UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Petition No. 2237 of 2025

Filed by

Uttar Pradesh Rajya Vidyut Utpadan Nigam

IN THE MATTER OF

Approval of Provisional Capital Cost, Annual Revenue Requirement & determination of provisional Tariff in respect of (2X660 MW) Obra C Thermal Power Station of U. P. Rajya Vidyut Utpadan Nigam (UPRVUNL)

03.09.2026

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U.P. ELECTRICITY REGULATORY COMMISSION

Petition No. 2237 of 2025

Before

THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

LUCKNOW

Date of Order: 2026

Present:

Hon'ble Shri Arvind Kumar, Chairman

Hon'ble Shri Sanjay Kumar Singh, Member

Hon'ble Shri Griesh Kumar Vaish, Member(Law)

IN THE MATTER OF: Petition for Approval of Provisional Capital Cost and Determination of Provisional Multi Year Tariff for the Control Period FY 2024-25 To FY 2028-29.

Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL),
14th floor, Shakti Bhawan Extension, Ashok Marg, Lucknow – 226001 **.... Petitioner**

Versus

1) **Uttar Pradesh Power Corporation Limited (UPPCL),**
   14- Ashok Marg, Shakti Bhawan, Lucknow 226001
2) **Madhyanchal Vidyut Vitran Nigam Limited (MVVNL),**
   4-A, Gokhale Marg, Lucknow – 226001
3) **Poorvanchal Vidyut Vitran Nigam Limited (PuVVNL),**
   DLW, Bhikaripur, Vidyut Nagar, Varanasi - 221004
4) **Paschimanchal Vidyut Vitran Nigam Limited (PVVNL),**
   Urja Bhawan, Victoria Park, Meerut - 250001
5) **Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL),**
   Urja Bhawan, NH-2, Sikandara Road, Agra– 282007
6) **Kanpur Electricity Supply Co. Ltd. (KESCO),**
   KESA House, 14/71, Civil Lines, Kanpur – 208001 **....... Respondents**

The following were present:

1. Ms. Puja Priyadarshini, Advocate, UPPCL
2. Shri Deepanshu Chandak, Advocate, UPPCL
3. Shri Jagnayak Singh, SE-PPA, UPPCL
4. Shri Dinesh Kumar, AE, PPA, UPPCL
5. Shri Manish Dwivedi, SE, PPA, UPPCL
6. Shri Gajendra Singh, EE, PPA, UPPCL
7. Shri Shailendra Tewari, Consultant, UPRVUNL
8. Shri Rajkumar Verma, A.E. (Commercial), UPRVUNL
9. Shri Divyanshu Bhatt, Advocate, UPRVUNL
10. Shri Abhayaditya Singh, Advocate, UPRVUNL

ORDER

(Date of Hearing- 14.07.2026)

1. Background

(a) Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (hereinafter referred to as "UPRVUNL" or the "Petitioner") is a company incorporated on 25.08.1980 with the principal object of generation of electricity. UPRVUNL is a wholly owned company of the Government of Uttar Pradesh. Pursuant to the Uttar Pradesh Electricity Reforms Act, 1999 and the statutory transfer scheme notified thereunder, the Petitioner was vested with the activities of generation and sale of electricity from thermal generation assets in the State of Uttar Pradesh. All the electricity generated by the Petitioner is sold to Uttar Pradesh Power Corporation Limited ("UPPCL"), which under the said transfer scheme was vested with the responsibility of transmission and distribution of electricity in the State of Uttar Pradesh.

(b) Obra 'C' Thermal Power Station consists of 2x660 MW supercritical Unit located at Obra town of Sonebhadra District in the premises of existing

Obra Thermal Power Project. The Land required for the project was already owned by UP Rajya Vidyut Utpadan Nigam Ltd.

(c) The present Petition pertains to approval of Provisional Tariff with respect to the 2x660 MW OBRA C Thermal Power Station with commercial operation dates of the units as 09.02.2024 and 09.07.2025 for Unit-I and Unit-II respectively. The PPA dated 16.01.2013 executed between UPRVUNL and UPPCL was approved by the Commission vide its order dated 21.02.2014 in Petition No. 880/2013. As per PPA dated 16.01.2013, SCOD was 31.08.2017 & 28.02.2018 for Unit I & II respectively of Obra-C TPS.

