

BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION,
PANCHKULA

FILING NO: -
PETITION NO: -

IN THE MATTER OF:

Petition under Section 61, Section 62, Section 64 (5) and Section 86 of the Electricity Act, 2003 read with the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2024 in respect of determination of Capital Cost and Generation Tariff of 240 MW (3x80 MW) Kutehr Hydro Power Station located in Chamba District, Himachal Pradesh on the river Ravi

AND

IN THE MATTER OF:

JSW Energy (Kutehr) Limited
Village Machetar, PO Chanhota, Tehsil Bharmour,
Dist. Chamba, Himachal Pradesh 176309

...PETITIONER

Vs.

Haryana Power Purchase Centre
4th Floor, Vidyut Sadan, Sector-14,
Panchkula, Haryana 134109

...RESPONDENT

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CHAPTER -1: INTRODUCTION

- 1.1 JSW Energy Kutehr Limited (hereinafter referred to as “JSWEKL” or “Petitioner”) is a 100% step-down subsidiary of JSW Energy Limited and is a Company incorporated under the Companies Act, 1956 (C.O.I. placed at –**Annexure I**).
- 1.2 JSWEKL is a “Generating Company” as defined in Section 2 (28) of the Electricity Act, 2003 (“EA 2003” or the “Act”) and owns the 240 MW (3x80MW) Kutehr Hydro Electric Project (Kutehr HEP) on the river Ravi in the villages of Kutehr and Kharamukh in Chamba District, Himachal Pradesh.
- 1.3 The Government of Himachal Pradesh, in accordance with its Power Policy, had allotted Kutehr HEP for an installed capacity of 260 MW to JSW Energy Ltd. On 01.03.2008, JSW Energy Ltd entered into a Pre-Implementation Agreement (PIA) with the Government of Himachal Pradesh to carry out detailed investigation, techno-economic studies and submission of a Detailed Project Report (“DPR”) for the implementation of 260 MW Kutehr HEP in Chamba District of Himachal Pradesh. (P.I.A. placed at - **Annexure II**)
- 1.4 JSW Energy Ltd. had submitted the DPR of generation scheme at reduced capacity of 240 MW to GoHP and Central Electricity Authority (“CEA”) for concurrence under section 8 of Electricity Act 2003. Vide its Office Memorandum dated 31.08.2010, the CEA accorded its concurrence (TEC) for 240 MW (3x80MW) Kutehr HEP, allowing a construction period of 60 months. This concurrence was extended on 10.09.2013, 06.08.2018 and 24.07.2019 by the CEA. (T.E.C. & its extensions placed at **Annexure III – Colly.**)
- 1.5 JSW Energy Ltd entered into an Implementation Agreement (“IA”) dated 04.03.2011 with the Government of Himachal Pradesh. The Construction, as per the IA dated 04.03.2011, was to commence on or before the zero date mentioned therein; and had to be completed within 60 months from zero date. (IA placed at - **Annexure IV**)
- 1.6 Vide Tripartite Agreement dated 31.10.2013, all assets, responsibilities, obligations, rights, privileges, and benefits in respect of Kutehr HEP, stood transferred from JSW Energy Ltd to the Petitioner. (placed at - **Annexure V**)
- 1.7 Pursuant to the amnesty scheme floated by GoHP 07.11.2020, upon the application of the petitioner, the GoHP extended the zero date to 29.10.2019 and signed second supplementary agreement (2nd SIA) dated 27.01.2021 to incorporate to said change. As such taking the zero date 29.10.2019 as per the SSIA, the petitioner was / is to complete the construction of the project by 28.10.2024.

It is pertinent to mention that prior to entering into the 2nd SIA dated 27.01.2021, the Petitioner and GoHP entered into the 1st SIA 26.11.2018 for implementing the policy (Swarn Jayanti Policy dated 15.05.2018) for relaxation in terms of deferment of supply of free power for the first 12 years. (SIA & SSIA are placed at **Annexure VI & VII respectively**).
- 1.8 The petitioner awarded EPC contracts for the project on 29.10.2019 and 25.11.2019, to parties selected by way of competitive bidding process. As such the construction work on the project started during October-November 2019 by the two selected contractors.

Details of competitive based bidding adopted towards selection of contractors, shall be submitted in due course of the proceeding of this petition, if required.



Background

- 1.9 Pursuant to the enactment of the Electricity Act, 2003, a generating company intending to sell power to a Distribution Licensee is required to file an application for the determination of tariff to the Appropriate Commission. The Petitioner intends to sell power to the Distribution Licensees of Haryana. Moreover, in accordance with Section 64 (5) of the Electricity Act, 2003 the Appropriate Commission in this case is the Haryana Electricity Regulatory Commission (hereinafter referred to as the Commission).
- 1.10 Haryana Power Purchase Center (hereinafter referred to as “HPPC”) is an entity constituted vide Order of the Government of Haryana dated 11.04.2008. HPPC is entrusted with acting as the single buyer model for performing the function of arranging short-term and long-term power on behalf of the Distribution Licensees of Haryana, i.e., Dakshin Haryana Bijli Vitran Nigam Limited (hereinafter referred to as “DHBVNL”) and Uttar Haryana Bijli Vitran Nigam Limited (hereinafter referred to as “UHBVNL”).
- 1.11 HPPC, vide its Expression of Interest (EoI) dated 03.07.2018, invited applications from interested generation companies for procurement of 500 MW of hydro power on long-term basis. (EOI placed at - **Annexure VIII**)
- 1.12 In response to the EoI, the Petitioner submitted its offer for gross capacity of 240 MW (inclusive of Free Power obligation to Government of Himachal Pradesh). The offer submitted by the Petitioner was shortlisted by the HPPC vide its letter dated 17.09.2019 (placed at - **Annexure IX**).
- 1.13 HPPC in Case No. HERC/PRO-54 of 2019 sought approval of the Hon’ble Commission for procurement of 400 MW Hydro Power from generators, including 240 MW from the Petitioner. Vide its Order dated 24.09.2020, the Hon’ble Commission approved procurement of power in accordance with the bids invited by HPPC vide its EoI dated 03.07.2018.

“A. JSW Energy (Kutehr) Ltd: 240 MW (3*80) Kutehr HEP, Himachal Pradesh, for 35 years and further at mutually agreed terms for a period beyond 35 years for the balance term of Implementation agreement with HP. The Project is having concession from Himachal Pradesh, Government for the period of 40 years. **The tariff shall be determined by the Commission u/s 62 of the Act on an application to be filed by the Generator, after signing of PPA, with a ceiling tariff of Rs. 4.50 per kWh at Bus bar and STU Charges capped at Rs. 0.38/ kWh.**”
- 1.14 Partially aggrieved by the Order of the Hon’ble Commission dated 24.09.2020, the Petitioner filed Review Petition being Petition No. RA-10 of 2021. In its Order dated 09.08.2021 in Petition No. RA-10 of 2021, the Hon’ble Commission held as under:

“9. Admittedly, as nothing to the contrary was argued or placed on record by the respondent i.e., HPPC, **the levelized ceiling tariff offered by the petitioner for 35 years was Rs. 4.93 / kWh inclusive of Rs. 4.50 / kWh levelized ceiling tariff ex-generator’s bus, Rs. 0.38 / kWh levelized STU charges and STU losses of Rs. 0.05 / kWh. Hence, the review petition is allowed. As already directed, in the impugned order, HPPC shall finalize the PPA’s in accordance with the bid documents and submit the same for approval of the Commission.**”

(HERC order dt. 24.9.20 & 9.8.21 are placed at Annexure X & XI respectively)



1.15 Accordingly, the Petitioner entered into a Power Purchase Agreement (PPA) dated 05.03.2022 with the HPPC (PPA placed at - **Annexure XII**).

As per the terms of the PPA, the Petitioner has offered to sell electricity to the HPPC and the HPPC has agreed to purchase the entire capacity and corresponding electricity at delivery point after deducting the auxiliary consumption, transformation losses and Free Power to be supplied from the project in the State of Himachal Pradesh. It is also submitted that the PPA defines the term “Required Commercial Operation Date”/ “Required COD”/ “RCOD” as under:

“ ... Means in relation to the project, the following number of months from date of signing of PPA.

- i. Unit I- 47 months
- ii. Unit II- 50 months
- iii. Unit III & COD of the project- 53 months”

Thus, the PPA dated 05.03.2022 defines the COD of the Project at 05.08.2026.

1.16 The PPA was approved by this Hon’ble Commission on 04.04.2022 with certain changes, which were subsequently incorporated by way of a supplementary power purchase agreement dated 24.05.2022, entered into between the Petitioner and HPPC. (**Suppl. PPA** placed as **Annexure XIII**)

1.17 The Petitioner would like to bring on record that after the start of construction at this project, many force majeure events have been occurred, which in turn has delayed the completion of project beyond timelines as per I.A.:

- a. Lockdown/ curfew during Covid 19 period for 3 months
- b. Collapse of bridges during FY 21-22 & 23-24 affecting work for 3 months
- c. Landslide blocking main approach road to the project during Apr-Jun’24
- d. Very high flood & cloud bursts during Jul’2023
- e. Local & Socio-political / law & order issues

The Govt. of Himachal Pradesh has been informed about these force majeure events vide the Petitioner’s letter dt. 18.6.2024 (placed as **Annexure XIV**), elaborating the delay of 710 days on account of these force majeure conditions. As a matter of procedures, the approval towards force majeure events, is given by GoHP after the commissioning of the project.

Regulatory Provisions for Tariff Determination

1.18 The Hon’ble Commission notified the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Generation, Transmission, Wheeling, and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2024 (hereinafter referred to as “Tariff Regulations”) on 22.10.2024.

1.19 Regulation 1.2 of the Tariff Regulations stipulate the applicability of Tariff Regulations from April 1st, 2025, to March 31st, 2030. It is submitted that the Petitioner is making all efforts to achieve the commercial operation and intends to commence supply of electricity **to the HPPC w.e.f. 31.5.2025**.

1.20 In view of the above background, the Petitioner is filing this instant Petition for determination of capital cost and generation tariff of its 240 MW Kutehr HEP, under the provisions of the HERC Tariff Regulations 2024 .



CHAPTER -2: PROJECT PROFILE, INSTALLED CAPACITY AND SALEABLE DESIGN ENERGY

Project Profile

- 2.1 Kutehr HEP is a run-of-river scheme on the river Ravi in Chamba District, Himachal Pradesh. The project has an installed capacity of 240 MW. The full reservoir level (FRL) and minimum tail water level (TWL) of the project are El.1706.75 m and El.1397.00 m respectively. The project comprises of 27.0 m high barrage, intake structure on the left bank, desilting chamber, a circular head race tunnel of 6.2 m diameter and 14.60 km long, an aqueduct for crossing Salun Nalla, 15 m diameter and 87.45 m high surge shaft, a 4.35 m diameter steel lined pressure shaft, an underground Power house with an installed capacity of 3x80 MW and tail race tunnel. *(said details are as accorded in TEC/ incorporate as built.)*
- 2.2 The project also comprises of storage capacity of 0.65 MCM which is sufficient for 3 hour peak supply in 2 slots, i.e., morning and evening peak for a duration of one and a half hours.
- 2.3 It is submitted that development of a Hydro Electric Project requires clearances and approvals by various authorities. The table below illustrates the permits and clearances accorded to Kutehr HEP:

1	Implementation Agreement	IA dt 4.3.2011 valid for 40 years. Supplementary agreements dated 26.11.2018 and 27.01.2021
2	Environment Clearance	Clearance received on 5.7.2011 for ten years. Extension of clearance till 10.1.2027 was approved on 18.06.2021. (MoM dt 19.7.24)
3	Forest Clearance	Clearance received on 11.1.2013 & addendum dt 19.2.2013
4	Concurrence from CEA	Concurrence accorded on 31.08.2010. Extension of concurrence was approved on 24.07.2019
5	NOC from Defence	NOC dt. 04.09.2020 valid till 4.9.2027
6	NOC from Irrigation and Public Health Department	NOC dt. 27.11.2010
7	Land essentiality certificate	NOC dt. 27.04.2012
8	NOC from Aquatic Ecology/Fisheries Department	NOC dt. 21.07.2014
9	NOC from Wildlife Department	NOC dt. 30.03.2009
10	NOC from Public Works Department, Himachal Pradesh	NOC dt. 24.02.2012
11	Consent to establish by Himachal State Pollution Control Board	Consent accorded on 17.08.2012 and renewed till 31.03.2024 vide letter dt 13.03.2024
12	NOC from Ministry of Water and Resources	NOC dt. 15.6.2010

Thus, it is humbly submitted that the Kutehr HEP is in possession of the required approvals and clearances.

- 2.4 Kutehr HEP has 3 units of 80 MW each with a total installed capacity of 240 MW as approved by the Government of Himachal Pradesh vide the IA & SIAs dated 04.03.2011, 26.11.2018 & 27.01.2021 and CEA concurrence dated 31.08.2010 & 24.07.2019. The anticipated COD of Kuthar HEP is as given below:



- a) Unit No.1: 30.4.2025
- b) Unit No.2: 15.5.2025
- c) Unit No.3: 31.5.2025

Design Energy

2.5 The Design Energy of Kutehr HEP is 954.70 MU. It is humbly submitted that the water availability is excellent and the HEP can provide PUF of 45.41%, as illustrated in the table below:

Design Energy Generation (240 MW)
(Corresponding to 90% Dependable Year 1985-86 - with no overload)

Month	Period	No of days	10-Daily Discharge (cumec)	Release for Aquatic Life (cumec)	Available Discharge (cumec)	Power with 95% plant availability (MW)	Power (MW)	Capped Power (MW)	Energy	Energy on Monthly Basis
June	I	10	93.80	2.95	90.85	228.00	231.22	228.00	54.72	164.16
	II	10	92.60	2.95	89.65	228.00	228.16	228.00	54.72	
	III	10	92.60	2.95	89.65	228.00	228.16	228.00	54.72	
July	I	10	93.80	2.95	90.85	228.00	231.22	228.00	54.72	169.63
	II	10	116.90	2.95	113.95	228.00	290.01	228.00	54.72	
	III	11	106.30	2.95	103.35	228.00	263.03	228.00	60.19	
Aug	I	10	105.30	2.95	102.35	228.00	260.49	228.00	54.72	167.53
	II	10	98.40	2.95	95.45	228.00	242.93	228.00	54.72	
	III	11	89.40	2.95	86.45	228.00	220.02	220.02	58.09	
Sept	I	10	72.90	2.95	69.95	228.00	178.03	178.03	42.73	105.58
	II	10	54.40	2.95	51.45	228.00	130.94	130.94	31.43	
	III	10	54.40	2.95	51.45	228.00	130.94	130.94	31.43	
Oct	I	10	30.10	2.95	27.15	228.00	69.10	69.10	16.58	43.16
	II	10	26.60	2.95	23.65	228.00	60.19	60.19	14.45	
	III	11	21.00	2.95	18.05	228.00	45.94	45.94	12.13	
Nov	I	10	16.20	2.95	13.25	228.00	33.72	33.72	8.09	24.95
	II	10	18.50	2.95	15.55	228.00	39.58	39.58	9.50	
	III	10	15.00	2.95	12.05	228.00	30.67	30.67	7.36	
Dec	I	10	16.20	2.95	13.25	228.00	33.72	33.72	8.09	24.82
	II	10	16.20	2.95	13.25	228.00	33.72	33.72	8.09	
	III	11	15.80	2.95	12.85	228.00	32.70	32.70	8.63	
Jan	I	10	15.00	2.95	12.05	228.00	30.67	30.67	7.36	19.86
	II	10	13.90	2.95	10.95	228.00	27.87	27.87	6.69	
	III	11	11.60	2.95	8.65	228.00	22.01	22.01	5.81	
Feb	I	10	11.60	2.95	8.65	228.00	22.01	22.01	5.28	16.88
	II	10	12.70	2.95	9.75	228.00	24.81	24.81	5.96	
	III	8	14.50	2.95	11.55	228.00	29.40	29.40	5.64	
March	I	10	15.00	2.95	12.05	228.00	30.67	30.67	7.36	27.64
	II	10	19.70	2.95	16.75	228.00	42.63	42.63	10.23	
	III	11	17.90	2.95	14.95	228.00	38.05	38.05	10.04	
April	I	10	22.00	2.95	19.05	228.00	48.48	48.48	11.64	68.14
	II	10	32.40	2.95	29.45	228.00	74.95	74.95	17.99	
	III	10	66.00	2.95	63.05	228.00	160.47	160.47	38.51	
May	I	10	64.80	2.95	61.85	228.00	157.41	157.41	37.78	122.36
	II	10	64.80	2.95	61.85	228.00	157.41	157.41	37.78	
	III	11	72.60	2.95	69.65	228.00	177.26	177.26	46.80	
TOTAL ENERGY										954.70
PUF (%)										45.41

Note:
1. Power limited to 95% of installed capacity in monsoon months as per guidelines of the CEA



2. Release for aquatic life considered in DPR was 2.12.cumec based on which Design energy of 969Mus was calculated and approved in TEC. Based on environment clearance dt. 5.7.2011 specific condition no. (vi), the release for aquatic life has been revised to 2.95 cumec and therefore Gross Design energy considered for tariff calculations is 954.70 Mus.

