

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, PLOT NO-4, CHUNUKOLI, BHUBANESWAR-751023

Filing No. : 2

Case No. : 69/2018

IN THE MATTER OF REJOINDER TO APPLICATION FOR APPROVAL OF ANNUAL REVENUE REQUIREMENT AND TARIFF OF INDIVIDUAL POWER STATIONS OF OHPC FOR THE FINANCIAL YEAR 2019-20 IN TERMS OF SECTION 61 & 62 READ WITH SECTION 86 OF THE ELECTRICITY ACT, 2003; OERC (TERM & CONDITIONS FOR DETERMINATION OF GENERATION TARIFF) REGULATIONS, 2014 & IN ACCORDANCE WITH THE TERMS & CONDITIONS OF THE APPROVED PPA BETWEEN OHPC & GRIDCO.

AND

IN THE MATTER OF ODISHA HYDRO POWER CORPORATION LTD., REGD. OFFICE: JANPATH, BHUBANESWAR-751022.

.....Applicant

AND

IN THE MATTER OF The Suggestions/Objections filed by

1) Sri Ananda Kumar Mohapatra, Power Analyst, S/o Jachindranath Mohapatra, Plot No: 639/1021, Laxmi Vihar, Basuaghai, Badagada, Tankapani Road, Ps- Badagada, Bhubaneswar, Dist-Khurda-751002. E.Mail anandamohapatra22@gmail.com

.....Respondent

2) Director (Commercial), M/s GRIDCO Limited, Regd. Office: Janpath, Bhubaneswar,751022

..Respondent

3) Sri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour, Plot No. 302 (B), Beherasahi, Nayapalli, BBSR - 751012.

...Respondent

4) Sri Alekh Chandra Mallik, S/o Shri Harekrushna Mallik, Plot No. 335, City Garden, Raghunathpur, Bhubaneswar- 754005.

.....Respondent

5) Sri R.P. Mahapatra, Retd. Chief Engineer & Member (Gen.), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013.

.....Respondent

AFFIDAVIT VERIFYING THE APPLICATION

I, Shri Pravakar Mohanty, Son of Shri Bhaskar Charan Mohanty , aged 60 years residing at Bhubaneswar do solemnly affirm and say as follows:

- (1) I am the Director (Finance) of Odisha Hydro Power Corporation Ltd., the applicant in the above matter and am duly authorized to make this affidavit on its behalf.
- (2) The statements made in paragraphs 1 to 10 of this rejoinder are true to my knowledge and the statements made in paragraphs are based on information available with OHPC and I believe them to be true to best of my knowledge.

Verification:

DEPONENT

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

Verified at _____ on the day of _____

DEPONENT

BEFORE THE ODISHA ELECTRICITY REGULATORY COMMISSION
BIDYUT NIYAMAK BHAWAN, PLOT NO-4, CHUNUKOLI, BHUBANESWAR-751023

Filing No. : 2
Case No. : 69/2018

IN THE MATTER OF REJOINDER TO APPLICATION FOR APPROVAL OF ANNUAL REVENUE REQUIREMENT AND TARIFF OF INDIVIDUAL POWER STATIONS OF OHPC FOR THE FINANCIAL YEAR 2019-20 IN TERMS OF SECTION 61 & 62 READ WITH SECTION 86 OF THE ELECTRICITY ACT, 2003; OERC (TERM & CONDITIONS FOR DETERMINATION OF GENERATION TARIFF) REGULATIONS, 2014 & IN ACCORDANCE WITH THE TERMS & CONDITIONS OF THE APPROVED PPA BETWEEN OHPC & GRIDCO.

AND
IN THE MATTER OF ODISHA HYDRO POWER CORPORATION LTD., REGD. OFFICE: JANPATH, BHUBANESWAR-751022.

.....Applicant

AND
IN THE MATTER OF The Suggestions/Objections filed by

1) Sri Ananda Kumar Mohapatra, Power Analyst, S/o Jachindranath Mohapatra, Plot No: 639/1021, Laxmi Vihar, Basuaghai, Badagada, Tankapani Road, Ps- Badagada, Bhubaneswar, Dist-Khurda-751002. E.Mail-anandamohapatra22@gmail.com

....Respondent

2) Director (Commercial), M/s GRIDCO Limited, Regd. Office: Janpath, Bhubaneswar,751022

..Respondent

3) Sri Ramesh Ch. Satpathy, Secretary, National Institute of Indian Labour, Plot No. 302 (B), Beherasahi, Nayapalli, BBSR - 751012.

...Respondent

4) Sri Alekh Chandra Mallik, S/o Shri Harekrushna Mallik, Plot No. 335, City Garden, Raghunathpur, Bhubaneswar- 754005.

.....Respondent

5) Sri R.P. Mahapatra, Retd. Chief Engineer & Member (Gen.), OSEB, Plot No. 775(Pt.), Lane-3, Jayadev Vihar, BBSR-751013.

.....Respondent

THE HUMBLE PETITIONER ABOVE NAMED MOST RESPECTFULLY SHOWETH THAT:

1) The application for approval of Annual Revenue Requirement (ARR) and Tariff for the financial year 2019-20 in respect of individual power stations of OHPC was filed before the Hon'ble Commission on 30.11.18. As directed by the Hon'ble Commission, Public Notice was published on 16.12.18 in English text in the local English & Odia daily newspapers "The Samaj" & "Times of India" in English text and in "Dhararti" in Odia text. The above mentioned respondents from Sl. No. 1 to 5 have raised objections and given suggestions on the ARR and Tariff application of OHPC for the FY 2019-20. The compliance to the objections/suggestions raised by aforesaid respondents are furnished herewith.

2. Status of Generation of different power stations of OHPC for FY2018-19:

The Reservoir Level of OHPC Power Stations as on 15.01.18 vis-à-vis on 15.01.19 is given below:

Table-1

Sl. No.	Reservoirs	As on 15.01.2018	As on 15.01.2019
1.	Rengali	122.49 meter	117.59 meter
2.	Kolab	853.53meter	854.69 meter
3.	Balimela	1476.00ft.	1505.50 ft.
4.	Hirakud	625.50ft.	624.04 ft.
5.	Indravati	635.66meter	638.44 meter

The actual generation of different Power Stations under OHPC from 01.04.2018 up to 15.01.2019 and anticipated generation up to 31.03.2019 for the FY 2018-19 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-2

Sl. No.	Name of the power stations	Actual generation from 01.04.18 up to 15.01.19 (in MU)	Anticipated generation from 16.01.19 to 31.03.19 based on DoWR & DoE Schedule (in MU)	Total Anticipated generation for the FY 2018-19 based on DoWR & DoE Schedule (in MU)	RL likely to be achieved as on 31.03.19 as per generation Schedule
1.	RHEP	697.698	72.000	769.698	113.93 Mtr.
2.	UKHEP	744.534	180.000	924.534	850.63 Mtr.
3.	BHEP	1457.862	468.000	1925.862	1480.80 Ft.
4.	HHEP	342.708	47.160	389.868	612.49Ft.
5.	CHEP	136.327	29.160	165.487	-
6.	UIHEP	1710.535	430.800	2141.335	632.44 Mtr.
Total		5089.6659	1227.120	6316.786	

3. Compliance to the Objections/Suggestions raised by Sri Ramesh Ch.Satpathy on the ARR application of OHPC for the FY 2019-20

Para 1&2:- No comments.