(d) The Ministry of Environment, Forest and Climate Change accorded Environmental Clearance to the project under the provisions of Environmental Impact Assessment (EIA) Notification dated 14.09.2006 and subsequent amendments therein vide letter dated 26.10.2016. The Detailed Project Report (DPR) of the project was prepared by National Thermal Power Corporation Ltd.

(e) The scheme was approved by the BOD of the Petitioner at the 152nd meeting dated 14.09.2012 and was accorded approval of the Government of Uttar Pradesh vide letter no. 1651/24-1-12-1534/2012 dated 31st July,2012, the approved initial estimated cost of the said project was Rs. 8,777.71 Cr.

2. Regulatory Framework

(a) The Uttar Pradesh Electricity Regulatory Commission (Terms and Conditions of Generation Tariff) Regulations, 2024 (referred to as "UPERC Generation Tariff Regulations, 2024" in this order) were notified on 09.04.2025 reckoned to have come into force with effect from 01.04.2024 for a period of five years i.e. up to 31.03.2029.

(b) Regulation 14 of the Generation Tariff Regulations 2024 provides term and conditions of the application for determination of tariff including provisional tariff. The relevant extract of the said regulation 14 is reproduced for ready reference as under:

"14. Application for determination of tariff

A. For New project

(1) *The generating company shall make an application for fixation of tariff in respect of the completed Units of the generating station in such forms and such manners as prescribed in these Regulations and Uttar Pradesh Electricity Regulatory Commission (Conduct of Business) Regulation, 2019 as amended from time to time or any statutory reenactment thereof:*

Provided that the applications for determination of tariff shall be filed covering the period for which the terms and conditions of tariff shall remain in force.

(2) *In case of a generating station declared under commercial operation on or after the date of commencement of these Regulations, an Application for fixation of tariff shall be made as per Appendix - II to these Regulations, for determination of Provisional tariff within 180 days prior to the anticipated date of commercial operation based on the Capital Expenditure actually incurred up to the date of making of the Application or a date prior to making of the Application, duly audited and certified by the Statutory Auditors, and the provisional tariff shall be charged from the date of commercial operation of the respective Unit of the generating station.*

Provided that where application for determination of provisional tariff of a new project has been filed before the Commission in accordance with Clause 14 (2) of these Regulations, the Commission may consider granting provisional tariff up to 90% of the Annual Fixed Cost of the project claimed in the application subject to adjustment as per proviso to Clause 14(2) of these Regulations after the final tariff order has been issued.

(3) *The generating company shall make a fresh Application for final tariff in prescribed format ....*

(4) *The generating company shall file an application for determination of supplementary tariff for the emission control system installed in coal based thermal generating station in accordance with these Regulations not later than 90 days from the date of start of operation of such emission control system.*

3. Application for Approval of Provisional Capital Cost and MYT for FY 2024-25 to FY 2028-29

3.1 The capital cost of the project, excluding HQ expenses, up to 09.02.2024 (i.e. COD of Unit 1) is Rs. 10,469.94 Crore and capital cost as on 31.03.2025 is Rs. 11,385.94 Crore. The Capital Expenditure as provided in Auditor Certificate (till 09.02.2024) has been considered as opening value of the Gross Fixed Asset (GFA).

Table 1 Gross Fixed Asset Balance of OBRA C (2x660MW) Thermal Power Station (in Rs. Crores)

Particulars	FY 2024-25	FY 2025-26 (Provisional)	FY 2026-27 (Provisional)	FY 2027-28 (Provisional)	FY 2028-29 (Provisional)
Opening GFA	10,469.94	11489.22	13108.71	13108.71	13108.71
Capitalization during the FY	916.00	1619.49	-	-	-
Deletions during the FY	-	-	-	-	-
Addition on Account of HQ	1.03				
Closing GFA	11386.97	13006.46	13006.46	13006.46	13006.46

3.2 Accordingly, the details of Annual Capacity (Fixed) Charges computations for OBRA C (2x660MW) TPS for the Financial Years 2024-25 to 2028-29 for approval is as follows

