by OHPC @0.020Rs/Kwh of Generation (in Crs)	Remarks
RHEP	525	1.050	OHPC will claim reimbursement @Rs 0.020/Kwh on actual generation of each Power Station.
UKHEP	832	1.664	
BHEP	1183	2.366	
HHEP	684	1.368	
CHEP	490	0.980	
UIHEP	1962	3.924	
Total	5938.5	11.352	

20.2. Accordingly, OHPC has prayed before the Hon'ble Commission for approval of provisional amount of Rs 11.352 towards License fee mentioned in the table above as Reimbursement from GRIDCO subject to approval of reimbursement to the extent of actual water Cess paid to the Govt. based on actual generation pattern for the FY2026-27.

21. SLDC Charges

21.1. OHPS has submitted that as it has not received the ARR, fees & charges of SLDC for the FY 2026-27, the previous year approved charges applicable to OHPC has been escalated @5.47% to arrive at the charges payable by OHPC for the FY 2026-27

21.2. Accordingly, Rs1.6875Cr. has provisionally been considered as fees & charges of SLDC payable by OHPC on the average available Installed Capacity of 1795 MW.

22. Reimbursement of Contribution Made to ERPC

22.1. OHPC is contributing towards ERPC establishment fund & ERPC fund from the FY 2006-07 onwards as per their demand note. OHPC has claimed this amount of Rs 16.0 Lakhs as a pass through in the tariff for FY 2026-27 to be reimbursed from GRIDCO. Any excess claim (above Rs16.0 Lakhs) made by ERPC for the FY 2026-27 will be claimed as additional reimbursement in the subsequent Tariff year.

23. Income Tax

23.1. Calculation of Income Tax for Reimbursement for FY2026-27 based on audited account 2024-25 is detailed below:

Table 23: Calculation of Income Tax for Reimbursement by OHPC for the FY 2026-27 based on Audited account 2024-25

Particulars	Formula	Amount (in Rs. Cr)
Profit before tax as per P&L account	A	479.17
Total Other Income (as per the audited account)	B	424.47
Less: 50% of Non-Tariff Income reduced from ARR	C	12.37
Less: Reimbursement from GRIDCO on A/C of Income Tax	D	25.27
Less: Dam Share from DOWR	E	11.97
Net other Income	F=B-C-D-E	374.86
Profit from Core Business	G=A-F	104.30
Income tax on Generation Business @ 25.168%	H=G*25.168%	26.25

23.2. Accordingly, OHPC prays for approval of Rs 26.25 Cr towards reimbursement of income tax for FY 2026-27 on core business.

24. Details of Reimbursement Cost

24.1. Total reimbursement cost claimed for the FY 2026-27 is given in the **Table – 24** below:

Table 24: Details of Reimbursement for FY 2026-27

(Rs. in Cr.)

Component of Costs	RHEP	UKHEP	BHEP	HHEP	CHEP	UIHEP	Total
(a) License fee for use of water for generation of electricity for FY 2026-27.	1.050	1.664	2.366	1.368	0.980	3.924	11.352
(b) ED on Auxiliary Energy Consumption for FY2026-27.	0.289	0.458	0.651	0.376	0.323	1.079	3.176
(c) SLDC charges for FY 2026-27.							1.688
(d) Application fees and publication expenses for FY2026-27.							0.27
(e) ERPC charges for FY2026-27.							0.16
(f) Income Tax for tariff Year 2026-27 as per Audited Account of FY 2024-25							26.25
Total							42.896

24.2. Thus, the Commission may approve the total reimbursement of Rs 42.896 Cr. as proposed by OHPC in table above. The above expenditure may be included in GRIDCO's ARR for reimbursement to OHPC and hence shown as revenue requirement in OHPC filing for FY 2026-27.

25. Tariff for Energy Billing to CSPDCL

- 25.1. The erstwhile Chhattisgarh State Electricity Board (CSEB), presently Chhattisgarh State Power Distribution Company Limited (CSPDCL) drawing energy from Hirakud generation towards 5MW share of Chhattisgarh State (erstwhile share holder being Madhya Pradesh) was taking a plea since the FY 2006-07 to pay the energy charges at the tariff approved by the Hon'ble Commission for HHEP, Burla, applicable for the consumers of Odisha, considering the supportive measures extended by the Govt. of Odisha which is considerably less than the actual cost of generation from HHEP on which billing was made to them as per the Minutes of Meeting dtd.24.12.2004.
- 25.2. Accordingly, as per request of OHPC Hon'ble Commission have provisionally fixed the ECR for billing to CSPDCL for the FY2015-16 to FY2025-26. OHPC has computed the provisional tariff for billing of Energy to CSPDCL for coming FY 2026-27 as per the CERC (Terms and Conditions of Tariff) Regulation'2024, Upvalued Project Cost/GRA of HHEP, Burla & approved additional capitalization from 01.04.1996 to 31.03.2024 as furnished at Table below:

Table 25: Tariff for CSPDCL for 2026-27

Details of Expenses HHEP	Formula	Amount (in Rs. Crs)
Salable Design Energy of HHEP (in MU)	A	677.16
GFA (Up-valued cost as on 01.04.1996 + Capitalization up to 31.03.2025 - Decapitalization)	B	557.30
Return on Equity (@ 22.0494%)	C	36.86
Interest on Loan	D	10.37
Depreciation (@ 5.28%)	E	29.43
O & M expenses (Escalated @ 5.47%)	F	58.03
Interest on Working Capital (@ 12.25%)	G	3.75
Total ARR	H=A+B+C+D+E+F+G	138.44
Average Tariff (p/u)	I=H*10/A	204.440
Total amount to be billed for 16.644MU for FY2026-27 (Rs in Crs)	J=I*16.664/10	3.403

- 25.3. OHPC prays Hon'ble OERC to approve the tariff for energy billing to CSPDCL @ 204.440 paisa/unit for the FY 2026-27. As a result, Rs 3.403 Cr is to be adjusted from ARR of HHEP, Burla.

Table 26: Projected Tariff of Machhkund H. E. (J) Scheme for FY 2026-27

Parameters	2026-27
Present Installed Capacity of MHEP (Jt.) Scheme (MW)	120
(50%) Odisha Share as per New Agreement dated 23.10.2020 (MW)	60
Design Energy of MHEP for Generation (MU)	525
Normative Auxiliary Energy Consumption (AUX) (%)	1.2%
Normative Auxiliary Energy Consumption (AUX) (MU)	6.3

Parameters	2026-27
Saleable Design Energy for sharing between Andhra Pradesh & Odisha (MU)	518.7
(50%) Saleable Design Energy Share of Odisha (MU)	259.35
Drawl of Total Share of Odisha Energy by GRIDCO (MU)	259.35
O&M Escalation factor @ 5.47 % for two years over the O&M Bill of MHEP for FY 2023-24.	1.112
	(Rs. in Crs.)
1. Total Audited Cost of O&M Bill of MHEP (Jt.) for the FY 2023-24.	66.80665
2. 50% O&M Expenditure share (Orissa share of Actual O&M Expenditure for 2023-24)	33.403325
3. O&M Expenditure for FY 2025-26 applying the escalation factor	37.1576
4. Total Expected Expenditure during the FY 2025-26	37.1576
5. Provisional Tariff (Paise/Kwh)	143.272
Reimbursements of Statutory Dues/Duty/Cess as applicable shall be considered under the O&M Expenses.	

26. Normative Plant Availability Factor (NAPAF)

26.1. Hon'ble OERC in Case No. 52 of 2019 had fixed the NAPAF of different power stations for the control period 2019-20 to 2024-25 as follows:

Power Stations	RHEP	UKHEP	BHEP	HHEP	CHEP	UIHEP
NAPAF (%)	80	87	83- for first 3 years 87 – for subsequent 2 years	75	75	88

Table 27: Normative Plant Availability Factor proposed by OHPC for FY 2026-27

Power Stations	RHEP	UKHEP	BHEP	HHEP	CHEP	UIHEP
NAPAF (%)	80	87	87	75	75	88

27. COMPLIANCE TO THE DIRECTIVES AS PER ARR AND TARIFF ORDER OF OHPC FOR FY2026-27:

PARA NO	DIRECTIVES OF OERC	COMPLIANCE
63 (a)	“OHPC has submitted that actual generation of some of the Hydro Powe Station like UIHEP, CHEP, BHEP, UKHEP is less than their Design Energy continuously for past four (4) years and this is because of silt deposit, decrease in flow, change in climatic condition etc. For above HEPs, OHPC is directed approach Central Electricity Authority (CEA) with relevant hydrology data for revision of Design Energy of these stations as per the provision in	Para 6(D) of the application