Para 3:- The design energy of a Hydro Electric Project is a basic design criteria which is calculated prior to the project inception considering statistical data of rainfall over the catchment and gross total inflow from all source and generator-turbine capacities. Accordingly, the D.E has been defined in OERC (Terms & Conditions for Determination of Generation Tariff) Regulations 2014 as follows:

“Design energy” means the quantum of energy which can be generated in a 90% dependable year with 95% installed capacity of the hydro generating station.”

So, actual generation from a hydroelectric project depend on the rainfall pattern, availability of water

in the reservoir & machines for generation, demand of the state. Further the water available in a carry-over reservoir is very often carried over to the next year due to uncertainty and irregular pattern of rainfall which affects the actual generation in a particular year. Therefore there is always a mismatch between actual generation & design energy. Accordingly OHPC power stations have never generated exactly equal to its Design Energy (5676MU) during any financial year. In most of the financial years, the total generation of OHPC is less than the Design Energy of 5676MU due to the reasons mentioned above.

The gross actual generation achieved by different power stations of OHPC for the last five years are given below:

Table-3 (in MU)

Sl. No.	Name of the Power Station	Design Energy (DE)	Saleable Design Energy (DE)	Actual Gen. of 2013-14	Actual Gen. of 2014-15	Actual Gen. of 2015-16	Actual Gen. of 2016-17	Actual Gen. of 2017-18
1	RHEP	525.00	519.75	910.55	735.79	606.17	553.51	762.54
2	UKHEP	832.00	823.68	871.89	718.27	727.82	620.01	675.65
3	BHEP	1183.00	1171.17	1655.39	1267.43	599.83	998.53	1475.07
4	HHEP	684.00	677.16	702.01	582.39	457.09	535.88	614.07
5	CHEP	490.00	485.10	312.23	278.55	216.76	200.57	219.11
6	UIHEP	1962.00	1942.38	2517.48	2657.15	1654.16	1522.91	1740.82
Total		5676.00	5619.24	6969.55	6239.58	4261.84	4431.41	5487.26

Hon'ble OERC in the para no.143 of the Tariff Order of OHPC for the FY2014-15 has directed as follows regarding the Hydrology Failure & procedure to compensate the same.

“The Commission has examined the submission of OHPC and observed that the compensation claimed towards hydrology failure is not to be allowed in view of the Commission’s earlier orders dt.10.06.2005 & dt.23.03.2006 wherein OHPC was directed to maintain a separate fund to deposit the revenue earnings out of sale of secondary energy which shall be utilized to replenish the shortfall in revenue due to lesser generation by OHPC in years of hydrology failure to provide necessary comfort to the consumers of the state. {Para 6.5(e) of Order dt.10.06.2005}.”

OHPC has calculated the revenue earning out of sale of secondary energy from FY 1996-97 to FY 2017-18. The detail calculation is enclosed at Annexure-7 of the Original Application of ARR of OHPC for FY2019-20. As observed the secondary energy fund has always remained in deficit, which is approximately Rs 262.139Cr. as on 31.03.2018.

Para 4:- The preparation of business plan of OHPC has been assigned to WAPCOS which are under process.

Para 5:- Proposed Installed Capacity of OHPC:-

OHPC has proposed reduction in the Installed Capacity as per Clause No. 4.1.3 of the agreed PPA between OHPC & GRIDCO which was also duly vetted by Hon'ble OERC, including separate

Orders of the Hon'ble Commission for computation of PAFM & recovery of Capacity Charges from GRIDCO in case of Capital Maintenance and R&M of generating Units. Accordingly OHPC has proposed to reduce the Installed Capacity of different power stations considering the R&M programmes from the zero date till the scheduled (approved) completion period. However the reduction on account of approved Capital Maintenance is considered depending upon the shutdown permission of SLDC.

OHPC is ready to develop large hydro project only after decision on construction of multipurpose dam is taken by DoWR as it involves flood control, irrigation, submergence of villages with R&R, forest and environment issues.

However OHPC is in the process of setting of some feasible Small Hydro Projects through its subsidiary company i.e. Green Energy Development Corporation of Odisha Ltd (GEDCOL) whose status report is enclosed at *Annexure-I*.

Para 6:- Although the detail of Man power planning of all projects under OHPC including its corporate office had been furnished as rejoinder to Tariff application of OHPC for FY2018-19, we once again enclose the present manpower planning of OHPC at *Annexure- II*.

Para 7:- Although the detail list of Engineers of OHPC managing the Power Houses had already been furnished as rejoinder to Tariff application of OHPC for FY2017-18 & FY2018-19 we once again enclose the present list of Engineers of OHPC at *Annexure-III*. The land, buildings of all Units of OHPC are under the occupation of OHPC Unit Heads. However the RoR works of the lands and buildings are under process.

Para 8:- The performance of OHPC Power Stations are upto the level of national standard and it is a profitable organization giving Dividend to Govt. on regular basis. Hence, the remark of the objector may kindly be set aside.

Para 9:- The ARR & Tariff of OHPC Power Stations is computed for FY 2019-20 without considering the impact of Govt. Notification No. 5843 Dtd. 03.07.2015.

Para 10:- Servicing of Up valuation of Asset from Reserve Surplus of OHPC:

OHPC over the last 21years since its formation, has been able to generate above surplus amount by managing its business within the amount/ ARR approved by the Hon'ble Commission. Further, OHPC has been able to save this amount after meeting all its financial obligations viz: Loan servicing, payment of Taxes/ Duties/ Cess etc, payment of dividend to Govt., and day to day operational expenses. After meeting all expenses and commitments, the remaining amount is parked by OHPC as deposits in Banks. OHPC has been undertaking various RM&U as well as Capital Maintenance works of various generating units out of the said surplus fund without availing loan from the open market which bears a high interest rate. This is being done in order to provide necessary comfort to consumer of the State. Further, it may be mentioned here that GoO has stopped extending subsidies and grants to OHPC after the power sector is reformed.