Table 2 Summary of Annual Capacity (Fixed) Charges and Energy Charge for FY 2024-25 to FY 2028-29 (in Rs. Crores)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Depreciation	580.35	663.17	659.85	659.85	659.85
Interest on Loan	783.81	812.14	802.06	731.79	661.51
Return on Equity	491.78	548.85	585.29	585.29	585.29
Interest on Working Capital	119.19	126.23	127.56	127.35	127.46
Operation & Maintenance	340.30	358.12	376.99	396.79	417.65
Total Annual Capacity Charges	**2315.43**	**2508.51**	**2551.76**	**2501.08**	**2451.77**
Total Fuel Cost	2,293.12	2,293.12	2,293.12	2,298.35	2,293.12

3.3 The Petitioner has submitted that the Energy Charges for the Base Year (FY 2024–25) has been claimed in accordance with the norms specified in the applicable Regulations and for the subsequent years (FY 2025–26 to FY 2028–29), no escalation in the prices of oil and coal has been considered at this stage.

3.4 Prayer of the Petitioner

(a) The Commission is requested to accept this submission of Multi Year Tariff of OBRA C (2x660 MW) TPS for the control period comprising FY 2024-25 to FY 2028-29.

(b) The Commission is requested to approve the Provisional Capital Cost and Annual Revenue Requirement (including Energy Charges) and determine the Provisional Tariff for the generating stations of the Petitioner for each of the financial years of the period FY 2024-25 to FY 2028-29.

(c) Permit recovery of expenses understated/ not considered in this Petition subsequent to the submission of this petition.

(d) The Commission is requested to Condone any inadvertent omissions / errors / short comings and permit the applicant to add /change /modify / alter this Petition and make further submissions as may be required at later stages.

(e) The Commission is requested to Pass such orders as Commission may deem fit and proper and necessary in the facts and circumstances of the case, to grant relief to the Petitioner.

4. Record of Proceeding

4.1. Pursuant to the hearing dated 19.08.2025, the Commission, the Commission vide Order dated 01.09.2025, granted four weeks' time to the Petitioner to submit the reasons for the time and cost overrun along with revised tariff forms by way of an additional affidavit. The Commission also directed the Petitioner to submit: (i) a revised Auditor's Certificate for the project cost excluding expenditure on the emission control system, and (ii) details of expenditure incurred on the emission control system. The Petitioner filled additional affidavit on 18.09.2025.

4.2. Pursuant to the hearing held on 30.10.2025, the Commission, vide Order dated 11.11.2025, granted six weeks' time to the Respondent to file its reply and four weeks' time to the Petitioner to file its rejoinder. The Respondent filled its reply on 19.01.2026. The petition was subsequently heard on 20.01.2026 and the Commission vide Order dated 06.02.2026, the Commission granted six weeks' time to the Petitioner to file its rejoinder. The Petitioner filled its Rejoinder on 25.03.2026. Pursuant to the hearing dated 07.04.2026, the Commission, vide Order dated 13.04.2026, granted four weeks' time to the Respondent to file its reply. The Respondent filled its reply on 08.05.2026.

4.3. Thereafter, vide Order dated 18.05.2026, following the hearing dated 12.05.2026, the Commission granted four weeks' time to the Petitioner to file its reply. The Petitioner filled its Rejoinder on 09.07.2026. The matter was thereafter heard on 14.07.2026 and, vide Order dated 31.07.2026, the Commission reserved its order in the petition.

5. Petitioner Submission and Respondent Reply

5.1 Capital Cost

Petitioner's Submission

5.1.1. The project scheme was initially approved by the Government of Uttar Pradesh on 31.07.2012, with an initial estimated cost of Rs. 8,777.71 Crores, which was subsequently revised by an additional Rs. 1,638.29 Crores due to higher prices discovered during the bidding process, increasing the total cost to Rs. 10,416.00 Crores. This revised cost was approved by the BOD in its 169th meeting on 14.09.2016 and received Government approval on 24.11.2016.

5.1.2. Further cost escalation of Rs. 1,289.85 Crores arose due to GST impact, price variation, Corporate Environment Responsibility (CER), railway siding, startup fuel, ash dyke construction, and land acquisition. This increase was approved by the BOD in its 202nd meeting on 25.02.2022 and by the Government on 10.11.2022, raising the project cost to Rs. 11,705.85 Crores.