PARA NO	DIRECTIVES OF OERC	COMPLIANCE
	<i>Regulation 45 of OERC's Generation Tariff Regulations, 2024"</i>	
63 (b)	<i>"It is observed that RHEP & HHEP are performing well with higher generation than Design Energy for last few years and must have positive contribution to the secondary fund. The Commission directs to intimate about the present contribution from various HEPs of OHPC and status of fund available in secondary fund created to take care of hydrology failure of other Hydro Project</i>	<ul style="list-style-type: none"> The Status of Hydrology Fund is (-) Rs141.254Crs as on 31.03.2025.
63(c)	<i>"OHPC is directed to update the status and the completion time line of capital maintenance of Unit 1&2 of Chiplitma Power House and Repair & Renovation of power channel from Burla Power House to Chiplitma Power House for which huge amount has been approved by the Commission</i>	Status of Unit-1 & 2 of CHEP:- <ul style="list-style-type: none"> The assembly of Unit-1 is under progress & expected to be completed in the last week of November 2025. The performance of Unit No. 1 after its Capital Maintenance will be under warranty for 06 months. After that Unit-2 shall be handed over to M/s Voith Hydro Pvt. Ltd. for Capital Maintenance work.
63 (d)	<i>"OHPC shall submit the present status and the completion schedule of Kharag HEP (63 MU), pump storage projects associated with UIHEP, UKHEP, BHEP and nine (9) off the river closed loop PSP."</i>	The present status and the completion schedule of Kharag HEP (63 MU), pump storage projects associated with UIHEP, UKHEP, BHEP and nine (9) off the river closed loop PSP.
63 (e)	<i>"OHPC shall submit the status of implementation of floating solar projects on the existing reservoirs."</i>	300MW Floating Solar Project in Rengali Reservoir is to be developed by OHPC in TBCB mode after cancellation of MOU & Promoters Agreement, which was executed between GEDCOL & NHPC Ltd.
63 (f)	<i>"OHPC is directed to inform about any planning/ consideration for joint bidding with other States for PSP projects, which are in the pipeline in order to share the benefit and high cost burden of PSP projects</i>	Process has been initiated by OHPC for engagement of Transaction Advisory Services for execution of top six (06) ranked feasible projects. Further steps on development of the selected six projects will be taken as per the recommendation of Transaction Advisor

28. PERIOD OF SHUTDOWN FOR REPAIR & RENOVATION OF POWER CHANNEL FROM BURLA POWER HOUSE TO CHIPLIMA POWER HOUSE:-

Generating Unit	Name of the Work/ Critical Spares	Tentative Period of Shut Down	Estimated Cost (in Rs.)	Remarks
CHEP & HHEP	Repair and renovation of power channel from RD 0.00 to RD 16000.00 ft	184days (46 day each in May/June and November/December in 4 slots as per the joint approval from District Administration & SLDC.)	<ul style="list-style-type: none"> Estimated GFA is Rs165.36Crs 	(1) Zero date for Capital Maintenance work of each Unit shall be decided in consultation with SLDC
CHEP & HHEP	Repair and renovation of power channel from RD 30000.00 ft. to RD 83480.00ft			(2) The capacity (MW) of the Unit under Capital Maintenance shall be deducted from the total Installed Capacity for computation of PAFM.

OHPC has prayed before the Hon'ble OERC to kindly approve the investment of Rs165.36Crs instead of previously approved amount of Rs153.35Crs (Case No. 78 of 2021) with a total shutdown period of 184days towards capital maintenance of Repair & Renovation of power channel from Burla Power House to Chiplitma Power House.

29. PRAYER

OHPC prays before the Hon'ble Commission to kindly approve the following in the ARR & Tariff Order of OHPC Power Stations for the FY 2026-27:

- a) The ARR amounting to Rs 643.57Cr. of OHPC Power Stations at an average tariff @ 114.89 Paise/Unit;
- b) The ACC, AEC & ECR of different Power Stations of OHPC as shown in the Table-30;
- c) The miscellaneous reimbursement of Rs 42.896Crore by OHPC from GRIDCO;
- d) The tariff for energy billing to CSPDCL @ 2.0444 Rs / kWh considering Up-valued cost of HHEP and the norms of CERC (Terms & Conditions of Tariff) Regulations, 2024;
- e) The tariff of MHEP (Joint Scheme) @ 1.43272 Rs/unit with provision of Rs 37.1576 Crores in the ARR of OHPC & GRIDCO to enable OHPC to make payment of O&M cost to APGENCO as per the new Agreement;
- f) The average available Installed Capacity as 1795 MW for payment of SLDC charges;
- g) To recognize the Status of Hydrology Fund is (-) Rs141.254Cr. as on 31.03.2025 and the said amount may please be allowed to OHPC in suitable annual instalments;
- h) Approval of the Loan repayment schedule of UIHEP as shown in Table No.20, so that 90% of GFA is recovered & Loan Liabilities are cleared during the Useful life of the project;
- i) Approve the investment of Rs165.36Cr. instead of previously approved amount of Rs153.35Cr. (Case No. 78 of 2021) with a total shutdown period of 184days towards capital maintenance of Repair & Renovation of power channel from Burla Power House to Chiplima Power House ;
- j) To allow to file rejoinder against the order to be passed by Hon'ble OERC in case no 49/2025 to give consequential effect ,if any.
- k) To Condone any inadvertent omission, errors, shortcomings and permit the Petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date.