Free Power to Government of Himachal Pradesh

2.6 Clause 5.3.1 of the IA dated 04.03.2011 stipulated the levy of royalty as under:
“... The royalty in the shape of free power shall be levied @ 12% of the Deliverable Energy of the Project for the period starting from the date of synchronization of the first generating unit and extending upto 12 years from the date of Scheduled Commercial Operation of the Project @ 18% of Deliverable Energy of the Project for a period of next 18 years and @30% of the Deliverable Energy for the balance Agreement Period beyond 30 years. The royalty in the shape of free power shall start accruing to the First Party from the Scheduled Commercial Operation Date/synchronization of first generating unit, whichever is earlier”

2.7 Vide its notification dated 15.05.2018, the Government of Himachal Pradesh had revised provisions pertaining to Free Power royalty applicable to allotted projects. Therefore, the Petitioner entered the Supplementary IA dated 26.11.2018 wherein the Clause 5.3.1 was revised as under:

“...The royalty in the shape of free power shall be levied @ 12% of the Deliverable Energy of the Project for the period starting from the date of synchronization of the first generating unit and extending upto 12 years from the date of Scheduled Commercial Operation of the Project @ 18% of Deliverable Energy of the Project for a period of next 18 years and @30% of the Deliverable Energy for the balance Agreement Period beyond 30 years. The royalty in the shape of free power shall start accruing to the First Party from the Scheduled Commercial Operation Date/synchronization of first generating unit, whichever is earlier.

Provided further that the First Party vide notification No. MPP (F)-2/2005-X dated 15.05.2018 has deferred Free Power Royalty for the critical period of initial 12 years i.e. during first time band of the Project. The quantum to be deferred shall be recovered in the next 28 years i.e. during the period starting from 13th year and extending till completion of 40th year of commissioning at a uniform percentage rate.”

2.8 Accordingly, the Petitioner, in its offer to HPPC, had specified Free Power royalty applicable as 0% for first 12 years.

Saleable Design Energy

2.9 It is submitted that the Saleable Design Energy of the Kutehr HEP based on which tariff shall be computed, is being arrived after deducting normative auxiliary consumption as per HERC Tariff Regulations and applicable Free Power royalty.

Clause 9.1.4 of PPA stipulates as under, regarding free power:

“The company agrees that the cost of free power to the project State over and above that allowed as per Govt. of India notification shall be borne by the generator duly considering the deferment of free power for the initial 12 years as per the supplementary Implementation Agreement date 26.11.2018.”

Para 5.7 of National Tariff Policy 2016 reads as under:

5.7 (iii) Annual fixed charges shall be taken pro-rata to the saleable design energy tied up on the basis of long term PPAs with respect to total saleable design



energy. The total saleable design energy shall be arrived at by deducting the following from the design energy at the bus bar:

a) Free power as notified by the Central Government from time to time for the host State and the riparian State and percentage for contribution towards Local Area Development Fund as constituted by the State Government. This free power may be suitably staggered as decided by the State Government.

Proviso to para 5.1 of National Tariff Policy 2006 was amended as under:

e (iii) Annual fixed charges shall be taken pro-rata to the saleable design energy tied up on the basis of long term PPAs with respect to total saleable design energy. The total saleable design energy shall be arrived at by deducting the following from the design energy at the bus bar:

- a) 13% of free power (12% for the host Government and 1% for contribution towards Local Area Development Fund as constituted by the State Government). This 12% free power may be suitably staggered as decided by the State Government
- b) Energy corresponding to 100 units of electricity to be provided free of cost every month to every Project Affected Family notified by the State Government to be offered through the concerned distribution licensee in the designated resettlement area/ projects area for a period of ten years from the date of commissioning”.

2.10 Regulation 35.3 of the HERC Tariff Regulations 2024 specify the auxiliary consumption applicable to hydro stations. As Kutehr HEP is an underground hydro generating station with static excitation system, auxiliary consumption has been considered at 1.20%.

2.11 The computation of Saleable Design Energy is illustrated in the table below:

Particulars	1 st to 12 th year	13 th to 30 th year	31 st to 35 th year
Design Energy (MU)	954.70	954.70	954.70
Less: Aux Consumption @1.20% (MU)	11.46	11.46	11.46
Net Design Energy after Aux Consumption (MU)	943.24	943.24	943.24
Less: Free Power (%)	0%	17.14% (12% + 5.14%)	17.14% (12% + 5.14%)
Less: Free Power (MUS)	-	161.67	161.67
Net Design Energy (MU)	943.24	781.57	781.57
Saleable Design Energy (MU)	943.24	781.57	781.57

1. First 12 years' free power @ 12% is distributed in next 28 years (12 * 12 / 28 = 5.14%)

2. Free power contribution for LADF @1% is not considered above in terms of HP High Court order dt. 19.6.2012 in CWP no. 697 of 2010. This order dt 19.6.2012 is pending challenge before Hon'ble Division bench of Himachal Pradesh High Court in LPA no. 358 of 2012.

Evacuation of Power

2.12 Kutehr HEP is to be connected with the network of the Himachal Pradesh Power Transmission Corporation Limited (HPPTCL) through LILO from 400 KV double Circuit Transmission Line Lahal to Rejera at Tower No.8 to Pot Head Yard for evacuation of power of Kutehr. HPPTCL has developed 400 kV D/C transmission line from Lahal pooling substation to 400 kV Rajera substation of Power Grid Corporation of India Limited for evacuation of power from hydro-electric projects in the Ravi basin.



2.13 It is submitted that vide its letter dated 01.02.2022, Himachal Pradesh Power Transmission Corporation Limited granted Long Term Open Access connectivity to the Petitioner. Furthermore, the Petitioner vide its letter dated 03.05.2024 apprised the HPPC of grant of Long Term Open Access connectivity and also requested the HPPC to apply for ISTS GNA for drawl at the periphery of the State of Haryana.

Regulation 17.1 of Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 prescribes as under.

“17.1. The following entities shall be eligible as Applicants to apply for grant of GNA or for enhancement of the quantum of GNA:

- (i) State Transmission Utility on behalf of intra-State entities including distribution licensees;*
- (ii) A drawee entity connected to intra-State transmission system;*
- (iii) A distribution licensee or a Bulk consumer, seeking to connect to ISTS, directly, with a load of 50 MW and above;*
- (iv) Trading licensees engaged in cross border trade of electricity in terms of the Cross Border Regulations;*
- (v) Transmission licensee connected to ISTS for drawal of auxiliary power.”*



CHAPTER -3: CAPITAL COST OF THE PROJECT

3.1 Regulation 18 of the HERC Tariff Regulations 2024 specifies as under:

18. CAPITAL COST

(1) The Capital cost as admitted by the Commission after prudence check and subject to debt-equity ratio as per provisions of these Regulations, shall form the basis of determination of tariff for new power projects.

Provided that where the power purchase agreement entered into between the generating Company and the beneficiaries or transmission service agreement entered into between transmission licensee and the long-term transmission consumer, as the case may be, provides for a ceiling of actual expenditure, the capital expenditure shall not exceed such ceiling for determination of tariff;

Provided further that any person intending to establish, operate and maintain a generating plant may make an application before the Commission for „in principle” acceptance of the project capital cost and financing plan before taking up a project. The petition shall contain information regarding salient features of the project including the capacity, location, site specific features, fuel, beneficiaries, break-up of the capital cost estimates, financial package, schedule of commissioning, reference price level, estimated completion cost including foreign exchange components, if any, consent of beneficiary licensees to whom the electricity is proposed to be sold etc.;

Provided also that where the Commission has given “in principle” acceptance to the estimates of project capital cost and financing plan, the same shall be the guiding factor for applying prudence check on the actual capital expenditure;

(2) The Capital Cost of a new project shall include the following:

- (a) the expenditure incurred or projected to be incurred up to the date of Commercial operation of the project;*
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*
- (c) Increase in cost in contract packages as approved by the Commission;*
- (d) Interest during construction and incidental expenditure during construction as computed in accordance with these Regulation.*
- (e) capitalized Initial spares subject to the ceiling rates, as a percentage of the original Plant and Machinery cost as on the cut-off date, as specified below:*

Generation Company	1. Coal-based generating plants	2.50%
	2. Gas Turbine / Combined Cycle generating plants	4.00%
	3. Hydro generating stations including pumped storage (PSP) hydro generation stations	1.50%



Transmission licensee	1. Transmission lines	0.75%
	2. Transmission substations	2.50%
	3. Series compensation devices and HVDC stations	3.50%
Distribution licensee	Distribution Business Projects	1.50%

Provided that:

(i) where the generating station has any transmission equipment forming part of the generation project, the ceiling norms for initial spares for such equipment shall be as per the ceiling norms specified for transmission system under these Regulations:

(ii) once the transmission project is commissioned, the cost of initial spares shall be restricted on the basis of plant and machinery cost corresponding to the transmission project at the time of truing up:

(iii) for the purpose of computing the cost of initial spares, plant and machinery cost shall be considered as on cut-off date excluding IDC, IEDC, Land Cost and cost of civil works. The generator/licensee shall submit the breakup of head wise IDC & IEDC in its tariff application

(f) expenditure on account of additional capitalization and de-capitalization determined in accordance with these Regulation;

(g) any gain or loss on account of foreign exchange risk variation pertaining to the loan amount availed during the construction period as approved by the Commission.

(h) adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the COD as specified under these Regulations; and

(i) adjustment of any revenue earned by using the assets before COD

(3) The capital cost in case of a new hydrogenating station shall also include:

(a) cost of approved rehabilitation and resettlement (R&R) plan of the project in conformity with National R&R Policy and R&R package as approved; and

(b) cost of the developer"s 10% contribution towards Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) project in the affected area

(5) The following shall be excluded or removed from the capital cost of the existing and new project:

(a)The assets forming part of the project, but not in use;

(b)Decapitalization of Asset;

(c) In case of hydro generating station, any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State government by following a two-stage transparent process of bidding; and

(d) the proportionate cost of land which is being used for generating power from generating station based on renewable energy:



Provided that any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation

(6) Capital cost to be allowed by the Commission for the purpose of determination of tariff for respective businesses will be based on the capital investment plan prepared by the generating company or the licensee, as the case may be, and approved by the Commission prior to the filing of application for multiyear tariff by the generating company/licensees.

3.2

It is humbly submitted that the Government of Himachal Pradesh had entered into a Pre-Implementation Agreement dated 01.03.2008 with JSW Energy Ltd to carry out detailed investigation, techno-economic studies and submission of DPR for Kutehr HEP. Accordingly, CEA, vide its Order dated 31.08.2010 had accorded its concurrence to the Kutehr HEP.

It is submitted that Article 4 of the IA dated 04.03.2011 defines the various obligations of the Government of Himachal Pradesh. On account of non-completion of various tasks such as acquisition of private land, lease of forest land and felling of trees, the Petitioner was unable to commence construction of the project. It is also submitted that on receipt of necessary request from the Petitioner and the receipt of No Objection/Authorization of the Government of Himachal Pradesh, CEA had extended its concurrence accorded to Kutehr HEP upto 31.03.2020.

Government of Himachal Pradesh, vide its notification dated 07.11.2020 had notified a One Time Amnesty by redefining zero date for projects which are under investigation and clearance stage. As the IA dated 04.03.2011 was already in force, the Petitioner entered into the SSIA dated 27.01.2021 wherein Zero Date was redefined as 29.10.2019.

3.3

It is submitted that the Petitioner approached the State Bank of India towards financing of the Kutehr HEP. The State Bank of India appointed M/s Entura Hydro Tasmania India Pvt Ltd as Lender's Engineer for this project. Based on the independent assessment of lender engineer, financial closure was done by the Petitioner.

Accordingly, Petitioner arranged for debt financing from the State Bank of India towards a term loan of Rs. 1,929 Crore @ 67% of the estimated project cost. The Petitioner intends to finance the remainder of the project cost, i.e. Rs. 950 Crore through equity contribution. Loan Sanction Letter from the State Bank of India is placed at - **Annexure XV** for the perusal of the Hon'ble Commission.

3.4

It is humbly submitted that the Petitioner has computed Interest during Construction (IDC) by considering the actual loan drawn during the period of construction. Additionally, Regulation 18 (2) of the HERC Tariff Regulations 2024 stipulates as under:

“(2) The Capital Cost of a new project shall include the following:

(b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;”



3.5 It is submitted that the construction of Kutehr HEP had commenced during FY 2019-20. Furthermore, the Petitioner was in receipt of equity contribution in excess of 30% of funds deployed during the period from FY 2019-20 till SCOD in FY 2025-26. The Petitioner has considered rate of interest as per the provisions of Regulation 21(2)(i) of the HERC Tariff Regulations 2024.

Accordingly, the Petitioner has considered excess equity deployed as normative loan, as explained in the table below:

Particulars	Rs. Crore						
	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25 (upto Dec'24)	FY 26 (Jan- May'25)
Actual Equity Deployed	71.53	456.82	798	872.71	916.77	916.77	950.00
Normative Equity	21.46	137.04	283.30	485.70	631.20	759.46	854.98
Excess Equity	50.07	319.77	514.70	387.01	285.57	157.31	95.02
Excess equity considered as normative loan	50.07	319.77	514.70	387.01	285.57	157.31	95.02
SBI MCLR %	8.55%	7.75%	7.00%	7.00%	8.50%	8.65%	8.65%
Rate of Interest (MCLR+1.50%)	10.05%	9.25%	8.50%	8.50%	10.00%	10.15%	10.15%
Additional IDC for the year / period	5.03	29.58	43.75	32.90	28.56	11.98	4.02
Additional IDC for the period from FY 20 to FY 26 as per provisions of Regulation 19.2 (b) of HERC Tariff Regulations 2024							
							155.81

3.6 The Petitioner has anticipated the final capital cost as on SCOD (based on the audited accounts as on 31st March 2024 and unaudited accounts as on 31st December 2024 and estimates of remaining works to be executed) in the table below:

Sl.No.	Cost Parameters	Rs. Crore		
		Mar'24	Dec'24	May'25
1	Land and Building	22.51	22.97	75.00
2	Civil and Hydro Mechanical Works	1213.34	1420.55	1421.00
3	Electro Mechanical Works & Transmission	210.32	250.35	318.00
4	Preliminary, Survey, Consultancy and Others	54.08	72.34	72.34
5	Other Hard Cost (Overheads, Establishment, Communication, etc)	228.95	236.44	372.20
6	Upfront Premium	124.80	124.80	124.80
7	Local Area Development Cost	26.94	26.94	42.74
8	Interest during Construction			
a)	IDC on actual debt	127.52	230.86	310.88
b)	Finance Charges	25.40	26.29	26.29
9	Margin money & deposits	28.91	9.68	9.68
	Sub Total	2062.77	2421.22	2772.93
10	IDC on excess equity as normative loan	139.81	151.79	155.81
11	Contingency / undischarged liabilities	46.00	46.00	46.00
	Total Expected Project Cost	2248.58	2619.01	2974.74

Copy of audited signed financials for the year ended Mar'2024 is placed as
Annexure XVI

3.7 For the purpose of determination of tariff, the capital cost anticipated by the Petitioner as on COD is tabulated below:

Anticipated final capital cost as on SCOD	Rs. 2974.74 crore
Less: Upfront premium	Rs. 124.80 crore
Capital cost considered for tariff	Rs. 2849.94 crore



Thus, the Petitioner requests the Hon'ble Commission to consider project cost at Rs. 2,850 Crore for the purpose of this instant Petition.

3.8 Additionally, as noted in the earlier paragraphs, PPA dated 05.03.2022 had defined the Required Commercial Operation Date which is to be adhered to by the Petitioner. For the sake of brevity, the same is reproduced below:

- “i. Unit I- 47 months*
- ii. Unit II- 50 months*
- iii. Unit III & COD of the project- 53 months” (emphasis added)*

3.9 As a result of the timelines agreed to in the PPA, the Petitioner is required to ensure COD by 05.08.2026. However, it is submitted that the Kutehr HEP is expected to attain COD on 31.5.2025. Therefore, it is submitted that there is no delay in commissioning of the project, as far as PPA timeline is concerned.