5.1.3. Additionally, another expenditure of Rs. 1,299.58 Crores due to price variation, foreign exchange rate changes, and pre-operative expenses was approved by the BOD in its 219th meeting on 20.11.2023 and by the Government on 20.06.2024. Consequently, the overall project cost increased to Rs. 13,005.43 Crores. Approval of the Energy Task Force was also accorded in its meeting held on 24.01.2024.

Table 3 Capital Cost Revision and Approvals

Sl. No.	Particulars	Approval of the BoD of UPRVUNL	Approval of the Authority	Amount (Rs. Cr.)
1	Original Project Cost	152nd meeting dated 14.09.2012	Letter No. 1651/24-1-12-1534/2012 dated 31st July,2012	Rs. 8,777.71 Cr.
2	Cost revision due to prices obtained in bidding process	169th meeting dated 14.09.2016	Letter No. 2532/24-1-2016-2354/2016 dated 24th November 2016	Approved Cost after 1st Cost Revision (Rs. 10,416.00 Cr.) (*Incremental Cost Rs. 1,638.29 Cr.*)
3	Additional Expenditure on account of GST Impact, Price Variation, CER, Railway siding, start-up fuel, new Ash Dyke construction & Land Acquisition etc	202nd meeting Dt. 25.02.2022	Letter No.1540/24-1-2022-2354/2016 dated 10th November 2022	Approved Cost after 2nd Cost Revision (Rs. 11,705.85 Cr.) (*Incremental Cost Rs. 1289.85 Cr.)*
4	Additional Expenditure on account of Price Variation, Change in Foreign Exchange rates, Preoperative expenses (Start-up fuel) etc.	219th meeting Dt. 20.11.2023	Letter No. 919/24-1-2024-2354/2016dated 20th November 2022	Approved Cost after 3rd Cost Revision (Rs. 13005.43 Cr.) (*Incremental Cost Rs. 1,299.58 Cr.*)
5.	**Total Revised Project Cost**			**13,005.43**

5.1.4. The Petitioner has submitted that to comply with revised environmental regulations and Environmental Clearance requirements, the project scope was significantly expanded to include the installation of FGD and SCR systems, a new Ash Dyke, a 2.5 MW Solar Power Plant, and a Zero Liquid Discharge Effluent Treatment Plant (ETP). Additional modifications included the incorporation of a Fly Ash Distant Terminal Silo, replacement of the proposed Track Tippler with two Tandem Wagon Tipplers in the Coal Handling System, and enhancement of the evacuation system through a 765 kV AIS/400 kV GIS switchyard along with two 400/765 kV ICTs in place of the originally planned 400 kV AIS switchyard. The Breakup of three cost revisions is provided as below:

Table 4 Breakup of 1st cost revision

Sr. No.	Description	DPR Cost	Cost (in Rs. Crores)	Difference
A	EPC Package to Doosan	5955.627	7770.21	1814.58
B1	Railway Siding	55.15	130	74.85
B2	Contingency @3% of (A+B1)	187.74	237.01	49.26
B3	Establishment Cost @ 0.25% of (A+B1)	308.6776	19.75	(-)199.43
B4	Consultancy Cost @.5% (A+B1)		39.50	
B5	Start-up Fuel		50	
B6	Non-EPC including Permanent Township	279.55	283.50	3.95
B7	Margin Money (25% of Working Capital)	300.4	217.00	(-) 83.40
B	Total B1 to B7	1131.52	976.76	(-) 154.76
	Total Project Cost Without IDC (A+B)	7087.15	8746.96	1659.82
C	IDC (Interest during Construction)	1690.56	1669	(-) 21.56
	Total Project Cost with IDC	**8777.71**	**10415.97**	**1638.29**