OHPC has shown Rs. 811.00 crores in its balance sheet as on 31.03.2014 as earmarked balance in the banks for the following purposes.

	<u>(Amount in Rupees)</u>
Terminal Liabilities	23,00,00,000
Loan repayments	140,00,00,000
JV & New Projects	450,00,00,000
RMU & New Projects	<u>198,00,00,000</u>
Total	811,00,00,000

This surplus money mainly arises due to cumulative effect of the following items since inception of OHPC which are earned under regulatory frame work and approved by Hon'ble Commission.

1. Return on Equity with accumulated interest on OHPC own investment.
2. Interest on Working Capital.
3. Interest on normative loan.
4. Balance Depreciation Fund with interest towards OHPC own investment.

Payment of dividend by OHPC to Govt. of Odisha (but not Govt. of India) is the compliance of Sec-123 of the Companies Act 2013. As per the said section when a company makes any profit, it is liable to pay dividend to its shareholders. So OHPC paid dividend to its shareholders i.e. Department of Energy, Govt. of Odisha and it has no effect on the tariff of OHPC being a non-tariff item.

So the contention of Sri Satpathy is not correct and may be set aside.

Para 11 & 15:- The information regarding the actual generation status of OHPC power stations since FY 2009-10 to FY2018-19 (upto 15.01.2019) is enclosed at ***Annexure-IV***.

Para 12:- Amount spent by OHPC as on 31.03.2018 in JVs / Subsidiaries / Associate Companies are as follows:

Table-4

Name of JVs / Associates	As Equity	As loan	(Rupees in Lacs) Total
OTPCL	13420.47	-	13420.47
GEDCOL	5032.00	4550.00	9582.00
OCPL	14700.00	-	14700.00
BWCCCL	1000.00	-	1000.00

Para-13:- Actual O & M expenses incurred by OHPC during last Five Years is enclosed at ***Annexure-V***.

Para 14:- The list of industries, industry wise water consumption & amount received from different industries by OHPC towards compensation for loss of generation from industries are enclosed at ***Annexure-VI***.

During 2017-18 OHPC has received Rs.2,94,317/- as water compensation.

Para 16:- The information regarding list of Joint Venture / Subsidiary / Associates where in OHPC being a promoter is furnished in the Table below:

Table-5

Sl. No.	Name of the Joint Venture/ Subsidiary /Associates
1.	Odisha Thermal Power Corporation Ltd (OTPC) J V Company between OHPC & OMC 50% each.
2.	Baitarini West Coal Company Ltd (BWCCL) J V Company between OHPC, Gujrat Power Corporation Limited (GPCL) & Kerala State Electricity Board (KSEB) 1/3 each.
3.	Odisha Coal & Power Ltd. (OCPL) Company between OPGC & OHPC with 51% & 49%.
4.	Green Energy Development Corporation of Odisha Ltd. (GEDCOL) - 100% subsidiary of OHPC

The total expenditure incurred by those companies till December 2018 are as follows which includes the amount paid by OHPC.

GEDCOL: Rs.167.29 Cr.

OTPC: Rs.242.38 Cr.

BWCCL: Rs.28.85 Cr.

OCPL: Rs.869.73 Cr.

Para 17:- The information regarding status report of Machhkund Power Project since April 2017 is enclosed as **Annexure- IV**.

7. Compliance to the Objections/Suggestions raised by M/s GRIDCO Limited, Janpath, Bhubaneswar-751022 on the ARR application of OHPC for the FY2019-20

Para 1:- (Revision of Saleble Design Energy of OHPC Stations):

- a) OHPC in its ARR filing for FY:2019-20 have calculated the saleable Design Energy of OHPC power stations by deducting 2% as Auxiliary Energy Consumption(AUX).

OHPC had made an in house study of the higher auxiliary energy consumption of its different Power Stations. **The auxiliary equipment consumption of different power station were found within 0.5% of gross generation but the transformer losses found to be of the order of 1.5% of gross generation. So the actual Auxillary Energy Consumption (AUX) of OHPC Power Stations are remaining at 2% of the gross generation.**

As per our study it is seen that due to following major constraints the transformation loss of OHPC Power Stations are remaining at around 1.5%.

- i) The efficiencies of Generator-Transformers according to technical specifications provided by their respective manufacturers vary from 99.3 to 99.7%. Thus average loss for stepping up is more than 0.5%.
- ii) Further there are losses in Unit Auxiliary Transformers (UATs) and Station Service Transformers (SSTs).
- iii) Most of the energy consuming equipments in different Power Stations of OHPC are very old and are in the verge of completion of useful life. This lead to lower operational efficiency of the Auxillary Equipments in the Power Station resulting high transformation loss and ultimately the AUX is becoming higher.

- iv) There is no provision for measuring the Excitation Power consumption which is tapped from generator terminals and supplied to the field winding via Excitation Transformer. As per the present metering practice it is treated as a part of transformation loss. It is observed that the average Excitation Transformer consumption of Generating Units of OHPC are around 0.2%.
- v) Besides the above some unaccounted losses are due to aging of Transformers (GTs, UATs, SSTs etc.) and other Electrical Equipments, and running of generators at reduced load or leading VAR condition etc.

In view of the above the total transformer losses of OHPC Power Stations are found sometimes more than the level of 1.5%.

Replacement of the energy consuming equipment like Generator Transformer are costly. Its payback period considering the net energy saved will be very high as the Energy Charge Rate of OHPC power stations are very low. Therefore OHPC proposes to continue with the existing Transformer and the replacement of GT will be considered in a phased manner.

OHPC in the present Tariff Application has proposed and has sought the approval of the Hon'ble Commission to procure Generator Transformer for one Generating Unit of each power station of OHPC. Therefore 2% of deduction of Auxiliary Energy Consumption for computation of Design Energy for calculation of saleable design energy seems justified.

Hence OHPC prays before the Hon'ble Commission for consideration of 2% as Auxiliary Energy Consumption and accordingly approve saleable design energy for computation of the Tariff.

- b) The Tariff for Sale of power to CSPDCL is approved by Hon'ble OERC considering the CERC Norms as it is an interstate transaction. So OHPC has calculated the Tariff of HHEP for sale of power to CSPDCL considering 684MU as Design Energy and 1% as Auxiliary Energy Consumption as per CERC Tariff Regulation. Accordingly, a saleable design energy of 677.16MU is considered for calculation of Tariff of CSPDCL for FY2019-20.