Additional capitalization

3.10 Regulation 18.2 of the HERC Tariff Regulations, 2024 specifies as under:

“18.2.1 The Commission may consider allowing, subject to prudence check, any additional capital expenditure incurred or projected to be incurred, after the commercial operation date of a project and up to the cut-off date, on the following provided the same was part of the original scope of work of the project: (a) Deferred liabilities without any carrying cost; (b) Works deferred for execution without any escalation; (c) Procurement of initial capital spares in the original scope of work without any escalation, subject to ceiling specified above; (d) Foreign exchange rate variation (e) Liabilities to meet award of arbitration provided that it is not on account of any fault of the generation company or the licensee, as the case may be; (f) Liabilities on account of compliance of the order or decree of a court; (g) Liabilities on account of change in law:

Provided that details of the works included in the original scope of work along with estimates of expenditure, un-discharged liabilities and works deferred for execution shall be submitted along with the application for determination of tariff after the date of commercial operation of the project;

18.2.2 The Commission may consider admitting, after prudence check, the capital expenditure of the following nature actually incurred after the cut-off date: (a) Deferred liabilities relating to works/services within the original scope of work without any escalation; (b) Liabilities to meet award of arbitration provided that it is not on account of any fault of the generation company or the licensee, as the case may be; (c) Liabilities on account of compliance of the order or decree of a court; (d) Liabilities on account of change in law; (e) Any additional works/services which have become necessary for efficient and successful operation of the project, but not included in the original project cost;”

3.11 The Petitioner submits that the concerned units are about to achieve CoD as mentioned in the foregoing paras. It is further submitted that the cost associated with additional capitalization shall be prudently ascertained by the Petitioner once the project achieves COD. Accordingly, the Petitioner shall approach the Hon'ble Commission for approval of additional capitalization when the details of the actual additional capitalization cost is available.



Benchmarking of Capital Cost

3.12 The Hon'ble Commission, vide its Order dated 24.09.2020 had noted that hydro generation plants/ projects are best suited for contracting additional power to meet peak deficit. Furthermore, capital cost involved in a hydro generation project is a key parameter of associated costs. Moreover, HERC Tariff Regulations provide for prudence check by the Hon'ble Commission to ascertain the reasonableness of the capital expenditure incurred by the Petitioner.

Therefore, to provide for the reasonableness of capital expenditure incurred by the Petitioner, the Petitioner has conducted an analysis of costs being incurred by various hydro projects across various geographical regions.

It is also submitted that cost comparison and assessment among various hydro generation projects of similar nature provide basic insight as to where the current costs associated with a particular project stand and also establishes if the incurred costs are justified or not.

Accordingly, the Petitioner, to assess the reasonability of capital expenditure incurred has compared the capital costs incurred by other hydro power developers through the benchmarking study. The projects considered for the benchmarking were commissioned in the last sixteen years and have been spread out across various regions.

Objective:

3.13 The objective of the study was to collect, study and analyze the cost data of large hydro power projects across the country to establish benchmark for capital costs incurred for run of the river hydro power projects.

It is submitted that this exercise, as elaborated in the following paragraphs, distinctly indicates that the cost incurred by the Petitioner for the development and commissioning of the Kutehr HEP corroborates with the costs incurred by other hydro power developers across the country.

Methodology:

3.14 The Petitioner submits that various hydro power projects considered for benchmarking have been selected from across the country to enable appropriate comparison.

The cost data of large hydro power projects commissioned during last 16 years was collected, studied, and analyzed for the benchmarking figures being submitted. The cost benchmarking process primarily involved the collection of various cost parameters of different hydro projects and subsequent comparison amongst the same. The data of total relevant fifteen hydro power projects was taken into consideration for the benchmarking purpose.

The reference from various tariff orders by SERCs were taken for collection of data along with the Economic Survey reports. The average inflation considering the wholesale price index during last sixteen years was considered for calculation of benchmark cost in year 2024.

Further, the cost components are thereafter brought at base year of 2024 by considering an average inflation rate of 5.1% per annum.



Due to the site topography, the cost of civil works for run of the river schemes varies to the great extent. So, it was difficult to establish the separate cost tables for the components like desilting tank, forebay, powerhouse, penstock which depend on the site conditions.

Assumptions:

3.15 The following assumptions were made for the study:

- a) The year 2024 has been considered base year, as the Petitioner’s Kutehr power plant is to be commissioned in 2025.
- b) Average inflation @ 5.1% per year is considered for calculation of escalated cost to bring it to the base year of 2024.

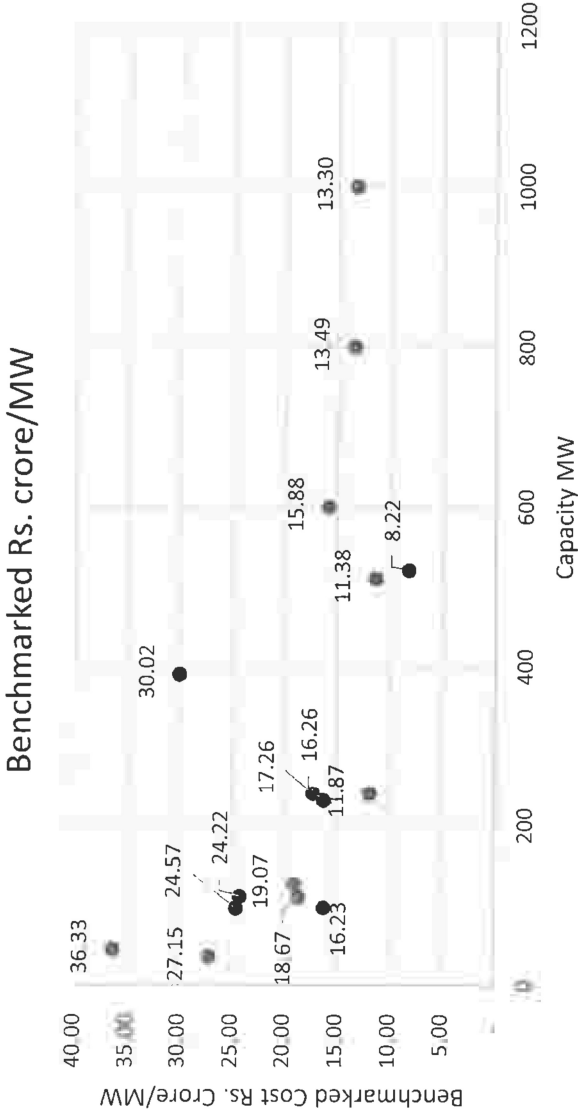
Benchmarking Details

3.16 The details of benchmarking study are tabulated as below:

Sr No	Project	Company	State	Capacity (MW)	CoD	Rs Crore/ MW (Actual)	Rs Crore/ MW (Approved)	Benchmark Cost (Rs Crore/ MW) as on 2024
1	Tashiding HEP	Shiga Energy	Sikkim	2X48.5 = 97	06/11/2017	11.46	9.29	16.23
2	Jorethang Loop HEP	DANS Energy	Sikkim	2X48= 96	30/09/2015	15.70	9.48	24.57
3	Parbati-III HEP	NHPC	Himachal Pradesh	4X130 = 520	06/06/2014	5.00		8.22
4	Uri-II HEP	NHPC	Jammu & Kashmir	4X60= 240	01/03/2014	9.99	8.95	17.26
5	Chamera-III HEP	NHPC	Himachal Pradesh	3X77= 231	04/07/2012	8.95		16.26
6	Kameng HEP	NEEPCO	Arunachal Pradesh	4X150 = 600	12/02/2021	13.68		15.88
7	Chanju I HEP	IA Hydro	Himachal Pradesh	3X12= 36	26/07/2014	16.52	12.03	27.15
8	Larji HEP	HPSEB	Himachal Pradesh	1X126 = 126	28/02/2014	11.60	8.72	19.07
9	Sawra Kuddu HEP	HPPCL	Himachal Pradesh	3X37= 111	09/12/2020	19.85		24.22
10	Karcham Wangtoo HEP	JSW Hydro	Himachal Pradesh	4X250 = 1000	13/09/2011	6.97	6.36	13.30
11	Koldam HEP	NTPC	Himachal Pradesh	4X200 = 800	18/07/2015	8.62	7.97	13.49
12	Dulhasti HEP	NHPC	Jammu & Kashmir	3X130 = 390	07/04/2007	12.89	13.15	30.02
13	Teesta HEP Stage-V	NHPC	Sikkim	3X170 = 510	10/04/2008	5.14	4.88	11.38
14	Nimoo Bazgo HEP	NHPC	Jammu & Kashmir	3X15= 45	10/10/2013	21.02	21.80	36.33
15	Chuzachen HEP	Gati Infrastructure	Sikkim	2X55= 110	18/05/2013	10.81	10.41	18.67
16	Kutehr HEP	JSW Energy Kutehr Ltd	Himachal Pradesh	3X80= 240		11.87		11.87



3.17 The trend of per MW Cost of the above Projects is graphically represented as below. The Horizontal axis (X-axis) represent the capacity of the project in MW and Vertical Axis (Y-axis) represents the Benchmark cost per MW in Rs Crores. As can be observed from the same, the trendline indicates that the trend of cost is decreasing as the capacity goes on increasing clearly indicating the cost advantage due to economies of scale.



It is submitted that two projects i.e., Uri-II (240 MW) and Chamera-III (231 MW) are similar to the Kutehr HEP with respect to the installed capacity. However, it can be distinctly observed that when the capital of these two projects is escalated with inflation rate and bought to the base year of 2024, they are having the incurred cost at much higher levels than the Petitioner’s Kutehr plant. The Benchmark Cost per MW as in 2024 of the Uri-II (240 MW) is 17.26 Cr and of Chamera-III (231 MW) is Rs. 16.26 Cr. This is much higher than the JSW Kutehr Cost per MW of Rs 11.87 Cr.

3.18 This further strengthens the Petitioner claim of justified capital cost incurred in the current project. Not only does this justify the incurred capital cost but also underlines the cost efficiency of the Petitioner.

Disclaimer:

The data/information used in this report has been obtained from reports/tariff orders available in the public domain. The rate of cost escalation is the average of last sixteen years inflation based on WPI as per Economic Survey Reports. Every care has been taken to ensure that the data is correct, consistent, and complete. The constraints of time and resources available to this nature of assignment, however, do not preclude the possibility of errors, omissions etc. in the data and consequently in the report preparation.

References:

- 1. HERC Order dated 10.04.2018 in case no PRO-15 of 2016 for Chanju-I Hydroelectric Power Project for determination of Tariff.
- 2. CERC Order dated 24.09.2009 in petition no 72/2009 for Dulhasti Hydroelectric Power Project for determination of Tariff.
- 3. CERC Order dated 13.10.2015 in petition no 89/GT/2013 for Nimoo Bazgo Hydroelectric Power Project for determination of Tariff.



4. CERC Order dated 05.04.2018 in petition no 107/GT/2015 for Koldam Hydroelectric Power Project for determination of Tariff.
5. CERC Order dated 05.01.2010 in petition no 132/2009 for Teesta-V Hydroelectric Power Project for determination of Tariff.
6. HPERC Order dated 07.07.2011 in petition no 171/2010 for Larji Hydroelectric Power Project for determination of Tariff.
7. CERC Order dated 30.03.2017 in petition no 434/GT/2014 for Karcham Wangtoo Hydroelectric Power Project for determination of Tariff.
8. HPPCL Petition dated 03.06.2023 with HPERC for Sawra Kuddu Hydroelectric Power Project for determination of Tariff.
9. NEEPCO Petition no 51/GT/2021 dated 10.05.2022 for CERC with Kameng Hydroelectric Power Project for determination of Tariff.
10. NHPC Petition no 26/GT/2013 dated 13.08.2014 for CERC with Chamara-III Hydroelectric Power Project for determination of Tariff.
11. HERC Order dated 27.04.2021 in Case No. HERC/ PRO 32 of 2018 for Jorehang Loop Hydroelectric Power Project for determination of Tariff.
12. HERC Order dated 27.04.2021 in Case No. HERC/ PRO 31 of 2018 for Tashiding Hydroelectric Power Project for determination of Tariff.
13. NHPC Petition dated 17.11.2016 with CERC for Parbati-III Hydroelectric Power Project for determination of Tariff.
14. CERC Order dated 04.02.2016 in petition no 156/GT/2013 for Uri-II Hydroelectric Power Project for determination of Tariff.
15. Gati Infrastructure Pvt Ltd Petition dated 03.06.2023 in HERC for Chuzachen Hydroelectric Power Project for determination of Tariff.
16. Economic survey reports for the period from FY 2015-16 to FY 2022-23



CHAPTER -4: ANNUAL FIXED CHARGES

Depreciation

4.1 Regulation 23 of the HERC Tariff Regulations 2024 specifies as under:

“23. DEPRECIATION

For the purpose of tariff determination, the depreciation shall be calculated in the following manner: -

(a) The value base of asset shall be the historical capital cost of the asset as admitted by the Commission. The historical capital cost shall include additional capitalization including foreign exchange rate variation, if any already allowed by the Commission up to 31st March of the relevant year.

(b) The residual value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of historical capital cost of the asset;

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable.

(c) Depreciation shall be calculated annually over the useful life of the asset at the rates specified in Appendix I up to 31st March of the 12th year from the date of commercial operation of the asset.

From 1st April of 13th year from the commercial date of operation of the asset, the remaining depreciable value if any out of the 90% of the capital cost of the asset shall be equally spread over the balance useful life of the asset.

The depreciation rates given in Appendix-I will be applicable w.e.f. 1.04.2025 only. The depreciation, in case of existing assets, up to 31.03.2025 shall be considered as already allowed and shall not be re-visited.

Provided that the rate provided in Appendix I, are the upper ceiling of the rate of depreciation to be provided up to 12th year from the date of COD and the developer shall have the option of indicating, while seeking approval for tariff, lower rate of depreciation, subject to the aforesaid ceiling.

(d) Land shall not be considered as a depreciable asset and cost shall be excluded from the capital cost while computing depreciable value of asset.

(e) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the financial year, then the depreciation shall be charged on pro rata basis;

(f) Depreciation shall not be allowed on assets (or part of assets) funded by consumer contribution (i.e., any receipts from consumers that are not treated as revenue) and capital subsidies / grants.

Provision for replacement of such assets shall be made in the capital investment plan.

(g) Provided also that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of the sale of electricity under long-term power purchase agreement at regulated tariff.



(h) Provided also that any depreciation disallowed on account of lower availability of the generating station or unit or transmission system, as the case may be, shall not be allowed to be recovered at a later stage during the useful life or the extended life

4.2 Depreciation for Plant & machinery and Buildings has been calculated as per rates specified in the HERC Tariff Regulations 2024. However, in respect of office equipment, furniture & fixtures, vehicles and IT equipment, useful life is lesser than the project useful life and therefore depreciation has been worked out based on the Companies Act /CERC provisions.

Moreover, regarding the salvage value of the project, clause 3.2 of the IA dated 04.03.2011 specifies as under:

“3.2 Agreement Period

(a) This Agreement shall remain in force upto a period of 40 years from the Schedule Commercial Date of the Project (Agreement Period) unless terminated earlier in accordance with the provisions of this agreement.

(b) On completion of the Agreement Period, the Project shall revert to the First Party free from all encumbrances together with all land, buildings, plant, machinery, spare parts and all assets of the Project which have been charged to the Projects cost and the First Party shall operate and maintain the Project in entirety and the Project shall not be further handed over to any private party.”
(Emphasis added)

4.3 Thus, on the expiry of the IA dated 04.03.2011, the Kutehr HEP shall stand handed over to the Government of Himachal Pradesh.

In this regard, the Petitioner humbly draws reference of the Hon’ble Commission to its Order in Case No. HERC/PRO-41 of 2018 dated 23.02.2022 in the matter of approval of generation tariff of Chuzachen HEP 110 MW wherein the Hon’ble Commission had approved depreciation for the entire admitted capital cost. The relevant extract is reproduced below:

“In the present case depreciation has been considered for the entire admitted capital cost, as the project in the present case on Build Own Operate and Transfer (BOOT). Hence, the promoter (petitioner) will not get the benefit of salvage value and the power project will have to be transferred to the Sikkim Government after completion of its useful life. This dispensation is also in line with the principle adopted by the Commission while determining generation tariff for two similarly placed HEPs in Sikkim.” (Emphasis added)

4.4 It is humbly submitted that since the Kuthar HEP shall be handed over to the Government of Himachal Pradesh on completion of the Agreement Period, the Petitioner would not be able to avail the benefit of salvage value. Thus, the Petitioner requests the Hon’ble Commission to consider depreciation towards the entire capital cost incurred by the Petitioner.