Table 5 2nd cost Revision and Justification

Sr. No.	Item	Earlier Estimated/ Approved Cost (Rs. Cr.)	Estimated Cost as per Revision-2	Increase in Cost	Remark
1	EPC agreement	7770.21	8642.06	871.85	The increase due to GST and price variation is estimated in the EPC Contract. At present the estimated price variation is about to 8.2 % of the contracted amount, which is within the maximum limit of +/- 20% approved by the U.P. Govt.
	(a). G.S.T. tax	1013.01 (Pre G.S.T. Tax	1275.86	262.85	
	(b). Price Variation	Max +/- 20 Percentage	609.00	609.00	
2.	Corporate Environment Responsibility (CER)	-	35.00	35.00	There was no provision earlier. In the order of the conditions of the No objection Certificate of the Ministry of Environment and forests, the board of directors of UPRVUNL has approved this expenditure to be made from the project cost in the meeting held on 07.03.2019.
3.	For the construction of new ash dyke, land acquisition, Expense for Stage 1-2	211.00 (As per Billing Breakup Unit (B.B.U.) for	470.00	259.00	By deducting the cost of Ash Dyke de scoping from the EPC cost for Construction of Bridge over Renuka River expenditure on Stage -1 &2 related works and consultancy work. The Ministry of Environment, Forest and Climate Change (MOEF&CC) accorded

Sr. No.	Item	Earlier Estimated/ Approved Cost (Rs. Cr.)	Estimated Cost as per Revision-2	Increase in Cost	Remark
	and for the construction of bridge on Renuka River	the EPC Contract)			environmental clearance to the project under the provisions of Environmental Impact Assessment (EIA) Notification dated 14th September 2006 and subsequent amendments therein vide letter Dt. 21.06.2016.
4.	Railway Siding Work (Including the Cost of LOCO)	130.00	164.00	34.00	In the Detailed Project Report (DPR), a provision was made for three Diesel-Electric Locomotives of 3200 H.P. capacity (W.D.G.-3) at an estimated cost of Rs. 28.75 Crore. Subsequently, the offer was received from M/s RITES for the supply of three locomotives of 4000 H.P. capacity (W.D.G.-4). The quoted cost was higher by Rs. 17.60 Crore per locomotive, on account of commute fees, insurance charges, and an upward revision in GST rates from 12% to 18%.
5.	Start Up Fuel	50.00	140.00	90.00	In the approved project cost of Obra-C project, provision of Rs. 50 crores were made for start-up fuel on the basis of estimated oil consumption of about 11,000 KL and the then landing cost of fuel oil at Obra project of Rs. 45,000 per KL. In 1x660 MW Harduaganj thermal project of UCL, the estimated oil consumption for two units is about 20,000 KL as against the oil consumption of about 12,000 KL till the first synchronization of the unit and the estimated cost of start-up fuel is Rs. 140 crores based on the current landing cost of LDO at Obra project of Rs. 70,000 per KL. Thus, an increase of Rs. 90 crores is likely in the start-up fuel item as against the approved Rs. 50 crores. At present no expenditure has been incurred under this head
	Total Project Cost with IDC	10,416.00	11,705.85	**1,289.85**	*Incremental Cost Rs. 1289.85 Cr.*

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Table 6 Breakup and Justification of 3rd Cost Revision

Sr. No.	Item	Earlier Estimated/ Approved Cost (Rs. Cr.)	Estimated Cost as per Revision-3	Increase in Cost	Remark
1	Price Variation	609.00	648.17	39.17	After the approval of the Government of Uttar Pradesh, work order was issued to M/s Doosan on 22.12.2016 for the construction of Obra-C thermal project. In the contracts with M/s Doosan, provision of price adjustment (price variation) has been made in the contract on the basis of labour and material index issued by the Government of India in respect of cost of labour and material components etc. By Government letter no. 2964/24-1-2016-2353/2016 dated 22.12.2016, approval was given to M/s Doosan, the EPC working agency selected for the construction of Obra-C thermal project, to issue work order under the condition of price adjustment (ceiling of (+/-) 20%) for getting the work done under the tender conditions. The following provision has been made in Appendix-2 of the contract regarding price adjustment: - " *(i) The Contract price shall be subject to price adjustment during performance of the Contract to reflect changes in the cost of labour and material components etc.* *(ii) The price adjustment provisions shall be applicable separately for price components relating to Supply of Equipments, Installation, Civil and Structural Works, as per price break-up furnished by the Contractor in Schedule-1 / Schedule-2 and Schedule-4."* The price variation has been estimated at about 8.97% of the contract value, which is within the approved limit of (+/-) 20%).
2.	Change in conversion rates	1124.61 (Exchange rate as on date 15.07.2016	1206.15	81.54	Increase in the cost of material supply and custom duty charges under Contract No. 01 (Supply of Offshore Material), primarily on account of fluctuations in exchange rates. The Exchange Rates on dates (15.07.2016) at the time tender. (1 EURO= 75.70 INR, 1 USD= 67.89 INR, 1 JPY = 0.6513 INR).