But for the purpose of sale of energy to GRIDCO, OHPC has calculated the Tariff of HHEP, Burla considering 684MU as Design Energy with deduction of 2% towards Auxiliary Energy Consumption and 16.644MU as CSPDCL drawl. Accordingly, a saleable design energy of 653.68MU is considered for calculation of Tariff of HHEP, Burla for FY2019-20.

So while determining the Tariff of CSPDCL concept wise the Tariff of the entire PowerStation is to be determined as per the CERC norms considering total design energy of HHEP power station i.e 684MU as there is no dedicated unit of 05MW capacity towards the share of Chhatishgarh at HHEP to supply power to CSPDCL from HHEP, Burla generation. So after supplying 16.644MU energy to CSPDCL at HHEP Bus bar, the balance available energy from Hirakud power station is supplied to GRIDCO towards the share of Odisha as per the prevailing practice.

OHPC has considered 1% Auxiliary Energy Consumption for CSPDCL for FY2019-20 as per CERC norms. However in the draft Tariff Regulation of CERC for the ensuing block period 2019-24 has the provision of increased Auxiliary Energy Consumption for Hydro stations with static excitation and Installed Capacity upto 200MW as 1.2%. OHPC may revise the Tariff Computation of CSPDCL after the final publication of Tariff Regulation of CERC for the block period 2019-24 during final submission after the public hearing.

Para 2:- (Installed Capacity of OHPC Stations):

OHPC has no objection in reduction in Installed Capacity of different power stations of OHPC for calculation of PAFM for FY2019-20 as proposed by GRIDCO in the para no. 03 of their objection to the Tariff Application for FY2019-20.

Regarding the views of GRIDCO for ensuring the operation of Unit No- 1 & 2 of BHEP before taking Unit No. 3 & 4 under R&M, it is to mention here that the shutdown schedule for all six no. of Units of BHEP for R&M have already been approved by the Hon'ble Commission wherein there was an overlapping period of Unit No. 3 & 4 with Unit No. 1 & 2 for 06 months. Accordingly the contract has been signed between OHPC & M/s BHEL. At this stage any deviation from signed contract may attract legal & commercial complicacies in future.

Para 3:- (De-capitalisation of the Project Cost):

Table-6

(in Crs)

SL.N O.	Power Stations	Asset reduction during the FY2011-12 to FY2015-16 (Approved)	Asset reduction during the FY 2016-17 (Audited)	Asset reduction during the FY 2017-18 (Audited)	Asset reduction during the FY 2011-12 to FY 2017-18
1	2	3	4	5	6=3+4+5
1	RHEP	0.06	0.02	0.000	0.08
2	UKHEP	0.16	0.30	0.003	0.46
3	BHEP	0.29	0.04	0.000	0.33
4	HHEP	6.77	4.67	0.060	11.50
5	CHEP	0.75	0.15	0.370	1.27
6	Sub Total	8.03	5.18	0.433	13.64
7	UIHEP	1.35	2.07	1.448	4.868
8	Total	9.38	7.25	1.882	18.51

Hon'ble OERC had approved Rs9.38Crs as decapitalization of the asset of different Power Stations of OHPC from FY2011-12 to FY2015-16. But while approving the decapitalization of FY 2016-17 Hon'ble OERC inadvertently considered the decapitalization of HHEP as Rs0.02Cr instead of Rs 4.67Cr as submitted in the Rejoinder-1 of Tariff submission of OHPC for FY2018-19. Thus OHPC has considered the total audited decapitalization of FY2016-17 as Rs7.25Cr in the Table above.

There is de-capitalization of Rs 0.433 Cr in case of Old power stations of OHPC & Rs1.488Cr in case of UIHEP for FY 2017-18. Thus the balance decapitalization of Old power stations from FY2011-12 to FY2017-18 is Rs13.64Crs and that of UIHEP as Rs4.868Cr. Hence the total

decapitalisation of Power Stations during the FY 2011-12 to FY 2017-18 comes to Rs 18.51Cr which has been deducted from the original Historic Cost as on 01.04.1996. OHPC therefore prays before the Hon'ble Commission for approval of the same.

The detail of de-capitalisation of Rs4.65Cr pertaining to FY2016-17 & the decapitalization of Rs1.882 Crs pertaining to FY2017-18 is enclosed at ***Annexure-VII***.

Para 4:- (Additional Capitalisation):

As per Govt. of India, Minister of Company affairs Notification dtd. 16.02.2015, OHPC and its auditors shall comply with the Indian Accounting Standards (Ind-AS) in preparation of financial statements for the accounting period beginning on or after 1st April 2015 or thereafter as the net worth of OHPC is more than Rs.500Crs. So it becomes statutory on the part of OHPC to prepare its financial statements under Ind-AS and no option is left with OHPC to prepare its financial statements as per Indian GAAP. Accordingly, any addition or deletion of Property, Plant & Equipment (PPE) as per Ind- AS are proposed in the tariff proposal of OHPC for the FY2019-20 and also for previous year.

So, it is humbly requested to kindly consider the Additional Capitalization of Rs.54.89Cr upto FY 2016-17 and Rs32.88Crs for FY2017-18 in the Tariff application of FY2019-20 as OHPC is incurring such expenditure and booked to Property, Plant and Equipment. The details of such addition is enclosed at ***Annexure-VIII***. OHPC shall loose heavily if such addition of Fixed Assets is not considered by Hon'ble OERC for all time to come.

Para 5:- (R&M of different hydro units of OHPC):

The Unit-3 of CHEP; Unit-5 & 6 of HHEP, Burla; Unit-1&2 of BHEP, Balimela are under R&M. OHPC has not yet considered any effect of Additional Capitalization on account of Renovation & Modernization work of the said units. Unit-3 of CHEP, Chiplima and Unit-5 & 6 of HHEP, Burla are likely to be commercialized in the FY2019-20. OHPC during its Tariff application for FY2020-21 shall submit the detail project cost with all relevant document for scrutiny before the Commission for capitalisation. Hon'ble Commission after due scrutiny may kindly approve the same for determination of Tariff.

Para6:- (Realisation of Rs262.139Crores towards Hydrology failure):

The Commission had examined the submission of OHPC for the claim towards Hydrology failure and observed the following at para no 143 of the Tariff Order of OHPC for the FY2014-15:

“The compensation claimed towards hydrology failure is not to be allowed in view of the Commission’s earlier orders dt.10.06.2005 & dt.23.03.2006 wherein OHPC was directed to maintain a separate fund to deposit the revenue earnings out of sale of secondary energy which shall be utilized to replenish the shortfall in revenue due to lesser generation by OHPC in years of hydrology failure to provide necessary comfort to the consumers of the state. {Para 6.5(e) of Order dt.10.06.2005}.”