4.5 Depreciation for the fixed assets comprising the Kutehr HEP has been summarized in the table below:



Rs. Crore										
Particulars	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7			
Depreciation	150.64	150.64	150.64	150.64	150.64	150.22	148.79			
Particulars	Year-8	Year-9	Year-10	Year-11	Year-12	Year-13	Year-14			
Depreciation	148.79	148.79	148.79	148.50	148.50	45.32	45.32			
Particulars	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21			
Depreciation	45.32	45.32	45.32	45.32	45.32	45.32	45.32			
Particulars	Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28			
Depreciation	45.32	45.32	45.32	45.32	45.32	45.32	45.32			
Particulars	Year-29	Year-30	Year-31	Year-32	Year-33	Year-34	Year-35			
Depreciation	45.32	45.32	45.32	45.32	45.32	45.32	45.32			

4.6 Detailed depreciation schedule for all asset categories has been computed and attached in **Format-F-3** of the Tariff Formats for the perusal of the Hon’ble Commission.

Debt and Equity Funding for the Kutehr HEP

4.7 Regulation 19 of the HERC Tariff Regulations 2024, specifies as under:

“19. DEBT EQUITY RATIO

19.2 New projects - For new projects commissioned or whose capacity is expanded on or after 1st April 2025:

- (a) A Normative debt-equity ratio of 70:30 shall be considered for the purpose of determination of Tariff;**
 - (b) In case the actual equity employed is in excess of 30%, the amount of equity for the purpose of tariff determination shall be limited to 30%, and the balance amount shall be considered as normative loan;**
 - (c) In case the actual equity employed is less than 30%, then the actual debt-equity ratio shall be considered;**
 - (d) The premium, if any, raised by the generating company or the licensee while issuing share capital and investment of internal accruals created out of free reserve, shall also be reckoned as paid up capital for the purpose of computing return on equity subject to the normative debt equity ratio of 70:30, provided such premium amount and internal accruals are actually utilized for meeting capital expenditure and form part of the approved financial package.**
- The generating company or the licensee, as the case may be, shall submit the resolution of the Board of the company or the approval of the competent authority in other cases regarding the infusion of funds from internal resources in support of the utilization made to meet the capital expenditure, as the case may be.
- (e) For the purposes of computation of return, the portion of free reserves utilized for meeting the capital expenditure shall be considered from the date the asset created is productively deployed in the business.**



- 4.8 The Petitioner submits that the Kutehr HEP was funded through a combination of debt and equity at 67:33. However, as specified under Regulation 19.2 (a) of the HERC Tariff Regulations, the Petitioner has considered a Debt-Equity ratio of 70:30.

Interest on Loan Capital

- 4.9 Regulation 21 of the HERC Tariff Regulations 2024, specifies as under:

“21. INTEREST ON LOAN CAPITAL

21.1 Existing loans

- (i) Interest on loan capital shall be computed loan-wise for existing loans arrived in a manner specified in Regulation 19 and shall be as per the rates approved by the Commission.*
- (ii) The loan outstanding as on 1st April of each financial year shall be worked out as the gross loan in accordance with Regulation 19 by deducting the cumulative repayment as admitted by the Commission up to 31st March of previous financial year from the gross normative loan;*
- (iii) The rate of interest shall be the weighted average rate of interest on institutional loans calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project. In case the weighted average rate is not available, the interest rate approved by the Commission in its earlier tariff order shall be allowed.*

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered;

Provided further that if the generating plant/project does not have actual loan, then the weighted average rate of interest of the generating company/licensee as a whole shall be considered.

- (iv) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest;*

(v) The generating company and the licensee shall from time to time review their capital structure i.e. debt and equity and make every effort to restructure the loan portfolio as long as it results in net savings on interest. The costs associated with such re-financing shall be borne by the beneficiaries and the net savings (after deducting the cost of re- financing) shall be subjected to incentive / penalty framework as mentioned in the Regulation 12 which shall be dealt with at the time of mid-year performance review/true-up.

- (vi) The changes to the loan terms and conditions shall be reflected from the date of such refinancing and benefit passed on to the beneficiaries;*

(vii) In case of any dispute relating to re-financing of loan, any of the parties may approach the Commission with proper application along with all the relevant details. During the pendency of any dispute, the beneficiaries shall not withhold any payment on account of orders issued by the Commission.

- (viii) In case any moratorium period on repayment of loan is availed of by the generating company or the licensee, depreciation provided for in the tariff during*



the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.

Provided that the repayment for each year of the control period shall be deemed to be equal to the depreciation allowed for the corresponding year.

21.2 New loans (on or after 1st April 2025)

(i) Rate of interest on new loans i.e. on or after 01.04.2025 shall be equal to the marginal cost of funds-based lending rate (MCLR) of the SBI plus a maximum of 150 basis points w.r.t. 1st April of the relevant financial year. They shall however, be required to submit due justification to the Commission for the terms and conditions of the loans raised by them including the loan sanction letter from the banks/lending institutions, indicating the applicable rate of interest.

Provided that interest and finance charges on works in progress shall be excluded and shall be considered as part of the capital cost;

Provided further that neither penal interest nor overdue interest shall be allowed for computation of Tariff

(ii) Any variation above or below the allowed interest rate shall be subject to the incentive and penalty framework specified in Regulation 12. The incentives on refinancing should be net of costs.

(iii) The amount of loan shall be arrived in the manner as specified in Regulation 19 and shall be based on the approved capital investment plan.

(iv) In case any moratorium period on repayment of loan is availed of by the generating company or the licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly

21.3. *The interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contributions, Grants or Deposit Works carried out by Transmission Licensee or Distribution Licensee or Generating Company, as the case may be.*

21.4. *Interest shall be allowed on the amount held as security deposit held in cash from Transmission System Users, Distribution System Users and Retail consumers, at the Bank Rate as on 1st April of the financial year in which the petition is filed provided it is payable be the transmission/distribution licensee.*

4.10 The Petitioner has computed the amount of loan for the computation of tariff as specified in Regulation 21 of the HERC Tariff Regulations 2024. The Petitioner humbly requests the Hon'ble Commission to consider the capital investment plan as submitted in the instant Petition for computation of amount of loan & computation of tariff.

4.11 The Petitioner has availed loans from the State Bank of India and other financial institutions towards debt funding of the Kutehr HEP. The Petitioner has considered the prevailing rate of interest of 9.70-10.15% for calculation of interest on loan. The Petitioner requests the Hon'ble Commission to kindly approve the same. \

4.12 Interest on loan as computed as per the provisions of the HERC Tariff Regulations 2024, is summarized in the table below:



Rs. Crore												
Particulars	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7					
Interest on Loan	194.84	179.55	164.26	148.97	133.68	118.42	103.24					
Particulars	Year-8	Year-9	Year-10	Year-11	Year-12	Year-13	Year-14					
Interest on Loan	88.14	73.04	57.94	42.85	27.78	17.94	13.34					
Particulars	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21					
Interest on Loan	8.74	4.14	0.92	-	-	-	-					
Particulars	Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28					
Interest on Loan	-	-	-	-	-	-	-					
Particulars	Year-29	Year-30	Year-31	Year-32	Year-33	Year-34	Year-35					
Interest on Loan	-	-	-	-	-	-	-					

- 4.13 Detailed computation of Interest on Loan as per the provisions of HERC Tariff Regulations is placed at **Format-F-4** of the Tariff Formats for the perusal of the Hon'ble Commission.

Return on Equity

- 4.14 Regulation 20 of the HERC Tariff Regulations specifies as under:

“20. Return on Equity

20.1. RoE for generation transmission and distribution, shall be allowed, after adding a premium over the “Base Rate (BR)” based on the performance (both financial as well as operational parameters) of the power utilities, subject to a cap as under: -

- (a) *Hydro Generators: BR + 6.5% = up to 13 %*
Provided that the HEP with pondage or pump storage (PSP) will be eligible for an additional 1% RoE.
- (b) *Generators other than Hydro: BR + 5.5% = up to 12%*
- (c) *Distribution Business: BR + 7.5% = up to 14%*
- (d) *Transmission Business: BR + 4.5% = up to 11%.*

Provided that the Base Rate (BR) in these Regulations shall be construed as last 2 years average rate (as on 1st April of the relevant financial year) of 10 years Government of India bond.

Provided, that the RoE for generation, transmission and distribution businesses, shall be allowed, after adding a premium over the “Base Rate (BR)”.

Provided further that RoE shall not exceed 14% in any case. SLDC business shall not be eligible for RoE.

Provided where the tariff is determined for the entire useful life of the project the RoE allowed shall not be normally re-visited during the entire tariff period. Hence, the same shall be determined at 13% with additional 1% for HEPs with pond age or pump storage (PSP) and 12% for generators other than HEPs.

- 20.2.** *Return on equity shall be allowed on equity employed in assets in use considering the following and subject to Regulation 20.1 above:*

- i. *Equity employed in accordance with Regulation 19.1 and 19.2 on assets:*



commissioned prior to the beginning of the year; plus
ii. 50% of equity capital portion of the allowable capital cost for the assets put to use during the year.

Provided that for the purpose of truing up, return on equity shall be allowed from the COD on pro-rata basis based on documentary evidence provided for the assets put to commercial operation during the year.

Provided further that assets funded by consumer contributions, capital subsidies/Govt. grants shall not form part of the capital base for the purpose of calculation of Return on Equity.

20.3. *Return on equity invested in work in progress shall be allowed from the actual date of commercial operation of the assets.*

20.4. *There shall be no Return on Equity for the equity component above 30%.*

4.15 The Petitioner has computed Return on Equity in accordance with the provisions of Regulation 20 of the HERC Tariff Regulations, 2024, in **Format-F-5** of the Tariff Formats.

Return on Equity in accordance with the provisions of the HERC Tariff Regulations, 2024 is summarized in the table below:

Sl. No.	Particulars	Year 1 to Year 35
1	Return on Equity	Rs. 119.70 crore p.a.

Operation and Maintenance Expenses

4.16 Regulation 35.4 of the HERC Tariff Regulations, 2024 specifies as under:

“35.4. *Operation and Maintenance Expenses for Hydro Power Plant*

(a) The Operation and Maintenance expenses including insurance shall be derived on the basis of the average of the actual Operation and Maintenance expenses for the three (3) years ending March 31,2025, subject to prudence check by the Commission.

(b) In case of the hydro generating stations declared under commercial operation on or after 1.4.2025, operation and maintenance expenses of first year shall be fixed at 3.5% and 5.0% of the original project cost (excluding cost of rehabilitation & resettlement works, IDC and IEDC) for stations with installed capacity exceeding 200 MW and for stations with installed capacity less than 200 MW, respectively.

(c) In case of hydro generating stations, which have not completed a period of three years as on 1.4.2025, operation and maintenance expenses for 2025-26 shall be worked out by applying escalation rate of 5.47% on the applicable operation and maintenance expenses as on 31.3.2024. The operation and maintenance expenses for subsequent years of the tariff period shall be worked out by applying escalation rate of 5.47% per annum.”

4.17 In accordance with the provisions of Regulation 35.4 (b) of the HERC Tariff Regulations, the Petitioner has considered base cost of Rs. 2,375.57 Crore, as elaborated in the table below:



Sl.No.	Particulars	Rs. Crore
1	Capital Cost	2,849.94
2	Less: IDC	- 466.69
3	Less: Rehabilitation and Resettlement Works	- 7.68
4	Base Capital Cost	2,375.57

4.18 Furthermore, the Petitioner has considered O&M expenses at 3.5% of the Base Capital Cost as worked out in the table above. Accordingly, the Petitioner has computed O&M expenditure as shown in the table below:

Sl.No.	Particulars	Rs. Crore
1	Base Capital Cost	2,375.57
2	Normative O&M Expenses (%)	3.50%
3	O&M Expenses	83.14

4.19 Thus, O&M expenses as per provisions of HERC Tariff Regulations, detailed in **Format-F-6** of the Tariff Formats, and summarized in the table below:

Rs. Crore											
Particulars	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Particulars	Year-8	Year-9	Year-10
Normative O&M Expenses	83.14	87.69	92.49	97.55	102.88	108.51	114.45	Particulars	Year-11	Year-12	Year-13
								Normative O&M Expenses	120.71	127.31	134.28
									Year-14	Year-15	Year-16
								Particulars	Year-17	Year-18	Year-19
								Normative O&M Expenses	175.24	184.83	194.94
									Year-20	Year-21	Year-22
								Particulars	Year-23	Year-24	Year-25
								Normative O&M Expenses	254.42	268.33	283.01
									Year-26	Year-27	Year-28
								Particulars	Year-29	Year-30	Year-31
								Normative O&M Expenses	369.36	389.56	410.87
									Year-32	Year-33	Year-34
								Particulars	Year-35	Year-36	Year-37
								Normative O&M Expenses	482.05	508.42	534.86

Interest on Working Capital

4.20 Regulation 22.1 of the HERC Tariff Regulations, 2024 specifies as under:

“22. INTEREST ON WORKING CAPITAL

III. Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System: -

- (a) Receivables equivalent to 1 month of annual fixed cost;
 - (b) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and
 - (c) Operation and maintenance expenses, including security expenses for one month
- Provided that Interest on Working Capital for generators shall be allowed on the basis of average PLF / CUF in the preceding 3 years.
- Provided further that True up of the interest on working capital shall be limited to the actual interest on working capital.



4.21 Furthermore, Regulation 22.2 of the HERC Tariff Regulations, 2024 specifies as under:

“22.2 Rate of Interest

Rate of interest on working capital shall be equal to the MCLR of the relevant financial year plus a maximum of 150 basis points. However, while claiming any spread, the generator and the licensees shall submit loan sanction letter from the banks/ lending institutions, indicating the applicable rate of interest.

For the purpose of truing up, the actual weighted average Rate of Interest will be considered on the normative working capital by the Commission, subject to the ceiling margin as indicated above.”

4.22 The Petitioner has computed Interest on Working Capital as per the provisions of HERC Tariff Regulations, as summarized in the table below:

Rs. Crore											
Particulars	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7				
Interest on Working Capital	6.92	6.94	6.96	7.00	7.04	7.09	7.14				
Particulars	Year-8	Year-9	Year-10	Year-11	Year-12	Year-13	Year-14				
Interest on Working Capital	7.21	7.30	7.39	7.50	7.62	6.92	7.16				
Particulars	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21				
Interest on Working Capital	7.42	7.69	7.99	8.33	8.69	9.08	9.48				
Particulars	Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28				
Interest on Working Capital	9.91	10.36	10.84	11.34	11.87	12.43	13.02				
Particulars	Year-29	Year-30	Year-31	Year-32	Year-33	Year-34	Year-35				
Interest on Working Capital	13.64	14.29	14.98	15.71	16.48	17.29	18.15				

4.23 Detailed computation of Interest on Working Capital as per the provisions of the HERC Tariff Regulations is placed at **Format-F-7** for the perusal of the Hon’ble Commission.

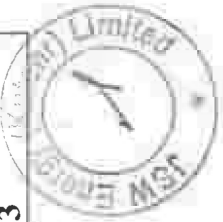
Income Tax

4.24 Regulation 25 of the HERC Tariff Regulations specifies as under:

“25. *Income Tax*
Income tax / MAT, if any, on the income stream of the generating company or the licensee (transmission, distribution) shall be treated as an expense or a pass-through component in the tariff on actual basis limited to the RoE component only.”

4.25 For the purpose of computation of tariff, the Petitioner has considered the applicable tax rate as per prevailing Taxation Laws. Accordingly, the Petitioner has computed income tax as per the provisions of Regulation 25 as under:

Rs. Crore		
Sl.No.	Particulars	Income Tax from Year-1 to Year-35
1	Return on Equity	119.70
2	Applicable tax rate (%)	25.17%
3	Income Tax	30.13



Annual Fixed Cost

4.26 Regulation 35 of the HERC Tariff Regulations, 2024 specifies the components of Tariff for Generation Business as under:

“35 NORMS OF OPERATION AND DETERMINATION OF TARIFF FOR HYDRO POWER PLANTS

Norms of operation and determination of tariff for hydro power plants other than those covered under renewable energy sources, shall be as under: -

35.1. The tariff for sale of electricity from a Hydro Generating Station shall comprise of two parts, namely, the Capacity Charge and Energy Charge.

35.2. Annual Fixed Charges:

The Annual Fixed Charges shall comprise of the following elements:

- (a) Depreciation;*
- (b) Interest and Finance Charges on Loan Capital;*
- (c) interest on Working Capital;*
- (d) Operation & Maintenance Expenses;*
- (e) Return on Equity;*
- (f) Special allowance in lieu of Renovation & Modernization, wherever applicable;*
- (g) SLDC's and Charges minus;*
- (h) Non-Tariff income:*

Provided that Depreciation, interest and finance charges on Loan Capital, Interest on Working Capital and Return on Equity for Hydro Generating Stations shall be allowed in accordance with the provisions specified in these Regulations:

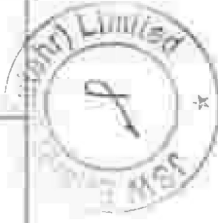
Provided further that prior period income/expenses shall be allowed by the Commission at the time of truing up based on audited accounts, on a case to case basis, subject to prudence check.

4.27 In view of the detailed justification of each component which comprises Annual Fixed Charges as per Regulation 35 of HERC Tariff Regulations, 2024, the Petitioner has computed Annual Fixed Charges as under:

Sl.No.	Particulars	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7
1	Depreciation	150.64	150.64	150.64	150.64	150.64	150.22	148.79
2	Interest on Loan	194.84	179.55	164.26	148.97	133.68	118.42	103.24
3	Interest on WC	6.92	6.94	6.96	7.00	7.04	7.09	7.14
4	Return on Equity	119.70	119.70	119.70	119.70	119.70	119.70	119.70
5	O&M Expenses	83.14	87.69	92.49	97.55	102.88	108.51	114.45
6	Income Tax	30.13	30.13	30.13	30.13	30.13	30.13	30.13
7	Annual Fixed Charges	585.37	574.65	564.18	553.98	544.07	534.06	523.44

(Rs. Crore)

Sl.No.	Particulars	Year-8	Year-9	Year-10	Year-11	Year-12	Year-13	Year-14
1	Depreciation	148.79	148.79	148.79	148.50	148.50	45.32	45.32
2	Interest on Loan	88.14	73.04	57.94	42.85	27.78	17.94	13.34
3	Interest on WC	7.21	7.30	7.39	7.50	7.62	6.92	7.16
4	Return on Equity	119.70	119.70	119.70	119.70	119.70	119.70	119.70
5	O&M Expenses	120.71	127.31	134.28	141.62	149.37	157.54	166.15
6	Income Tax	30.13	30.13	30.13	30.13	30.13	30.13	30.13
7	Annual Fixed Charges	514.67	506.26	498.22	490.29	483.09	377.54	381.80



(Rs. Crore)

Sl.No.	Particulars	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21
1	Depreciation	45.32	45.32	45.32	45.32	May-44	May-45	May-46
2	Interest on Loan	8.74	4.14	0.92	-	45.32	45.32	45.32
3	Interest on WC	7.42	7.69	7.99	8.33	-	-	-
4	Return on Equity	119.70	119.70	119.70	119.70	8.69	9.08	9.48
5	O&M Expenses	175.24	184.83	194.94	205.60	119.70	119.70	119.70
6	Income Tax	30.13	30.13	30.13	30.13	216.85	228.71	241.22
7	Annual Fixed Charges	386.55	391.80	398.99	409.07	30.13	30.13	30.13

Sl.No.	Particulars	Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28
1	Depreciation	45.32	45.32	45.32	45.32	45.32	45.32	45.32
2	Interest on Loan	-	-	-	-	-	-	-
3	Interest on WC	9.91	10.36	10.84	11.34	11.87	12.43	13.02
4	Return on Equity	119.70	119.70	119.70	119.70	119.70	119.70	119.70
5	O&M Expenses	254.42	268.33	283.01	298.49	314.82	332.04	350.20
6	Income Tax	30.13	30.13	30.13	30.13	30.13	30.13	30.13
7	Annual Fixed Charges	459.47	473.84	488.99	504.97	521.83	539.61	558.36

Sl.No.	Particulars	Year-29	Year-30	Year-31	Year-32	Year-33	Year-34	Year-35
1	Depreciation	45.32	45.32	45.32	45.32	45.32	45.32	45.32
2	Interest on Loan	-	-	-	-	-	-	-
3	Interest on WC	13.64	14.29	14.98	15.71	16.48	17.29	18.15
4	Return on Equity	119.70	119.70	119.70	119.70	119.70	119.70	119.70
5	O&M Expenses	369.36	389.56	410.87	433.34	457.05	482.05	508.42
6	Income Tax	30.13	30.13	30.13	30.13	30.13	30.13	30.13
7	Annual Fixed Charges	578.14	598.99	620.99	644.20	668.67	694.48	721.70

Capacity Charge and Energy Charge

4.28 Regulations 35 of the HERC Tariff Regulations, 2024 specify that the Annual Fixed Charges for a Hydro Generating Station shall be computed on annual basis, based on the norms specified under the HERC Tariff Regulations and recovered on monthly basis under capacity charge and energy charge.

4.29 Net saleable Design Energy is computed as shown in the table below:

Particulars	First 12 years	13 th to 30 th year	After 30 th year
Design Energy (MU)	954.70	954.70	954.70
Less: Auxiliary Consumption @ 1.20%(MU)	11.46	11.46	11.46
Net Design Energy after Auxiliary Consumption (MU)	943.24	943.24	943.24
Less: Free Power (MU)	-	17.14%	17.14%
Net Design Energy (MU)	943.24	781.57	781.57
Saleable Design Energy (MU)	943.24	781.57	781.57

4.30 The Petitioner requests the Hon'ble Commission to approve the capacity charge as well as energy charge as summarized in the following table:



Rs. Crore

Sl.No.	Particulars	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7
1	Annual Fixed Costs	585.37	574.65	564.18	553.98	544.07	534.06	523.44
2	Saleable Design Energy (MU)	943.24	943.24	943.24	943.24	943.24	943.24	943.24
3	50% Capacity Charges	292.69	287.32	282.09	276.99	272.04	267.03	261.72
4	50% Energy Charges	292.69	287.32	282.09	276.99	272.04	267.03	261.72
5	Energy Charge Rate (Rs./kWh)	3.10	3.05	2.99	2.94	2.88	2.83	2.77

Sl.No.	Particulars	Year-8	Year-9	Year-10	Year-11	Year-12	Year-13	Year-14
1	Annual Fixed Costs	514.67	506.26	498.22	490.29	483.09	377.54	381.80
2	Saleable Design Energy (MU)	943.24	943.24	943.24	943.24	943.24	781.57	781.57
3	50% Capacity Charges	257.34	253.13	249.11	245.15	241.55	188.77	190.90
4	50% Energy Charges	257.34	253.13	249.11	245.15	241.55	188.77	190.90
5	Energy Charge Rate (Rs./kWh)	2.73	2.68	2.64	2.60	2.56	2.42	2.44

Sl.No.	Particulars	Year-15	Year-16	Year-17	Year-18	Year-19	Year-20	Year-21
1	Annual Fixed Costs	386.55	391.80	398.99	409.07	420.68	432.93	445.85
2	Saleable Design Energy (MU)	781.57	781.57	781.57	781.57	781.57	781.57	781.57
3	50% Capacity Charges	193.27	195.90	199.50	204.54	210.34	216.47	222.92
4	50% Energy Charges	193.27	195.90	199.50	204.54	210.34	216.47	222.92
5	Energy Charge Rate (Rs./kWh)	2.47	2.51	2.55	2.62	2.69	2.77	2.85

Sl.No.	Particulars	Year-22	Year-23	Year-24	Year-25	Year-26	Year-27	Year-28
1	Annual Fixed Costs	459.47	473.84	488.99	504.97	521.83	539.61	558.36
2	Saleable Design Energy (MU)	781.57	781.57	781.57	781.57	781.57	781.57	781.57
3	50% Capacity Charges	229.73	236.92	244.49	252.49	260.91	269.80	279.18
4	50% Energy Charges	229.73	236.92	244.49	252.49	260.91	269.80	279.18
5	Energy Charge Rate (Rs./kWh)	2.94	3.03	3.13	3.23	3.34	3.45	3.57

Sl.No.	Particulars	Year-29	Year-30	Year-31	Year-32	Year-33	Year-34	Year-35
1	Annual Fixed Costs	578.14	598.99	620.99	644.20	668.67	694.48	721.70
2	Saleable Design Energy (MU)	781.57	781.57	781.57	781.57	781.57	781.57	781.57
3	50% Capacity Charges	289.07	299.50	310.50	322.10	334.33	347.24	360.85
4	50% Energy Charges	289.07	299.50	310.50	322.10	334.33	347.24	360.85
5	Energy Charge Rate (Rs./kWh)	3.70	3.83	3.97	4.12	4.28	4.44	4.62

Shortfall in Design Energy

4.31 Regulation 35.5.4 of the HERC Tariff Regulations 2024 specifies as under:

“35.5 Capacity Charge and Energy Charge for Hydro Power Plants”



4. In case actual total energy generated by a Hydro Generating Station during a year is less than the Design Energy for reasons beyond the control of the Generating Company, the following treatment shall be applied on a rolling basis:

(i) in case the energy shortfall occurs within ten years from the date of commercial operation of a generating station, the ECR for the year following the year of energy shortfall shall be computed based on the formula specified in these Regulations with the modification that the DE for the year shall be considered as equal to the actual energy generated during the year of the shortfall, till the Energy Charge shortfall of the previous year has been made up, after which normal ECR shall be applicable;

(ii) in case the energy shortfall occurs after ten years from the date of commercial operation of a generating station, the following shall apply: -

Suppose the specified annual Design Energy (DE) for the station is DE MWh, and the actual energy generated during the relevant (first) and the following (second) financial years are A1 and A2 MWh, respectively, A1 being less than DE, then the Design Energy to be considered in the formula in these Regulations for calculating the ECR for the third financial year shall be moderated as $(A1 + A2 - DE)$ MWh, subject to a maximum of DE MWh and a minimum of A1 MWh;

....

4.32 The Petitioner in the above paras, has illustrated the computed capacity and energy charges spread over a 35-year period. It is submitted that in case a shortfall is observed in the actual energy generated from the saleable design energy, the energy charge rate may be revised as per the above-mentioned Regulation.

Secondary energy

4.33 Regulation 35.5.4 (iii) of the HERC Tariff Regulations 2024 specifies as under:

“35.5 Capacity Charge and Energy Charge for Hydro Power Plants:

4 (iii) Actual energy generated (e.g., A1, A2) shall be arrived at by multiplying the net metered energy sent out from the station by $100 / (100 - AUX)$.

In case the energy scheduled, in any month, exceeds design energy, such secondary energy, if scheduled by the beneficiary, shall be billed at Rs. 0.90 / kWh.

....”

4.34 The Petitioner would like to pray to the Hon’ble Commission that, in case of secondary energy being generated, the billing of the same may be governed by the above-mentioned Regulation.

Levelized Tariff

4.35 It is humbly submitted that the Electricity Act, 2003 as well as the National Tariff Policy, 2016, vest in the Hon’ble Commission, the responsibility to balance the interest of the consumers with the interest of the project developers while regulating the tariff of the generating companies. Section 61 of the Electricity Act, 2003 specifies as under:

“The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-

....

(d) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner”

4.36 Therefore, financial viability of the generating stations is an important consideration to enable them to continue to supply power to the consumers. Lack of cost reflective tariffs have far reaching consequences on the economy as a whole as it leads to higher defaults by the project developers on their debt obligations thereby increasing a system risk in the Banking sector consequently impacting the economic growth.



It is submitted that a project specific tariff determined under the provisions of Section 61 and 62 of the Act shall result in a levelized tariff spread over the term of the PPA. In a levelized tariff regime, the yearly tariff trajectory typically follows a ‘S’ curve, in which the tariff, in the initial years of plant operation is higher than the levelized tariff. Subsequently, as the debt gets repaid coupled with decrease in depreciation costs, the yearly tariff shows a decreasing trend and the annual tariffs are lower than the levelized tariff. However, after entire debt gets repaid (typically in 12-13 years), the tariff typically shows an increasing trend due to increase in O&M expenses. Owing to this ‘S’-curve trajectory of the annual tariffs, the tariff for each financial year may go above, or go down, vis-à-vis the levelized tariff, but the financial impact upon the generator as well as the procurer remains the same as the levelized tariff over the life of the plant or the term of the PPA.

Hence, in order to allow full recovery of the costs of the Petitioner, the Hon’ble Commission is humbly requested to allow recovery of levelized tariff of **Rs. 5.74/kWh** as computed by the Petitioner, at **Format F-1** of the Tariff Formats.

CHAPTER 5: APPLICATION FEE AND PUBLICATION EXPENSES

Details of fee enclosed vide demand draft, drawn in favour of The Secretary, Haryana Electricity Regulatory Commission, payable at Panchkula.

5.1 Application fee as prescribed in Regulation 3 table at Sr. no. 11B (i) in the 7th amendment to HERC (Fee) Regulations, 2005 dt. 9.11.2022:

B	Tariff determination for generating stations other than those covered under “A” above	
(i)	a)	i.
	b) Hydro stations (more than 25 MW capacity)	ii. iii. Above 25 MW Rs. 50,000/- per MW of the installed / allocated capacity subject to Minimum fee of Rs 1 crore

Therefore, application fee payable for the current petition is Rs. 50000 * 240 MW = 1,20,00,000 (Rs. One crore Twenty Lakh)

Demand draft no. 074347 dated 16.1.2025 drawn on State Bank of India, in favour of The Secretary, Haryana Electricity Regulatory Commission, for Rs. 1,20,00,000 (Rupees One Crore Twenty Lakh only) towards fee specified in the 7th amendment to HERC (Fee) Regulations, 2005 dt. 9.11.2022, for determining the tariff of the generating stations other than those where annual tariff determination is involved, is enclosed.

The Applicant prays that the tariff filing fee being paid of Rs. 1.20 crore and expenses incurred on publication of Notices in the newspapers, be allowed to pass through, during the control period.



CHAPTER 6: CHANGE IN LAW

6.1 As submitted in the earlier paragraphs, the Petitioner has signed a SIA dt 26.11.2018 with the GoHP for the deferment in free power in accordance with the notification dated 15.5.2018. The said agreement is subsisting as on date, though the GoHP vide notification dt 12.12.2023 (placed at **Annexure XVII**) has deleted the provision for deferment of free power. The Petitioner has not received any communication from the GoHP regarding the non-availability of this benefit. However, in the unlikely event that such notice is received and the benefit for deferment of free power is taken away, the Petitioner shall approach this Hon'ble commission for appropriate relief.

(Estimated impact on the levelised tariff would be Rs. 0.43/kWh arising from this Change in Law event)

6.2 Further, Government of Himachal Pradesh has notified Himachal Pradesh Mineral Policy 2024 dt. 29.2.2024 wherein new provisions have been introduced regarding the Royalty on Minor minerals.

Clause 14 of the said 2024 policy is reproduced herein below for ready reference:

14. Processing charges:

*While allowing the permission to use the **minor mineral** generated during construction of hydel projects, tunnels, roads, bridges, water supply schemes, reservoirs, railway lines, other infrastructure of public importance and development activities as specified in Rule-33 of ibid Rules, the department has to complete the entire process as required in the cases of grant of mineral concessions like processing of the application, joint inspection of the material etc. Hence, while allowing such permission, **an additional processing charge equivalent to 75% of royalty payable on every tonne of mineral produced shall be realized from the permission holders***

The Royalty rates prescribed under schedule II of the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015, were amended on 10.2.2022 vide its 3rd amendment. Now the government has introduced additional levy of processing charges in terms of Clause 14 of the notified Himachal Pradesh Mineral Policy 2024

(Relevant extract of 2015 Rules, its 3rd amendment dt. 10.2.22 and HP Mineral policy 2024 along with JSWEKL letter, is enclosed **Colly. as Annexure XVIII**).

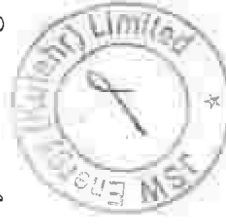
(Estimated impact on the levelised tariff would be Rs. 0.01/kWh arising from this 2nd Change in Law event)

6.3 Petitioner draws attention of this Hon'ble Commission to clause 11.2 of the PPA which stipulates as under:

11.2 Tariff Adjustment for Change in Law.

11.2.1 The Parties acknowledge and agree that if a Change in Law results in the Company costs or revenue directly attributable to the Project being decreased or increased, the Tariff Payment payable by Purchaser to the Company shall be adjusted accordingly after the approval of the Commission subject to the provisions of Clause 9.1.2.

11.2.2 In the event of Change in Law, Company being obligated to issue such notice not later than six (6) months after the date of notification of such Change in Law.



11.2.2.1 Purchaser shall notify in writing its consent to or disagreement with such notice to Company within a period of fifteen (15) days of receipt of such notice from Company. If the Purchaser does not respond within such fifteen (15) day period then the Purchaser shall have deemed to have agreed with such request for Change in Law Tariff adjustment.

11.2.2.2 The Purchaser may also issue a notice to Company for claiming a Change in Law under this Clause after it becomes aware of Change in Law event, but not later than six (6) months after the date of notification of such Change in Law. In the event the Change in Law notice is issued by the Purchaser to Company, Company shall notify in writing its consent to or disagreement with such notice to the Purchaser within a period of forty-five (45) days in receipt of such notice after duly consulting and receiving a written consent or disagreement from Company and in accordance with the same.

11.2.2.3 A Change in Law notice issued by any Party must, inter alia, contain:

- i. precise details of the applicable Change in Law;*
- ii. the estimated impact of such applicable Change in Law;*
- iii. the estimated Tariff adjustment; and*
- iv. all documents and calculations in support of Change in Law claim.”*

6.4 The Petitioner, vide its letters dated 17.01.2024 & 4.7.2024 intimated the HPPC about the aforesaid Government of Himachal Pradesh notifications dated 12.12.2023 (for withdrawal of deferment of free power) & 29.2.2024 (for increase in royalty charges) respectively and issued notice for Change in Law in accordance with Clause 11.2.2.2 of the PPA.