Accordingly, OHPC has calculated the revenue earning out of sale of secondary energy from FY 1996-97 to FY 2017-18. The detail calculation is enclosed at *Annexure-7* of the Original Application of ARR of OHPC for FY2019-20. As observed the secondary energy fund has always remained in deficit, which is approximately Rs.262.139Cr. as on 31.03.2018.

As pointed out by GRIDCO the Accumulated Regulatory Assets (RA) shall have large impact on the Tariff. But in case Hon'ble Commission acknowledges the Hydrology Failure/ Secondary Energy Fund and pass on to public in a phased manner then the impact will be moderate.

Since the secondary energy fund has a negative balance, OHPC prays before the Hon'ble OERC to consider Rs.263.139 Crs as regulatory assets and approve its return to OHPC in suitable installments.

Para7:- (ED on Auxiliary Consumption):

Compliance to Para no. 01 may please be referred.

Para8:- (Normative Plant Availability Factor):

OHPC power stations are not in a position to recover their ACC (Annual Capacity Charges) due to higher NAPAF target fixed by Hon'ble Commission. In order to reconsider the NAPAF of OHPC power stations for the next Block period the actual availability of power stations in the last five years shall be considered as benchmark for OHPC and necessary relaxation may be made in fixing the NAPAF for optimum recovery of Capacity Charges during the FY 2019-20 to FY 2023-24.

Hon'ble OERC generally approves NAPAF in the Tariff Order as this is a standardized norms to recover the Capacity Charges in the Two Part Tariff regime. As rightly pointed out by GRIDCO Hon'ble OERC had approved the NAPAF of different power stations of OHPC for the block period for FY2014-15 to FY 2018-19 in Case No. 81/2013 dtd.22.03.2014 in the Tariff Order of OHPC for FY2014-15. Therefore there is no need for separate filing for approval of NAPAF.

Para9:- (Capital Maintenance work as well as Capital Civil work for FY2019-20):

The proposal of Capital Maintenance submitted in the Table No. 35 of ARR & Tariff application of OHPC for the FY2019-20 is shown in the Table below:

Table-7

Sl. No.	Generating Unit	Name of the Work/ Critical Spares	Tentative Period of Shut Down	Estimated Cost (in Rs.)
1.	UIHEP	Capital Maintenance of Unit-II of UIHEP, Mukhiguda for replacement of under water parts such as guide vanes along with bushes, facing plates and stationary & rotating labyrinth seal etc.	6 months	26,81,65,947/-
2.		Capital Maintenance of Unit-IV of UIHEP, Mukhiguda for Design, Manufacturing and Supply of new stator and replacement of old Stator of Unit No – 4 and & replacement of critical Spare parts along with service.	4 months	50,28,81,883/-
3.	RHEP	Capital Maintenance of Unit-4 of RHEP, Rengali for installation of new DAVR system.	46 days	1,08,00,000/-
4.		Capital Maintenance of Unit-5 of RHEP, Rengali for installation of new DAVR system.	46 days	• May not be considered for Capital Maintenance

5.	UKHEP	Construction of 220/33 KV Sub-Station with Station Transformer of 7.5 MVA and Control Panel with accessories along with extension of existing 220 KV Bay of UKHEP Bay.	-	3,83,00,000/-
6.	OHPC	Implementation of ERP System in different Power Houses of OHPC including Corporate Office.	-	30,00,00,000/- *
7.	RHEP, CHEP, UKHEP, HHEP	Procurement of One No. of generator transformer under capital spare for each Power Station.	-	<ul style="list-style-type: none"> • CHEP: 2,14,76,000/- • UKHEP: 5,44,86,500/- • RHEP: 4,57,25,000/-

Due to urgency RHEP, Rengali has taken up the Installation of new DAVR system of Unit-4 RHEP from 17.12.2018 after due approval of SLDC. Simultaneously RHEP, Rengali has taken the Annual Maintenance work of Unit-4 clubbed with the above work. Similarly, OHPC has planned to take up the installation of new DAVR system of Unit-5 of RHEP during its annual maintenance work. So the above maintenance work of Unit-4 & 5 of RHEP, Rengali may not be treated as Capital Maintenance as proposed in the Application of OHPC in the FY2019-20.

The Board Approval for Capital Maintenance work of Unit-2 & Unit-4 of UIHEP and procurement of one no. of generator transformer for RHEP, CHEP, UKHEP & HHEP is enclosed at **Annexure-IX** for necessary scrutiny of Hon'ble Commission before approval of the above proposed Capital Works and procurement of Capital Spares.

Hence OHPC prays before the Commission to approve the Capital Maintenance & Capital Spares proposal along with ERP System of different generating units of OHPC mentioned in the Table above.

The proposal of Capital Civil Works submitted in the Table No. 36 of ARR & Tariff application of OHPC for the FY2019-20 is shown in the Table below:

Table-8

Sl. No.	Name of the work.	Amount (in Crs.)
1.	Construction of 12 nos. of 'D' type qrs., at CHEP, Chiplima	3.59
2.	Construction of office building, at UIHEP, Mukhiguda	5.45
3.	Construction of 2-0 nos. of 'D' type qrs., at BHEP, Balimela	5.00
4.	Construction of Multi storied commercial complex at OHPC Training Center, Bhubaneswar.	80.00
5.	Repair of spillway, surplus escape, forebay, of CHEP, Chiplima	200.00
6.	Share of OHPC towards construction of Shakti Bhawan (details at Annexure-X).	80.00 **
7.	Construction of multi storied commercial complex on plot no.324 (Pt.) Khata no.-619 Chandrasekharpur, BBSR.	70.00
8.	Construction of New Officers' Club at BHEP, Balimela	0.50

The Board Approval for Capital Civil work of Sl.no. 1, 2, 3, 4, 5 & 7 mentioned above are enclosed at **Annexure-X** for necessary scrutiny of Hon'ble Commission. OHPC has also submitted the supporting documents of Capital Maintenance & Capital Spares in the List of Annexures of Tariff Application of OHPC for FY 2019-20.

*** Implementation of ERP in OHPC :**

As a part of the MOU signed with the Govt., OHPC is in the process of implementing ERP across all its Power Houses and its Corporate Office. The consultant M/s PWC has already been engaged & engagement of Implementing Partner (IP) is in process. The total estimated amount for this project works out to Rs.30.00 crore. OHPC prays before Hon'ble OERC for kind approval of the same. The Board approval along with other supporting document are enclosed at Annexure-XIII.