Since no reply from purchaser has been received by Petitioner, it is deemed to be accepted by the purchaser, in terms of clause 11.2.2.1 of the PPA.

6.5 Thus, the Petitioner humbly requests the Hon'ble Commission that it may consider the Government of Himachal Pradesh notifications dated 12.12.2023 & 29.2.2024 as a Change in Law event.



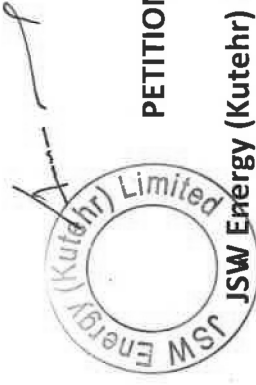
7. The Applicant submits that a copy of this application is being delivered to the HPPC, the purchaser of the power from the Project in terms of the PPA.

The petitioner shall submit further information during the proceedings, as may be required by this Hon'ble Commission

PRAYER

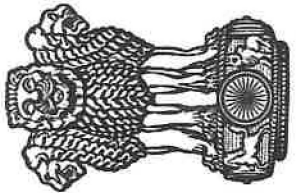
The Petitioner respectfully prays that the Hon'ble Commission:

1. Examine the proposal submitted by the Petitioner for a favorable consideration as detailed in the enclosed Petition, along with any clarifications submitted in this regard;
2. Approve the capital cost of Rs. 2,850 Crore towards determination of tariff for Kutehr HEP;
3. Allow the Petitioner to approach the Hon'ble Commission for approval of additional capitalization post COD of the project
4. Approve levelized tariff of Rs. 5.74/kWh as submitted by the Petitioner;
5. In case of secondary energy generated, the billing of the same may be governed by the HERC Tariff Regulations 2024.
6. Declare Government of Himachal Pradesh notifications dated 12.12.2023 & 29.2.2024 as a Change and Law event and allow suitable adjustment in tariff;
7. Allow reimbursement of filing fees of this Petition, expenses incurred on publication of Notices in the newspapers, charges of SLDC and legal fees on actual basis as and when incurred;
8. Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to make further submissions as may be required at a future date to support this Petition in terms of modification/clarification;
9. Pass such further Orders as the Hon'ble Commission may deem fit and proper, keeping in view of the facts and circumstances of the case;



PETITIONER

JSW Energy (Kutehr) Ltd.



सत्यमेव जयते

INDIA NON JUDICIAL

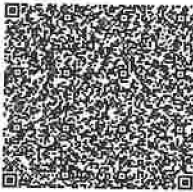
Government of National Capital Territory of Delhi

e-Stamp

Certificate No.
Certificate Issued Date
Account Reference
Unique Doc. Reference
Purchased by
Description of Document
Property Description
Consideration Price (Rs.)
First Party
Second Party
Stamp Duty Paid By
Stamp Duty Amount(Rs.)

: IN-DL65476750440356X
: 08-Apr-2025 01:07 PM
: IMPACC (IV)/ dl870703/ DELHI/ DL-DLH
: SUBIN-DL87070371040234427199X
: JSW ENERGY KUTEHR LIMITED
: Article 4 Affidavit
: Not Applicable
: 0
: (Zero)
: JSW ENERGY KUTEHR LIMITED
: Not Applicable
: JSW ENERGY KUTEHR LIMITED
: 100
: (One Hundred only)

सत्यमेव जयते



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BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION,
PANCHKULA, HARYANA

FILING NO: -

PETITION NO: -

IN THE MATTER OF:

Petition under Section 61, Section 62, Section 64 (5) and Section 86 of the Electricity Act, 2003 read with the Haryana Electricity Regulatory Commission (Terms and Conditions for



Determination of Tariff for Generation, Transmission, Wheeling and Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2024 in respect of determination of Capital Cost and Generation Tariff of 240 MW (3x80 MW) Kutehr Hydro Power Station located in Chamba District, Himachal Pradesh on the river Ravi

**AND
IN THE MATTER OF:**

JSW Energy (Kutehr) Limited
Village Machetar, PO Chanhota, Tehsil Bharmour,
Dist. Chamba, Himachal Pradesh 176309

...PETITIONER

Vs.

Haryana Power Purchase Centre
4th Floor, Vidyut Sadan , Sector-14,
Panchkula, Haryana 134109

...RESPONDENT

AFFIDAVIT VERIFYING THE PETITION

I, Anurag Agarwal, S/o Kamal Kishore Agarwal aged 44 years, presently residing at 1504, Tower 6, Panchsheel Pratishtha, Sector 75, Noida 201301 do solemnly affirm and say as follows:

1. That I am the General Manager of JSW Energy (Kutehr) Ltd (hereinafter referred to as the Petitioner) having its office at NTH Complex, A-2, Shaheed Jeet Singh Marg, Qutub Institutional Area, New Delhi -67, in the above matter and am duly authorised vide Board Resolution dt. 20.2.2021 by the said petitioner to make this affidavit.
2. There is no case pending in any court of law with regard to the matter referred to the Commission.
3. The statements made in paragraphs 1.1 – 5.1 and para 7 of the Petition herein now shown to me and marked with the letter 'A' are true to my knowledge as derived from office records and the statements made in paragraphs 6 are based on information/legal advice received by me from my Counsel and I believe them to be true.
4. I solemnly affirm at New Delhi on this 8th day of April 2025 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

Place: New Delhi
Date:



Identified before me by



ATTESTED
NOTARY PUBLIC
DELHI (INDIA)

8 APR 2025

S.No		Form No.	Index	Particulars
1		T-1		Salient Features of Hydroelectric Project
2		F-1		Annual Fixed Cost and levelised tariff
3		F-1.1		Encl 1 to F1 - <i>Computation of Saleable Design Energy</i>
4		F-1.2		Encl 2 to F1 - <i>Details of COD, Type of Hydro Station, Normative Annual Plant Availability Factor (NAPAF) & Other normative parameters considered for tariff calculation</i>
5		F-1.3		Encl 3 to F1 - <i>Design energy generation (240 MW)</i>
6		F-2		Break up of Capital Cost for New Hydro Power Generating Station
7		F-2.1		<i>Gross fixed assets and net fixed assets</i>
8		F-2.2		<i>IDC Computation</i>
9		F-3		Depreciation
10		F-4		Interest on Loan Capital
11		F-4.1		<i>Details of project specific loans & weighted average rate of interest</i>
12		F-5		Return on Equity
13		F-5.1		<i>Encl 1 to F-5 : Return on Equity for Base Rate data</i>
14		F-6		Operation and Maintenance Expenses
15		F-7		Interest on Working Capital
16		F-8		Income Tax
17		F-9		Tariff Charges - Capacity & Energy Charges



Name of Petitioner

JSWEKL

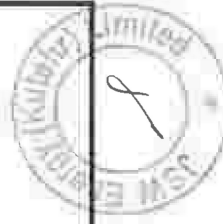
Name of Generating Station

Kutehr Hydro Electric Project (Kutehr HEP)

Capacity

240 MW (3x80MW)

S.No	Particulars
1	Location
	State / Distt. Himachal Pradesh, Chamba Distt. River Ravi
2	Diversion Tunnel
	Size, Shape Not applicable Length (M)
3	Dam
	Type Barrage Maximum dam height (M) 27 mtr from the foundation level
4	Spillway
	Type Radial gate type, 5 No's Crest level of Spillway (M) 1685.0 m
5	Reservoir
	Full Reservoir Level (FRL) (M) 1706.75 m Minimum Draw Down Level (MDDL) (M) 1700 m Live Storage (MCM) 0.65
6	Desilting Chamber
	Type Underground Number and Size 2 No's, 290m (L)X 15m (B) X 15.9m(H) Particle size to be removed (mm) > 0.2 mm
7	Head Race Tunnel
	Size and type 6.20 m Diameter, Circular, Concrete Lined Length (M) 14602 m Design Discharge (cumecs) 96.8
8	Surge Shaft
	Type Open to sky Diameter (M) 15 m Height (M) 87.45m
9	Penstock / Pressure Shafts
	Type Steel Lined Diameter & Length (M) 4.35m, 317.42m (Main Penstock)
10	Power House
	Installed capacity (No of units x MW) 3*80 MW Type of turbine Francis Turbine Rated Head (M) 280.47 m Rated Discharge (Cumecs) 96.63 Head at Full Reservoir Level (M) 307.35 m Head at Minimum Draw Down Level (M) 297.2 m MW Capability at FRL 240 MW MW Capability at MDDL 240 MW
11	Tail Race Tunnel
	Diameter (M), Shape 6.2m Diameter, Circular Length (M) 275m Minimum Tail Water level (M) 1397m
12	Switchyard
	Type of Switch Gear GIS Type located above transformer hall No. of Generator bays 3 No's No. of Bus coupler bays 1 No's No. of line bays 2 No's



Name of Petitioner
JSWEKL
Name of Generating Station
Kutehr Hydro Electric Project (Kutehr HEP)
Capacity
240 MW (3x80MW)

S.No	Annual Fixed Charges	Unit	May-26	May-27	May-28	May-29	May-30	May-31	May-32	May-33	May-34	May-35	May-36	May-37	May-38	May-39	May-40	May-41	May-42
1	Depreciation	Rs. Crore	150.64	150.64	150.64	150.64	148.79	148.79	148.79	148.79	148.79	148.50	148.50	45.32	45.32	45.32	45.32	45.32	45.32
2	Interest on Loan	Rs. Crore	194.84	179.55	164.26	148.97	133.68	118.42	103.24	88.14	73.04	57.94	42.85	27.78	17.94	13.34	8.74	4.14	0.92
3	Interest on Working Capital	Rs. Crore	6.92	6.94	6.96	7.00	7.04	7.09	7.14	7.21	7.30	7.39	7.50	6.92	7.16	7.42	7.69	7.99	8.33
4	Return on Equity	Rs. Crore	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70
5	O&M Expenses	Rs. Crore	83.14	87.69	92.49	97.55	102.88	108.51	114.45	120.71	127.31	134.28	141.62	149.37	157.54	166.15	175.24	184.83	194.94
6	Income Tax	Rs. Crore	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13
7	Total	Rs. Crore	585.37	574.65	564.18	553.98	544.07	534.06	523.44	514.67	506.26	498.22	490.29	483.09	377.54	381.80	386.55	391.80	398.99
8	Saleable Energy (Encl 1)	MU	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24
9	Total Cost	Rs. per unit	6.21	6.09	5.98	5.87	5.77	5.66	5.55	5.46	5.37	5.28	5.20	5.12	4.83	4.89	4.95	5.01	5.11
10	Discounted Cost	Rs. per unit	6.21	5.47	4.83	4.26	3.76	3.31	2.92	2.58	2.28	2.01	1.78	1.58	1.34	1.21	1.10	1.00	0.92
11	Discount Rate @ 11.31% *	%	1.00	0.90	0.81	0.73	0.65	0.59	0.53	0.47	0.42	0.38	0.34	0.31	0.28	0.25	0.22	0.20	0.18
12	Levelised Tariff	Rs. per unit	5.74																

S.No	Annual Fixed Charges	Unit	May-43	May-44	May-45	May-46	May-47	May-48	May-49	May-50	May-51	May-52	May-53	May-54	May-55	May-56	May-57	May-58	May-59
1	Depreciation	Rs. Crore	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32
2	Interest on Loan	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Interest on Working Capital	Rs. Crore	9.91	10.36	10.84	11.34	11.87	12.43	13.02	13.64	14.29	14.98	15.71	16.48	17.29	18.15	18.15	17.29	18.15
4	Return on Equity	Rs. Crore	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70
5	O&M Expenses	Rs. Crore	254.42	268.33	283.01	298.49	314.82	332.04	350.20	369.36	389.56	410.87	433.34	457.05	482.05	508.42	508.42	482.05	508.42
6	Income Tax	Rs. Crore	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13	30.13
7	Total	Rs. Crore	445.85	459.47	473.84	488.99	504.97	521.83	539.61	558.36	578.14	598.99	620.99	644.20	668.67	694.48	721.70	741.57	781.57
8	Saleable Energy (Encl 1)	MU	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57
9	Total Cost	Rs. per unit	5.70	5.88	6.06	6.26	6.46	6.68	6.90	7.14	7.40	7.66	7.95	8.24	8.56	8.89	9.23	9.23	8.89
10	Discounted Cost	Rs. per unit	0.72	0.67	0.62	0.57	0.53	0.49	0.46	0.43	0.37	0.34	0.32	0.30	0.28	0.26	0.24	0.24	0.26
11	Discount Rate @ 11.31% *	%	0.13	0.12	0.11	0.09	0.09	0.08	0.07	0.06	0.06	0.05	0.04	0.04	0.04	0.03	0.03	0.03	0.03

* Discount factor is considered based on the Regulation 9(2) of the HERC Renewable Tariff Regulations 2021 i.e. 70% of Rate of interest on actual loans portfolio + 30% of rate of ROE $\{ (10.15\% * 70\%) + (14\% * 30\%) = 11.31\% \}$



Name of Petitioner
JSWEKL
Kutehr Hydro Electric Project (Kutehr HEP)
Capacity
240 MW (3x80MW)

S. No.	Particulars	May-20	May-21	May-22	May-23	May-24	May-25	May-26	May-27	May-28	May-29	May-30	May-31	May-32	May-33	May-34	May-35	May-36	May-37	May-38	May-39	May-40	May-41	May-42	May-43
1	Design Energy	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70
2	Less: Auxiliary Consumption	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46
3	Design Energy net of Aux. consumption	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24
4	Free Power to GoHP																								
4.1	Applicable %																								
4.2	Less: Free Power to GoHP																								
5	Net Design Energy	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24
	Saleable Design Energy	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24

S. No.	Particulars	May-44	May-45	May-46	May-47	May-48	May-49	May-50	May-51	May-52	May-53	May-54	May-55	May-56	May-57	May-58	May-59	May-60
1	Design Energy	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70	954.70
2	Less: Auxiliary Consumption	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46	11.46
3	Design Energy net of Aux. consumption	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24
4	Free Power to GoHP																	
4.1	Applicable %																	
4.2	Less: Free Power to GoHP																	
5	Net Design Energy	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24
	Saleable Design Energy	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24



Name of Petitioner
Name of Generating Station
Capacity

JSWEKL
Kutehr Hydro Electric Project (Kutehr HEP)
240 MW (3x80MW)

S.No.	Description	Unit	Assessment
1	Installed Capacity	MW	240
2	Free Power to home state	Note 1	
3	Date of scheduled commercial operation		
	Unit - I		30.4.25
	Unit - II		15.5.25
	Unit - III		31.5.25
4	Type of Station		
	a) Surface / underground		Underground
	b) Purely ROR / Pondage / Storage		Pondage
	c) Peaking / non-peaking		Peaking
	d) No. of hours of peaking		1.5 Hrs * 2
	e) Overload capacity (MW) & period	MW	24
5	Type of excitation		
	a) Rotating exciters on generator		Static
	b) Static excitation		Static
6	Design Energy (Annual)	MUs	954.70
7	Auxiliary Consumption including Transformatic	%	1.20%
8	Normative Plant Availability Factor (NAPAF)	%	90.00%
9.1	Maintenance Spares for WC	% of O&M	15.00%
9.2	Receivable for WC	in Months	1
9.3	Base Rate of Return on Equity	%	14.00%
9.4	Tax Rate	%	25.17%
9.5	Effective Tax Rate	%	25.17%
9.6	10 year Bond yield- Avg. Base Rate as on 01.04	%	7.00%
	Avg. Base Rate + 6.50% + 1% for ROR with poi	%	14.50%
	Maximum ROE available to ROR with pondage	%	14.00%

Note 1: Free power to home state (for tariff calculations) in terms of Supplementary SIA & PPA is as under:

For first 12 years : 0.00%

To be loaded on balance life of project as per IA

For years 13 - 30 : 17.14%

Inclusive of 5.1428% loaded from first 12 years

For years 31 - 40 : 17.14%

Inclusive of 5.1428% loaded from first 12 years

Free power contribution for LADF @1% is not considered above in terms of HP High Court order dt. 19.6.2012 in CWP no. 697 of 2010. This order dt 19.6.2012 is pending challenge before Hon'ble Division bench of Himachal Pradesh High Court in LPA no. 358 of 2012.