**** Construction of Shakti Bhawan :**

As per the directives of the Govt. of Odisha and subsequent joint discussions among Department of Energy, Govt. of Odisha, OPTCL, OHPC & OPGC for sharing of the office space in the land of OPTCL, OHPC has agreed to occupy a complete building for accommodation of its present office space and for its other Associates Companies. As intimated by OPTCL the share of OHPC is about Rs.76.25 crore. The building construction is in progress and structural work is expected to complete before 31st March 2019. OHPC prays Hon'ble Commission to kindly approve the said amount. However, after completion of the full building with interiors the final cost will be placed before Hon'ble Commission for approval. Govt. approval alongwith the Board approval are placed at Annexure-X.

Hence OHPC prays before the Commission to approve the proposals for Capital Civil works mentioned in the table above.

Para10:- (Miscellaneous earning of OHPC):

As regards adjustment of interest income from fixed deposits against ARR of OHPC, it is humbly prayed before Hon'ble OERC that while allowing reimbursement of Income Tax from GRIDCO, only income from core business is considered. So disallowing of income tax reimbursement on non-core items and again adjustment of interest income from fixed deposit against tariff shall have dual effect on the ARR of OHPC. Further, it is stated that the surplus funds kept in the form of fixed deposit as commented by GRIDCO, arises because of allowing some elements in Tariff i.e. Return on Equity, Depreciation, Interest on working capital and interest on deemed loan. So these are in the nature of internal resources and are kept for specific purpose. So any interest earned on such surplus shall not be considered in the tariff as a deduction.

Hence the contention of GRIDCO is incorrect and may not be considered.

8. Compliance to the Objections/Suggestions raised by Sri Ananda Kumar Mohapatra, Power Analyst, Proprietor, Mohapatra & Associates on the ARR application of OHPC for the FY2019-20:

Para 1:- Hon'ble Commission to decide.

Para 2:- As per the direction of Hon'ble OERC, the objector either has to purchase the tariff application on payment of application fee of Rs.100/- or to visit OHPC / OERC website to see the tariff application or to apply in a plain paper to the competent authority for inspection of tariff application. In the instant case, Sri Mohapatra has not followed any steps as mentioned above for

inspection of tariff application. No officers of OHPC has denied the inspection of documents rather suggested him to come with proper procedure. Hence the contention of Sri Mohapatra is not correct and may not be taken into consideration.

Para 3:- OHPC has initiated proper action for truing-up exercise from the beginning and assigned the said work to a consultant M/s Feedback Infra Pvt. Ltd, Mumbai for the FY 1996-97 to 2015-16. The consultant has submitted the draft truing-up application with all enclosures which are under scrutiny by OHPC. After the scrutiny is over, OHPC shall file the truing up application before Hon'ble OERC. So as commented by Sri Mohapatra that OHPC conceals its actual performance and truing up filling there under since beginning habitually and deliberately is not correct and may not be considered.

Para 4:- In the recent years, OHPC is constrained to achieve the Design Energy approved by the Hon'ble OERC due to various factors which are beyond the control of OHPC. Factors affecting for non-achieving of Design Energy of different power stations of OHPC is already discussed at page no.11 & 12 of the Original Application of OHPC for FY2018-19.

It may please be noted that all the high head power stations of OHPC like BHEP, UIHEP & UKHEP are storage type reservoir. The water of these reservoir never attained its Minimum Draw Down Level (MDDL) by the end of financial year i.e on 31st of March. The reservoir attained its MDDL by the end of water year i.e towards 15th of June for every year. It is also pertinent to mention here that operation of OHPC machines are regulated by SLDC in coordination with Dept. of Energy & Dept. of DoWR as per the irrigation, Down stream & Grid requirements. So low generation of OHPC power stations in spite of availability of water in the Reservoir can not be considered as inefficiency of the OHPC management.

Para 5:- The Plant Availability Factor(PAF) of the HHEP, Burla & CHEP, Chiplima has reduced due to the non completion of R&M work. The R&M consultant WAPCOS & OHPC are putting their best effort to bring back the Unit-3 of CHEP, Chiplima and Unit-5 &6 of HHEP, Burla within FY2019-20. Due to unprecedented rainfall in the July – August 2018 machines of Power House of Chiplima was submerged which affected the PAF of CHEP. The Executives & Non Executives posted at CHEP, Chiplima worked day & night to restore the Power House back to service almost in 03 months. All the employees of CHEP have put their sincere & dedicated efforts to bring back the generation of power, need appreciation from all corners. The Board of Directors of OHPC in the 147th Board held on 05th September 2018 have also took note of the exceptional work of the employees of CHEP in restoring power generation in record time & also registered their appreciation for the same.

Para 6:- No Comments.

Para 7:- The recent status of generation is shown in the sl. No. 5 of this Rejoinder. The anticipated generation of OHPC for FY2018-19 is projected as 6316.786MU.

In the Case No. 121/2009, OHPC had made a prayer before Hon'ble OERC for reduction/ increase in Design Energy of different power stations based on the earlier direction of Hon'ble Commission for

Reassessment of D.E of different Power stations of OHPC. OHPC had carried out the Reassessment of D.E of different power station through an independent agency (i.e. M/s SPARC) and submitted the report before Hon'ble OERC for approval. But the same was deferred at that that time.

Considering / without considering the cost to OHPC on account of industrial use of water from the upstream sides of reservoir, the design energy of different power houses as per the Order of OERC and the proposed Reassessed Design Energy by M/s SPARC is as under.

Table-9

Sl. No.	Power Station	Power Stations Existing D.E. (MU)	Revised D.E. proposed earlier by OHPC as per the report of M/s SPARC (MU)	Revised D.E. proposed by OHPC now (MU) after industrial use as per the report of M/s SPARC
1.	HHEP	684	601.27	627.44
2.	CHEP	490	356.16	356.67
3.	BHEP	1183	928.56	928.56
4.	UKHEP	832	643.86	653.37
5.	UIHEP	1962	1703.82	1703.82
6.	RHEP	525	669.96	669.96
	Total	5676	4903.63	4939.82 (-736.18 MU)

In the above Order the Design Energy of all power stations of OHPC except RHEP had been proposed to be reduced from the present value. The overall proposed reduction is 736.18MU from the approved Design Energy of 5676MU. But while passing the above Order, Hon'ble OERC deferred the proposal of OHPC for that point of time.

In the same order Hon'ble Commission made a provision that any shortfall in Generation from the present approved Design Energy due to Hydrology failure shall be recovered in the subsequent years as per CERC Tariff Regulations. Accordingly as per CERC norm, OHPC submitted the power station wise tariff proposal to meet the revenue shortfall due to hydrology failure (wherever applicable) in the FY 2014-15. The copy of the Order of Case No-121 of 2009 is enclosed at **Annexure- XI** for reference of Hon'ble Commission.

Hon'ble Commission in its Tariff Order for the FY 2014-15 at para no. 143 had observed the following:

“The Commission has examined the submission of OHPC and observed that the compensation claimed towards hydrology failure is not to be allowed in view of the Commission's earlier orders dt.10.06.2005 & dt.23.03.2006 wherein OHPC was directed to maintain a separate fund to deposit the revenue earnings out of sale of secondary energy which shall be utilized to replenish the shortfall in revenue due to lesser generation by OHPC in years of hydrology failure to provide necessary comfort to the consumers of the state. {Para 6.5(e) of Order dt.10.06.2005}.”

Therefore OHPC prays before the Hon'ble OERC that the proposal of the objector for review of the Design Energy of all power stations of OHPC may be accepted & the proposal of OHPC for revision of its Design Energy to 4903.63MU as per the report of M/s SPARC may be approved by the Hon'ble Commission. Since the above report prepared by M/s SPARC is in

accordance to procedure laid down by CEA and accepted by Hon'ble OERC, so the Revision of Design Energy should be approved in totality for all power houses of OHPC.

Para 8:- The Capitalization of Rs.88.0CrS proposed by OHPC is mainly due to adoption of New IND-AS accounting system from FY2014-15 to FY2017-18. OHPC has already submitted all relevant documents including the audited accounts of FY2016-17 & FY2017-18 in the Tariff Application & in compliance to the Query of Hon'ble Commission. Hon'ble Commission after due scrutiny may approve the same.

Regarding "Cost Benefit Analysis" of the approved additional capitalization of Rs567Cr, this is to stress upon that except UIHEP the Govt. of Odisha transferred the old generation assets to OHPC at 05 Nos of Hydro power stations to run the generation business for the consumers of the state. It is worth to mention here that OHPC has taken up timely maintenance of old generating units which had almost completed their useful life and has capitalized the expenditure in phased manner and always maintained a sustainable tariff for the consumers of Odisha which is lowest in the country. With the help of the above small capital additions OHPC power stations are supplying peak power to the State which would have otherwise cost a lot had it been purchased by GRIDCO from outside. Hence Hon'ble Commission has very judiciously allowed OHPC for additional capitalization of Rs567CrS for optimum availability of machines for generation as and when required.

Further, as per new accounting policy notified by Govt. of India, Minister of Corporate Affairs, OHPC prepare its financial statements under Ind-AS where the capital addition is made due to 3 reasons. Such as (1) Any new purchase of fixed assets. (2) Any major over hauling expenses and any spares purchased valuing more than Rs.5.00 lakhs and having useful life of more than one year as per Ind-AS-16. There is no such reason to believe that performance of OHPC is not improved as because the turnover of OHPC is increasing every year. Further it is to mention here that the benefit of capital addition may not be reaped in one year.

Para 9:- As per the transfer notification dated 01.04.1996 all the assets and liabilities are transferred to OHPC as on 01.04.1996 where UIHEP was under CWIP. Commercial operation of UIHEP was made in the financial year 2000-01. The UIHEP Project cost was approved by Hon'ble OERC at Rs.1194.79 crores after due scrutiny through public hearing. However, for computation of total project cost of OHPC Power Stations for tariff determination, the same has been shown under the column Historical Cost.

Para 10:- Hon'ble OERC at Para No. 3.6 of OERC Tariff Regulation for determination of generation Tariff 2014 under the head "DEBT-EQUITY RATIO" has stipulated as follows:

"For a project declared under commercial operation on or after 01.04.2014, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan"

Objector has discussed the debt equity ratio as 80:20 as proposed in draft CERC Tariff Regulation 2019. The said draft regulation is in the discussion stage and many stake holders have objected on

different norms proposed by CERC. After Public Hearing the final order of CERC Tariff Regulation for block period 2019-2024 is yet to be published. So the contention of Sri Mohapatra is not correct and may not be taken into consideration.

Since Hon'ble OERC is yet to come out with new Tariff Regulation for the present block period OHPC has computed Tariff for FY2019-20 considering Debt Equity ratio as 70:30 as has already been adopted by the Hon'ble Commission in the previous generation Tariff Orders of OHPC.

Para 11:- Odisha Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2014 at para no. 4.26 stipulates as follows:

“Provided that for the existing generation plants of OHPC and OPGC the rate of interest on working capital shall be on normative basis and shall be equal to the SBI Base Rate plus 300 basis points as on 1st April of the year for which the application for determination of tariff is being made.”

SBI Base Rate/ SBI MCLR as on 01.04.2018 was 8.15%. By addition of 300basis point to SBI MCLR as on 01.04.2018 comes out to be 11.15%.

Thus OHPC has considered interest rate for computation of Interest on Working Capital is in accordance with the OERC(Terms and Conditions for Determination of Generation Tariff) Regulations, 2014.

Hence, the contention of Sri Mohapatra is not as per tariff regulation of Hon'ble OERC and may not be taken into consideration.

Para 12:- In the absence of New OERC (Terms and Conditions for Determination of Generation Tariff) Regulations, 2019 OHPC has considered the existing escalation rate of O&M expenses at 5.72% which was approved in the Tariff Order of OHPC for FY 2018-19.

Para 13:- The Energy Charge Rate of HHEP, Burla has gone up a little than the past is due to investment made in Renovation work of Unit-1 to Unit-4 which has been capitalized and approved by the Hon'ble Commission. In the present two part tariff mechanism, any poor performance of OHPC power stations cannot be passed through to the consumers. Accordingly OHPC is losing its Energy Charges & Capacity Charge if the power plant performance is decreasing below the norms fixed by Hon'ble OERC. Hence, the consumers are not affected due to low performance of HHEP, as claimed by the objector.

Para 14:- OHPC in the Tariff Submission has submitted the Audited Accounts for FY2016-17 & FY2017-18 in a separate volume named “List of Annexure to Tariff Application of OHPC for FY2019-20.” The soft copy in PDF format is also available at the OHPC / OERC website for reference. The same may please be referred by the Objector.

Para 15:- No Comments.

Para 16 to 18:- Hon'ble OERC may decide about implementation of Multi Year Tariff.

Para 19:- The status report of the GEDCOL is enclosed at **Annexure-I**

Para 20 & 22:- No comment.

Para-21:- There is no such grant-in-aid on which OHPC has claimed depreciation. However, the objector may please be requested to pin point on which OHPC has availed depreciation benefit on grant-in-aid.