Design Energy Generation (240 MW) (Corresponding to 90% Dependable Year 1985-86 - with no over/und)									
Month	Period	No of Days	1 st Daily Discharge (cumec)	Release for aquatic life (cumec)	Available Discharge (cumec)	Power with 95% plant availability (MW)	Capped Power (MW)	Energy on Monthly Basis (GWh)	Energy on Monthly Basis (GWh)
JUN	I.	10	93.80	2.95	90.85	228.00	231.22	228.00	54.72
	II.	10	92.60	2.95	89.65	228.00	228.16	228.00	54.72
	III.	10	92.60	2.95	89.65	228.00	228.16	228.00	54.72
JUL	I.	10	93.80	2.95	90.85	228.00	231.22	228.00	54.72
	II.	10	116.90	2.95	113.95	228.00	290.01	228.00	54.72
	III.	11	106.30	2.95	103.35	228.00	263.03	228.00	60.19
AUG	I.	10	105.30	2.95	102.35	228.00	260.49	228.00	54.72
	II.	10	98.40	2.95	95.45	228.00	242.93	228.00	54.72
	III.	11	89.40	2.95	86.45	228.00	220.02	220.02	58.09
SEP	I.	10	72.90	2.95	69.95	228.00	178.03	178.03	42.73
	II.	10	54.40	2.95	51.45	228.00	130.94	130.94	31.43
	III.	10	54.40	2.95	51.45	228.00	130.94	130.94	31.43
OCT	I.	10	30.10	2.95	27.15	228.00	69.10	69.10	16.58
	II.	10	26.60	2.95	23.65	228.00	60.19	60.19	14.45
	III.	11	21.00	2.95	18.05	228.00	45.94	45.94	12.13
NOV	I.	10	16.20	2.95	13.25	228.00	33.72	33.72	8.09
	II.	10	18.50	2.95	15.55	228.00	39.58	39.58	9.50
	III.	10	15.00	2.95	12.05	228.00	30.67	30.67	7.36
DEC	I.	10	15.00	2.95	12.05	228.00	30.67	30.67	7.36
	II.	10	13.90	2.95	10.95	228.00	27.87	27.87	6.69
	III.	11	11.60	2.95	8.65	228.00	22.01	22.01	5.81
JAN	I.	10	11.60	2.95	8.65	228.00	22.01	22.01	5.28
	II.	10	12.70	2.95	9.75	228.00	24.81	24.81	5.96
	III.	8	14.50	2.95	11.55	228.00	29.40	29.40	5.64
FEB	I.	10	15.00	2.95	12.05	228.00	30.67	30.67	7.36
	II.	10	19.70	2.95	16.75	228.00	42.63	42.63	10.23
	III.	11	17.90	2.95	14.95	228.00	38.05	38.05	10.04
MAR	I.	10	22.00	2.95	19.05	228.00	48.48	48.48	11.64
	II.	10	32.40	2.95	29.45	228.00	74.95	74.95	17.99
	III.	10	66.00	2.95	63.05	228.00	160.47	160.47	38.51
APR	I.	10	64.80	2.95	61.85	228.00	157.41	157.41	37.78
	II.	10	64.80	2.95	61.85	228.00	157.41	157.41	37.78
	III.	11	72.60	2.95	69.65	228.00	177.26	177.26	46.80
TOTAL ENERGY									954.70

***Notes**

Power limited to 95% of Installed Capacity in Monsoon months as per CEA guideline

Overall Efficiency

Total Discharge req for minimum net head

Discharge

Design Net Head

Release for aquatic life

(assumed 20% of average lean month (Nov to Feb) for 90% dependable yr)

Installed Capacity

0.925
96.63 cumec
96.63 cumec
280.47 mtr
2.95 cumec
240 MW



* Release for aquatic life considered in DPR was 2.12.cumec based on which Design energy of 969 Mus was calculated and approved in TEC. Based on environment clearance dt. 5.7.2011 specific condition no. (vi), the release for aquatic life has been revised to 2.95 cumec and therefore Gross Design energy considered for tariff calculations is

Name of Petitioner

JSWEKL

Name of Generating Station

Kutehr Hydro Electric Project (Kutehr HEP)

Capacity

240 MW (3x80MW)

4-4

Rs. In Crore				
S.no	Capex Assumptions	As on Mar'2024	As on Dec'2024	Expected project cost as on COD (May'2025)
1	Hard Cost			
1.1	Land and Building	22.51	22.97	75.00
1.2	Civil & Hydro Mechanical Works	1,213.34	1,420.55	1,421.00
1.3	Electro Mechanical Works & Transmission	210.32	250.35	318.00
1.4	Other Hard Cost (Overheads, establishment, communication, etc.)	228.95	236.44	372.20
	Sub total	1,675.12	1,930.31	2,186.20
2	IDC & FC			
2.1	IDC on actual Debt	127.52	230.86	310.88
2.2	IDC on excess equity treated as normative loan	139.81	151.79	155.81
2.3	Finance Charges	25.40	26.29	26.29
	Sub total	292.73	408.94	492.98
3	Other Costs			
3.1	Working Capital Margin/ Deposits	28.91	9.68	9.68
3.2	LADA Cost	26.94	26.94	42.74
3.3	Upfront Premium	124.80	124.80	124.80
3.4	Preliminary Survey, Consultancy, etc.	54.08	72.34	72.34
3.5	Contingency	46.00	46.00	46.00
	Sub total	280.73	279.76	295.56
4	Total Project Cost	2,248.58	2,619.01	2,974.74
5	Project cost for Tariff (Excl. Upfront premium)			2,849.94
6	Project cost for Depreciation (Excl. owned land)			2,837.87



Form: F-2.1

Gross fixed assets and net fixed assets

(As per Qtrly. / Annual Financials)

Name of Petitioner
Name of Generating Station
Capacity
JSWEKL
Kutehr Hydro Electric Project (Kutehr HEP)
240 MW (3x80MW)

Sum Cross Block as per Accounts											
	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Dec-25
1 Land under ownership	Rs. Crore	-	-	-	-	11.74	12.05	12.08	12.08	12.08	12.08
2 Land under lease	Rs. Crore	-	-	-	-	-	0.05	0.05	0.05	0.05	0.05
3 Plant & Machinery	Rs. Crore	-	-	-	-	0.04	0.13	4.45	10.50	31.71	35.12
4 Office Equipment	Rs. Crore	-	-	0.06	0.06	0.13	0.22	0.41	0.47	0.48	0.56
5 Furniture & Fixtures	Rs. Crore	-	-	0.03	0.03	0.07	0.14	0.19	0.56	0.80	0.87
6 IT Equipment	Rs. Crore	-	-	-	-	0.11	0.21	0.51	0.67	0.59	0.61
7 Building	Rs. Crore	-	-	-	-	-	-	-	0.43	0.43	0.43
8 Vehicles	Rs. Crore	-	-	-	-	0.13	0.43	0.43	0.53	0.53	0.53
9 Sub-Total Excl. owned land	Rs. Crore	-	-	0.09	0.09	12.23	13.19	18.11	25.28	46.66	50.26
10 CWIP	Rs. Crore	1.41	16.50	21.36	21.69	21.79	378.51	745.51	1,289.94	1,867.82	2,248.91
11 Total including land & CWIP	Rs. Crore	-	-	-	-	-	-	-	-	-	2,849.94

S.no Depreciation as per Accounts											
	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Dec-24
1 Land under ownership	Rs. Crore	-	-	-	-	-	-	-	-	0.03	0.04
2 Land under lease	Rs. Crore	-	-	-	-	-	-	-	-	-	-
3 Plant & Machinery	Rs. Crore	-	-	-	-	0.00	0.00	0.16	0.87	2.59	4.55
4 Office Equipment	Rs. Crore	-	-	0.01	0.02	0.04	0.08	0.13	0.21	0.28	0.35
5 Furniture & Fixtures	Rs. Crore	-	-	0.00	0.00	0.01	0.02	0.04	0.08	0.14	0.20
6 IT Equipment	Rs. Crore	-	-	-	-	0.01	0.06	0.17	0.30	0.41	0.48
7 Building	Rs. Crore	-	-	-	-	-	-	-	0.14	0.27	0.38
8 Vehicles	Rs. Crore	-	-	-	-	0.00	0.02	0.06	0.11	0.16	0.20

S.no Net Block as per Accounts											
	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Dec-24
1 Land under ownership	Rs. Crore	-	-	-	-	11.74	12.05	12.08	12.08	12.04	12.04
2 Land under lease	Rs. Crore	-	-	-	-	-	-	0.05	0.05	0.05	0.05
3 Plant & Machinery	Rs. Crore	-	-	-	-	0.04	0.12	4.29	9.63	29.12	30.57
4 Office Equipment	Rs. Crore	-	-	0.05	0.04	0.08	0.14	0.27	0.26	0.20	0.21
5 Furniture & Fixtures	Rs. Crore	-	-	0.02	0.02	0.06	0.12	0.15	0.48	0.66	0.67
6 IT Equipment	Rs. Crore	-	-	-	-	0.10	0.16	0.33	0.37	0.18	0.14
7 Building	Rs. Crore	-	-	-	-	-	-	-	0.29	0.16	0.06
8 Vehicles	Rs. Crore	-	-	-	-	0.13	0.41	0.37	0.42	0.37	0.33
Total	Rs. Crore	-	-	0.07	0.06	0.05	12.16	17.55	23.58	42.78	44.07



Name of Petitioner
Name of Generating Station
Capacity

JSWEKL
Kutehr Hydro Electric Project (Kutehr HEP)
240 MW (3x80MW)

Debt
Interest Rate
Normative Equity

Rs. Crore
%
%

1,929
10.15% (Actual loan portfolio interest rate, as on 28.2.2025)
30%

Principal (Rs. Cr)	FY 23	FY 24	FY 25	May-25
April	-	752.69	1,266.06	1,929.00
May	150.00	752.69	1,329.32	1,929.00
June	150.00	831.12	1,329.32	
July	273.51	831.12	1,441.06	
August	373.51	857.88	1,441.06	
September	373.51	921.11	1,441.06	
October	404.88	1,014.37	1,441.06	
November	417.35	1,091.06	1,508.87	
December	597.04	1,091.06	1,581.44	
January	609.03	1,091.06	1,629.92	
February	619.69	1,187.15	1,678.39	
March	746.31	1,187.15	1,929.00	

Interest Payments (Rs Cr)	FY 23	FY 24	FY 25	May-25
April	-	5.83	10.23	16.32
May	1.21	5.94	10.80	16.32
June	1.21	6.68	10.86	
July	2.15	6.68	11.77	
August	2.68	6.90	11.77	
September	2.68	7.41	11.77	
October	2.90	8.16	11.77	
November	3.09	8.80	12.52	
December	4.63	8.82	13.38	
January	4.72	8.82	13.79	
February	4.80	9.60	14.20	
March	5.78	9.60	16.32	
Total Interest	35.85	93.23	149.16	32.63

Cumulative IDC (Rs Cr)	FY 23	FY 24	FY 25	May-25
April	-	41.68	139.32	294.56
May	1.21	47.63	150.12	310.88
June	2.43	54.31	160.98	
July	4.57	60.99	172.74	
August	7.25	67.89	184.51	
September	9.93	75.30	196.28	
October	12.83	83.46	208.05	
November	15.92	92.25	220.57	
December	20.54	101.07	233.94	
January	25.26	109.89	247.73	
February	30.07	119.49	261.93	
March	35.85	129.09	278.24	

Excess IDC (Rs Cr)	FY 20	FY 21	FY 22	FY 23	FY 24	Dec-24	May-25
Actual Equity							
Debt	71.53	456.82	798.00	872.71	916.77	916.77	950.00
Equity as % of Financing	-	-	146.32	746.29	1,187.23	1,614.76	1,929.00
Normative Equity	100%	100%	85%	54%	44%	36%	33%
Excess Equity	21.46	137.04	283.30	485.70	631.20	759.46	854.98
Excess Equity as Normative Loan	50.07	319.77	514.70	387.01	285.57	157.31	95.02
Rate of Interest	50.07	319.77	514.70	387.01	285.57	157.31	95.02
Excess IDC	10.05%	9.25%	8.50%	8.50%	10.00%	10.15%	10.15%
SBI MCLR as on 1st April	5.03	29.58	43.75	32.90	28.56	11.98	4.02
	8.55%	7.75%	7.00%	7.00%	8.50%	8.65%	8.65%

IDC Claimed by Petitioner	Rs Cr
IDC	310.88
Excess IDC in accordance with Regulation 18(2)(b)	155.81
Total IDC Claimed by Petitioner	466.69



Name of Petitioner
Name of Generating Station

JSWEKL
Kutehr Hydro Electric Project (Kutehr HEP)

Depreciation

Form: F-3

Depreciation Computation Formulas			
Asset Category	Capital Cost as on 31.5.25	Depreciation rate (%)	Useful life (Years)
Land under ownership	12.08	-	-
Land under lease	0.05	-	-
Plant & Machinery	2,792.18	5.28%	35
Office Equipment	2.10	6.33%	5
Furniture & Fixtures	2.87	6.33%	10
IT Equipment	4.06	15.00%	5
Building	32.07	3.34%	35
Vehicles	4.53	5.28%	6
Total	2,849.94		

S. No.	Asset Group	Unit	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	Mar-40	Mar-41	Mar-42	Mar-43
1	Land under ownership	Rs. Crore	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Land under lease	Rs. Crore	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Plant & Machinery	Rs. Crore	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43	147.43
4	Office Equipment	Rs. Crore	0.42	0.42	0.42	0.29	0.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Furniture & Fixtures	Rs. Crore	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
6	IT Equipment	Rs. Crore	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68
7	Building	Rs. Crore	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07	1.07
8	Vehicles	Rs. Crore	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76	0.76
Total		Rs. Crore	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64	150.64

S. No.	Asset Group	Unit	Mar-44	Mar-45	Mar-46	Mar-47	Mar-48	Mar-49	Mar-50	Mar-51	Mar-52	Mar-53	Mar-54	Mar-55	Mar-56	Mar-57	Mar-58	Mar-59	Mar-60	Mar-61
1	Land under ownership	Rs. Crore	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Land under lease	Rs. Crore	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Plant & Machinery	Rs. Crore	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48	44.48
4	Office Equipment	Rs. Crore	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Furniture & Fixtures	Rs. Crore	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	IT Equipment	Rs. Crore	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Building	Rs. Crore	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84	0.84
8	Vehicles	Rs. Crore	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total		Rs. Crore	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32	45.32



Name of Petitioner
JSWEKL
Name of Generating Station
Kuiehr Hydro Electric Project (Kuiehr HEP)
Capacity
240 MW (3x80MW)

1	Base Capital Cost	Rs. Crore	2,849.94
2	Loan	%	70%
3	Rate of Interest	%	10.15%

S. No.	Particulars	Unit	May-26	May-27	May-28	May-29	May-30	May-31	May-32	May-33	May-34	May-35	May-36	May-37	May-38	May-39	May-40	May-41	May-42
1	Net Opening Loan	Rs. Crore	1,994.96	1,844.32	1,693.68	1,543.04	1,392.41	1,241.77	1,091.55	942.77	793.98	645.20	496.41	347.91	199.42	154.10	108.78	63.47	18.15
2	Addition	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Repayment (equal to depreciation)	Rs. Crore	150.64	150.64	150.64	150.64	150.64	150.64	150.22	148.79	148.79	148.79	148.79	148.50	148.50	45.32	45.32	45.32	18.15
4	Closing Balance	Rs. Crore	1,844.32	1,693.68	1,543.04	1,392.41	1,241.77	1,091.55	942.77	793.98	645.20	496.41	347.91	199.42	154.10	108.78	63.47	18.15	9.08
5	Average Net Loan	Rs. Crore	1,919.64	1,769.00	1,618.36	1,467.73	1,317.09	1,166.66	1,017.16	868.38	719.59	570.81	422.16	273.67	176.76	131.44	86.13	40.81	10.15%
6	Rate of Interest on Loan	%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%	10.15%
Interest on Loan	Rs. Crore		194.84	179.55	164.26	148.97	133.68	118.42	103.24	88.14	73.04	57.94	42.85	27.78	17.94	13.34	8.74	4.14	0.92

S. No.	Particulars	Unit	May-43	May-44	May-45	May-46	May-47	May-48	May-49	May-50	May-51	May-52	May-53	May-54	May-55	May-56	May-57	May-58	May-59	May-60
1	Net Opening Loan	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Addition	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Repayment (equal to depreciation)	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Closing Balance	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Average Net Loan	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Rate of Interest on Loan	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Loan	Rs. Crore		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



Name of Petitioner
JSWEKL
Name of Generating Station
Kutehr Hydro Electric Project (Kutehr HEP)
Capacity
240 MW (3x80MW)

Month	FY 23	FY 24	FY 25	Total	BOI	Total	BOI	Total	BOI
April	150.00	6.39	(0.00)	150.00	20.80	(0.02)	20.80	78.91	78.91
May	123.51			123.51				150.00	150.00
June	100.00			100.00				78.43	78.43
July	12.47			12.47				123.51	123.51
August	11.06			11.06				100.00	100.00
September	11.99			11.99				26.76	26.76
October	10.65			10.65				63.23	63.23
November	5.06			5.06				93.26	93.26
December	10.65			10.65				12.47	12.47
January	11.99			11.99				76.69	76.69
February	10.65			10.65				48.48	48.48
March	5.06			5.06				48.48	48.48