9. **Compliance to the Objections/Suggestions raised by Sri R. P. Mohapatra, Retd. Chief Engineer & Member (Gen.) OSEB, Jayadev Vihar, Bhubaneswar on the ARR application of OHPC for the FY 2019-20.**

Para 1 & 2:- ARR & Tariff of OHPC Power Stations for the FY2019-20 is computed based on Historic project cost of old power stations as on 01.04.1996 (for UIHEP, Original project cost of Rs.1194.79 crore) along with approved additional capitalization/ decapitalization upto 2016-17 and audited additional capitalization & decapitalization for FY 2017-18 have been considered for determination of project cost for computation of tariff.

The raise in the Average Tariff is mainly due to the following factors.

- i) OHPC has *considered the impact of Ind-AS accounting as per Ministry of Corporate Affairs Notification No. GSR III (E) dated 16.02.2015 for considering the Additional Capitalization.*
- ii) Interest of UIHEP, Govt. Loan amounting to Rs16.863Cr on outstanding balance is considered. (Compliance of GRIDCO para no.4 may pls. be referred)

Para3:- Hon'ble OERC should suitably compensate HHEP, Burla by 32.4MU as suggested by the Objector towards restriction imposed by the DoWR not to draw water from Hirakud reservoir below 595ft to generate electricity.

Para 4:- Original decision of the Hon'ble High court of Odisha vide in WP(C) No-8409 dated 30.3.2012 of 2011 between Keonjhar Navanirman Parishad -Vrs- State of Odisha & Others, Govt. of Odisha at para 24(ii) is as follows:

"The State Govt. is directed to take steps to compute the amount of compensation to be recovered from the industrial Units which had used the water and ensure that the said amount is recovered and paid to OHPC within a period of three months from today, failing which such industrial units shall not be allowed to draw water from the reservoirs.x....x....x..."

But in the 1st meeting of the committee on Dtd. 03.07.2012 in the Conference Hall of DoWR taken by Principal Secretary, DoWR on policy for optimum utilization of water in the reservoirs by industries and running of Hydro Electric Project with their optimum capacity it was decided that OHPC will execute supplementary agreement with the Industries drawing water from Reservoirs. The DoWR will issue administrative order to the industries drawing water for execution of such agreement. In spite of issue of Administrative order from DoWR none of the Industries have executed the Supplementary agreement with OHPC. Some of the industries have taken the shelter of law regarding the execution of Supplementary Agreement, higher rate of energy compensation charges. The case is now sub-judice in the High court of Odisha.

The above matter in detail has also been intimated to OERC vide Memo No. 8599 Dtd. 22.09.2016 in response to Lr. No. 1161 Dtd. 25.08.2016 of Secretary OERC & Lr. No. 6336 dtd. 29.08.2016 of

Additional Secretary to Government for a decision in this regard as the energy compensation charges should have been collected by the DoWR and paid to OHPC for necessary adjustment in the secondary energy fund.

OHPC may claim the amount towards loss of generation, both for raising MDDL and also for loss due to drawl of water from the reservoirs by industries, from DoWR, who is responsible for the loss of generation and payment of energy compensation charges to OHPC.”

In the opinion of OHPC the loss of generation arising out of drawl of water from the reservoirs by industries is considered analogous to loss due to Hydrology Failure. Since Hydrology failure is claimed under Secondary Energy Fund which has a present deficit of Rs.263.139Cr, the compensation received from the industries due to such drawl of water will be accounted for out of the same. This has already been intimated to the Hon’ble Commission in the Tariff filing of OHPC for FY 2015-16 to FY 2018-19.

Para 5:- The Status of Renovation & Modernization of different power station of OHPC till date is enclosed at ***Annexure-XII***.

Para 6:- The loss or gain of subsidiary and JV companies are not considered as a part of ARR of OHPC.

Para 7:- Hon’ble OERC has adopted the procedure for determination of O&M expenses of OHPC Hydro Power Stations in line with the CERC(Terms & Conditions of Tariff) Regulations considering an escalation factor of 5.72% over the previous years approved O&M expenses instead of 6.64% as considered by the Hon’ble CERC. In this process the O&M expenses for the 5 year block period from FY 2014-15 to FY 2018-19 is already decided by Hon’ble OERC for the OHPC power stations. Accordingly, OHPC is considering that amount as O&M expenses in its tariff proposal starting from FY2014-15 onwards.

In the absence of OERC (Terms & Condition for determination of Generation Tariff) Regulation 2019 for the block period for FY2019-20 to FY2023-24 OHPC has considered 5.72% as escalation factor while computing the O&M for FY2019-20.

Para 8:- No Comments.

10. Compliance to the Objections/Suggestions raised by Sri Alekha Chandra Malik, Plot No. VR-13, Unit-VI Bhubaneswar, Dist- Khurda on the ARR application of OHPC for the FY 2019-20.

No comments.

PRAYER

OHPC pray before the Hon'ble Commission to kindly approve the following in the ARR & Tariff Order of OHPC Power Stations for the FY 2019-20:

- i) The ARR amounting to Rs 553.216Cr. of OHPC Power Stations for the FY 2019-20 at an average tariff @ 99.75 p/u.
- ii) The miscellaneous reimbursement of Rs45.0238 Cr by OHPC from GRIDCO.
- iii) The tariff for energy billing to CSPDCL at 229.73 paisa per Kwh considering Up-valued asset of HHEP and the norms of CERC (Terms & Conditions of Tariff) Regulations, 2014.
- iv) Recognize the following as Regulatory Asset:
 - a) Accumulated interest of UIHEP Govt. Loan from 2006-07 to 2018-19 = Rs.367.35Cr.
 - b) Accumulated interest on Normative Loan of UIHEP from 2001-02 to 2017-18 = Rs.107.36Cr.
 - c) Realization of Rs.262.139 Crs. towards Hydrology Failure (negative fund for Secondary energy) from FY 1996-97 to FY 2017-18.
- v) Suitable decision in allowing interest on the above recognized Regulatory Asset.
- vi) The average available Installed Capacity as 1800 MW for payment of SLDC charges during the FY 2019-20.
- vii) Revision of Saleable Design Energy of different power stations of OHPC considering Auxiliary Energy Consumption (AUX) as 2% of Design Energy.
- viii) To approve the Capital Maintenance proposal of different generating units of OHPC.
- ix) In- principle approval for procurement and replacement of minimum of 01no. of Generator Transformer for CHEP,RHEP, UKHEP & HHEP in the 1st phase of procurement & to keep the used GT as back-up to meet the emergency situations.
- x) To approve the proposals for Capital Civil works including construction of Shakti Bhawan and the project cost of ERP system of OHPC.
- xi) To approve the proposed NAPAF as shown in the Table No 33 above for the different power stations under OHPC for the next block period of FY 2019-20 to FY2023-24.

Place : Bhubaneswar

Date :

Deponent