Month	FY 23	FY 24	FY 25	Total	BOI	Total	BOI	Total	BOI
April	431.14	446.13	431.53	1286.22	62.72	62.72	1286.22	180.40	180.40
May	488.59	488.59	488.59	1465.77	62.72	62.72	1465.77	180.40	180.40
June	431.14	431.14	431.53	1293.81	62.72	62.72	1293.81	180.40	180.40
July	488.59	488.59	488.59	1465.77	62.72	62.72	1465.77	180.40	180.40
August	488.59	488.59	488.59	1465.77	62.72	62.72	1465.77	180.40	180.40
September	488.59	488.59	488.59	1465.77	62.72	62.72	1465.77	180.40	180.40
October	488.59	488.59	488.59	1465.77	62.72	62.72	1465.77	180.40	180.40
November	488.59	488.59	488.59	1465.77	62.72	62.72	1465.77	180.40	180.40
December	488.59	488.59	488.59	1465.77	62.72	62.72	1465.77	180.40	180.40
January	488.59	488.59	488.59	1465.77	62.72	62.72	1465.77	180.40	180.40
February	488.59	488.59	488.59	1465.77	62.72	62.72	1465.77	180.40	180.40
March	488.59	488.59	488.59	1465.77	62.72	62.72	1465.77	180.40	180.40

Month	FY 23	FY 24	FY 25	Total	BOI	Total	BOI	Total	BOI
April	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
May	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
June	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
July	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
August	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
September	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
October	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
November	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
December	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
January	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
February	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%
March	9.70%	9.75%	9.70%	9.73%	9.75%	9.75%	9.73%	9.70%	9.70%



Form: F-5

Name of Petitioner
JSWEKL
Name of Generating Station
Kutehr Hydro Electric Project (Kutehr HEP)
Capacity
240 MW (3x80MW)

S.No. (For Comparison Purposes)		
1	Base Capital Cost	Rs. Crore 2,849.94
2	Equity	% 30%
3	Return on Equity	% 14%

S.No.	Particulars	Unit	Nos.	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93
1	Opening	Rs. Crore	365	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98
2	Addition	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Repayment	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Closing Balance	Rs. Crore	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98
5	Average Equity	Rs. Crore	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98
6	Return on Equity	%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Return on Equity			Rs. Crore	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70

S. No.	Particulars	Unit	May-11	May-12	May-13	May-14	May-15	May-16	May-17	May-18	May-19	May-20	May-21	May-22	May-23	May-24	May-25	May-26	May-27	May-28	May-29	May-30	May-31	Jun-01
1	Opening	Rs. Crore	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98
2	Addition	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Repayment	Rs. Crore	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Closing Balance	Rs. Crore	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98
5	Average Equity	Rs. Crore	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98	854.98
6	Return on Equity	%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Return on Equity			Rs. Crore	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70	119.70
			9.97																					



Name of Petitioner

JSWEKL

Name of Generating Station

Kutehr Hydro Electric Project (Kutehr HEP)

Capacity

240 MW (3x80MW)

India 10-Year Bond Yield Historical Data					
Time Frame					
Monthly					
Download Data					
01-04-2023 - 31-03-2025					
Date	Price	Open	High	Low	Change %
01-03-2025	6.74	6.85	6.86	6.68	0.19%
01-02-2025	6.72	6.70	6.73	6.65	0.43%
01-01-2025	6.69	6.77	6.87	6.63	-0.96%
01-12-2024	6.76	6.80	6.81	6.67	0.12%
01-11-2024	6.75	6.83	6.86	6.74	-1.32%
01-10-2024	6.84	6.76	6.88	6.73	1.35%
01-09-2024	6.75	6.88	6.89	6.71	-1.65%
01-08-2024	6.86	6.91	6.92	6.84	-0.88%
01-07-2024	6.92	7.02	7.02	6.91	-1.20%
01-06-2024	7.01	6.96	7.06	6.95	0.31%
01-05-2024	6.99	7.17	7.17	6.97	-2.90%
01-04-2024	7.20	7.09	7.24	7.08	2.03%
01-03-2024	7.05	7.06	7.10	7.01	-0.37%
01-02-2024	7.08	7.13	7.14	7.02	-0.92%
01-01-2024	7.14	7.21	7.24	7.13	-0.45%
01-12-2023	7.18	7.29	7.30	7.15	-1.42%
01-11-2023	7.28	7.38	7.38	7.19	-0.98%
01-10-2023	7.35	7.24	7.40	7.21	1.96%
01-09-2023	7.21	7.17	7.24	7.09	0.61%
01-08-2023	7.17	7.19	7.26	7.15	-0.08%
01-07-2023	7.17	7.11	7.19	7.05	0.87%
01-06-2023	7.11	7.02	7.12	6.96	1.73%
01-05-2023	6.99	7.14	7.14	6.95	-1.78%
01-04-2023	7.12	7.37	7.37	7.08	-2.72%
Average of last 2 years		7.00			

Source: <https://in.investing.com/rates-bonds/india-10-year-bond-yield-historical->

Base rate (BR) as per HERC Tariff Regulation no. 20.1	7.00
ROE rate for hydro generator with pondage	BR + 6.5%+1%
	Subject to max.
	14.00



Name of Petitioner	Name of Generating Station	Capacity
JSWEK	Kutehr Hydro Electric Project (Kutehr HEP)	240 MW (3x80MW)

S.No. O&M Expenses Computation Particulars		
1	Rs. Crore	Base Capital Cost
2	Rs. Crore	Less: Interest during construction
3	Rs. Crore	Less: Rehabilitation & Resettlement
		<u>2,375.57</u>
4	%	Base O&M as a % of Capital Cost
5	Rs. Crore	Base O&M Expenses for first year
6	%	Annual escalation in O&M Expenses
		<u>5.47%</u>

S.No.	Dateline	Particulars	Rs. Crore	O&M Expenses	1
	May-26	May-27	363	363	
	May-28	May-29	366	366	
	May-30	May-31	365	365	
	May-32	May-33	366	366	
	May-34	May-35	365	365	
	May-36	May-37	366	366	
	May-38	May-39	365	365	
	May-40	May-41	368	368	
	May-42	May-43	365	365	
	May-44	May-45	365	365	
	May-46	May-47	365	365	
	May-48	May-49	365	365	
	May-50	May-51	365	365	
	May-52	May-53	366	366	
	May-54	May-55	365	365	
	May-56	May-57	366	366	
	May-58	May-59	365	365	
	May-60	May-61	365	365	
	May-62	May-63	365	365	
	May-64	May-65	365	365	
	May-66	May-67	365	365	
	May-68	May-69	365	365	
	May-70	May-71	365	365	
	May-72	May-73	365	365	
	May-74	May-75	365	365	
	May-76	May-77	365	365	
	May-78	May-79	365	365	
	May-80	May-81	365	365	
	May-82	May-83	365	365	
	May-84	May-85	365	365	
	May-86	May-87	365	365	
	May-88	May-89	365	365	
	May-90	May-91	365	365	
	May-92	May-93	365	365	
	May-94	May-95	365	365	
	May-96	May-97	365	365	
	May-98	May-99	365	365	
	May-100	May-101	365	365	
	May-102	May-103	365	365	
	May-104	May-105	365	365	
	May-106	May-107	365	365	
	May-108	May-109	365	365	
	May-110	May-111	365	365	
	May-112	May-113	365	365	
	May-114	May-115	365	365	
	May-116	May-117	365	365	
	May-118	May-119	365	365	
	May-120	May-121	365	365	
	May-122	May-123	365	365	
	May-124	May-125	365	365	
	May-126	May-127	365	365	
	May-128	May-129	365	365	
	May-130	May-131	365	365	
	May-132	May-133	365	365	
	May-134	May-135	365	365	
	May-136	May-137	365	365	
	May-138	May-139	365	365	
	May-140	May-141	365	365	
	May-142	May-143	365	365	
	May-144	May-145	365	365	
	May-146	May-147	365	365	
	May-148	May-149	365	365	
	May-150	May-151	365	365	
	May-152	May-153	365	365	
	May-154	May-155	365	365	
	May-156	May-157	365	365	
	May-158	May-159	365	365	
	May-160	May-161	365	365	
	May-162	May-163	365	365	
	May-164	May-165	365	365	
	May-166	May-167	365	365	
	May-168	May-169	365	365	
	May-170	May-171	365	365	
	May-172	May-173	365	365	
	May-174	May-175	365	365	
	May-176	May-177	365	365	
	May-178	May-179	365	365	
	May-180	May-181	365	365	
	May-182	May-183	365	365	
	May-184	May-185	365	365	
	May-186	May-187	365	365	
	May-188	May-189	365	365	
	May-190	May-191	365	365	
	May-192	May-193	365	365	
	May-194	May-195	365	365	
	May-196	May-197	365	365	
	May-198	May-199	365	365	
	May-200	May-201	365	365	
	May-202	May-203	365	365	
	May-204	May-205	365	365	
	May-206	May-207	365	365	
	May-208	May-209	365	365	
	May-210	May-211	365	365	
	May-212	May-213	365	365	
	May-214	May-215	365	365	
	May-216	May-217	365	365	
	May-218	May-219	365	365	
	May-220	May-221	365	365	
	May-222	May-223	365	365	
	May-224	May-225	365	365	
	May-226	May-227	365	365	
	May-228	May-229	365	365	
	May-230	May-231	365	365	
	May-232	May-233	365	365	
	May-234	May-235	365	365	
	May-236	May-237	365	365	
	May-238	May-239	365	365	
	May-240	May-241	365	365	
	May-242	May-243	365	365	
	May-244	May-245	365	365	
	May-246	May-247	365	365	
	May-248	May-249	365	365	
	May-250	May-251	365	365	
	May-252	May-253	365	365	
	May-254	May-255	365	365	
	May-256	May-257	365	365	
	May-258	May-259	365	365	
	May-260	May-261	365	365	
	May-262	May-263	365	365	
	May-264	May-265	365	365	
	May-266	May-267	365	365	
	May-268	May-269	365	365	
	May-270	May-271	365	365	
	May-272	May-273	365	365	
	May-274	May-275	365	365	
	May-276	May-277	365	365	
	May-278	May-279	365	365	
	May-280	May-281	365	365	
	May-282	May-283	365	365	
	May-284	May-285	365	365	
	May-286	May-287	365	365	
	May-288	May-289	365	365	
	May-290	May-291	365	365	
	May-292	May-293	365	365	
	May-294	May-295	365	365	
	May-296	May-297	365	365	
	May-298	May-299	365	365	
	May-300	May-301	365	365	
	May-302	May-303	365	365	
	May-304	May-305	365	365	
	May-306	May-307	365	365	
	May-308	May-309	365	365	
	May-310	May-311	365	365	
	May-312	May-313	365	365	
	May-314	May-315	365	365	
	May-316	May-317	365	365	
	May-318	May-319	365	365	
	May-320	May-321	365	365	
	May-322	May-323	365	365	
	May-324	May-325	365	365	
	May-326	May-327	365	365	
	May-328	May-329	365	365	
	May-330	May-331	365	365	
	May-332	May-333	365	365	
	May-334	May-335	365	365	
	May-336	May-337	365	365	
	May-338	May-339	365	365	
	May-340	May-341	365	365	
	May-342	May-343	365	365	
	May-344	May-345	365	365	
	May-346	May-347	365	365	
	May-348	May-349	365	365	
	May-350	May-351	365	365	
	May-352	May-353	365	365	
	May-354	May-355	365	365	
	May-356	May-357	365	365	
	May-358	May-359	365	365	
	May-360	May-361	365	365	
	May-362	May-363	365	365	
	May-364	May-365	365	365	
	May-366	May-367	365	365	
	May-368	May-369	365	365	
	May-370	May-371	365	365	
	May-372	May-373	365	365	
	May-374	May-375	365	365	
	May-376	May-377	365	365	
	May-378	May-379	365	365	
	May-380	May-381	365	365	
	May-382	May-383	365	365	
	May-384	May-385	365	365	
	May-386	May-387	365	365	
	May-388	May-389	365	365	
	May-390	May-391	365	365	
	May-392	May-393	365	365	
	May-394	May-395	365	365	
	May-396	May-397	365	365	
	May-398	May-399	365	365	
	May-400	May-401	365	365	
	May-402	May-403	365	365	
	May-404	May-405	365	365	
	May-406	May-407	365	365	
	May-408	May-409	365	365	
	May-410	May-411	365	365	
	May-412	May-413	365	365	
	May-414	May-415	365	365	
	May-416	May-417	365	365	
	May-418	May-419	365	365	
	May-420	May-421	365	365	
	May-422	May-423	365	365	
	May-424	May-425	365	365	
	May-426	May-427	365	365	
	May-428	May-429	365	365	
	May-430	May-431	365	365	
	May-432	May-433	365	365	
	May-434	May-435	365	365	
	May-436	May-437	365	365	
	May-438	May-439	365	365	
	May-440	May-441	365	365	
	May-442	May-443	365	365	
	May-444	May-445	365	365	
	May-446	May-447	365	365	
	May-448	May-449	365	365	
	May-450	May-451	365	365	
	May-452	May-453	365	365	
	May-454	May-455	365	365	
	May-456	May-457	365	365	
	May-458	May-459	365	365	
	May-460	May-461	365	365	
	May-462	May-463	365	365	
	May-464	May-465	365	365	
	May-466	May-467	365	365	
	May-468	May-469	365	365	
	May-470	May-471	365	365	
	May-472	May-473	365	365	
	May-474	May-475	365	365	
	May-476	May-477	365	365	
	May-478	May-479	365	365	
	May-480	May-481	365	365	
	May-482	May-483	365	365	
	May-484	May-485	365	365	
	May-486	May-487	365	365	
	May-488	May-489	365	365	
	May-490	May-491	365	365	
	May-492	May-493	365	365	
	May-494	May-495	365	365	
	May-496	May-497	365	365	
	May-498	May-499	365	365	
	May-500	May-501	365	365	
	May-502	May-503	365	365	
	May-504	May-505	365	365	
	May-506	May-507	365	365	
	May-508	May-509	365	365	
	May-510	May-511	365	365	
	May-512	May-513	365	365	
	May-514	May-515	365	365	
	May-516	May-517	365	365	
	May-518	May-519	365	365	
	May-520	May-521	365	365	
	May-522	May-523	365	365	
	May-524	May-525	365	365	
	May-526	May-527	365	365	
	May-528	May-529	365	365	
	May-530	May-531	365	365	
	May-532	May-533	365	365	
	May-534	May-535	365	365	
	May-536	May-537	365	365	
	May-538	May-539	365	365	
	May-540	May-541	365	365	
	May-542	May-543			

[illegible]

Note: O & M is calculated as per Regulation 35.4 (b) & (c) of HERC Tariff Regulation 2024

[illegible]

1	Return on Equity	119.70
2	MAT	25.17%

[illegible][illegible]



Form: F-9

Tariff Charges - Capacity & Energy Charges

JSW EKL

Name of Petitioner
Kutehr Hydro Electric Project (Kutehr HEP)

Name of Generating Station
240 MW (3x80MW)

Sl. No. Particulars													Unit
1	Annual Fixed Charges	Rs. Crore	585.37	574.65	564.18	553.98	544.07	534.06	523.44	514.67	506.26	498.22	490.29
2	Saleable Energy	MU	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24	943.24
3	Capacity Charges	Rs. Crore	292.69	287.32	282.09	276.99	272.04	267.03	261.72	257.34	253.13	249.11	245.15
4	Energy Charges	Rs. Crore	292.69	287.32	282.09	276.99	272.04	267.03	261.72	257.34	253.13	249.11	245.15
5	Energy Charges	Rs. per unit	3.10	3.05	2.99	2.94	2.88	2.83	2.77	2.73	2.68	2.64	2.60

Sl. No. Particulars													Unit
1	Annual Fixed Charges	Rs. Crore	420.68	432.93	445.85	459.47	473.84	488.99	504.97	521.83	539.61	558.36	578.14
2	Saleable Energy	MU	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57	781.57
3	Capacity Charges	Rs. Crore	210.34	216.47	222.92	229.73	236.92	244.49	252.49	260.91	269.80	279.18	289.07
4	Energy Charges	Rs. Crore	210.34	216.47	222.92	229.73	236.92	244.49	252.49	260.91	269.80	279.18	289.07
5	Energy Charges	Rs. per unit	2.69	2.77	2.85	2.94	3.03	3.13	3.23	3.34	3.45	3.57	3.70

Note 12% free power deferred in initial 12 years shall be recovered in next 28 years (13th year to 40th year).