Sr. No.	Item	Earlier Estimated/ Approved Cost (Rs. Cr.)	Estimated Cost as per Revision-3	Increase in Cost	Remark
					The Exchange Rates taken as per RBI reference on dates (29.09.20) (1 EURO= 75.70 INR, 1 USD= 67.89 INR, 1 JPY = 0.6513 INR)
3	Increase in Pre-Operative Expenses under the head of Start-up Fuel and Margin Money, primarily on account of higher costs of (primary fuel (coal), secondary fuel, and limestone).	357.00	673.92	316.92	Due to fluctuations in the prices of fuel oil and coal, the provisioned rates (*at the time of approved cost the landed cost of Coal and fuel oil was considered as Rs. 1700 /Metric Ton and Rs. 30000/ KL)* in the originally approved cost have increased by 3.0 times for coal and 2.83 times for fuel oil, based on the actual consumption pattern observed in the 1x660 MW Harduaganj Thermal Power Project unit. Additionally, an estimated increase of Rs. 3.97 crore has been projected towards the procurement of limestone.
4	Increase in Establishment Expenditure cost	19.75	77.93	58.18	The increase in cost is primarily attributed to the extension of the project timeline, during which 177 employees were engaged at the site. Consequently, additional expenditure was incurred towards their salaries and associated expenses.
5	Increase in Interest During Construction (IDC)	1669.00	2472.78	803.78	The timeline of construction of the project has been extended due to the impact of including the Covid-19 pandemic (first and second waves) and other unforeseen factors. As a result, both the project cost and the Interest During Construction (IDC) have increased. Out of the total project cost of Rs. 10,416 crores, Rs. 1,669.00 crores were originally estimated under the IDC head up to April 2021, at an interest rate of 12.50%. However, by September 2023, the expenditure under this head had risen to Rs. 2,081.16 crores. Considering the likely Commercial Operation Date (COD) of the first unit in November 2023 and the second unit in June 2024, an additional increase of about Rs. 803.78 crore under IDC is projected
	Total Project Cost with IDC	11,705.85	13,005.43	**1299.58**	*(Incremental Cost Rs. 1,299.58 Cr.)*

5.1.5. Accordingly, Petitioner has requested the Commission to consider and approve the revised project cost as **Rs. 13,005.43 Cr.** as estimated in the table above.

5.1.6. The Petitioner has submitted that the time overrun in execution of the Obra 'C' Thermal Power Project (2×660 MW) was primarily caused by delayed site handover and non-availability of construction fronts due to encroachments, law-and-order issues, utility shifting, delays in statutory approvals and railway siding permissions, affecting major project areas and the critical path. The Petitioner has further submitted that the Project was impacted by Force Majeure events, including the COVID-19 pandemic and a severe storm in May 2018, as well as Change in Law implications arising from implementation of GST w.e.f. 01.07.2017. Accordingly, it has been prayed that the resultant time overrun, being attributable to factors beyond the Petitioner's control, be condoned by the Commission. The details of the same is tabulated as below:

Table 7 Area-wise Site Handover Delay (April 2017 – March 2021)

Area	Sector	Site Handover Date (As per L-2 Schedule)	Actual Site Handover Date	Delay (Days)
Power Block	Sector-6	20.06.2017	05.08.2020	**1142**
Switchyard	Sector-3	15.11.2017	19.03.2021	**1220**
Coal Stockpile	Sector-7	31.12.2017	03.10.2019	**641**
Wagon Tippler	Sector-10	29.04.2017	27.07.2020	**1185**
IDCT	Sector-5 & 6	30.11.2017	05.08.2020	**979**

Table 8 Summary of Site Handover Delay – Causes

Sl. No.	Area	Major Reasons for Delay
A1	Power Block (Sector-6)	• Illegal encroachments (slums, kiosks)
		• Delay in demolition & eviction
		• Delay in blasting permissions
		• Delay in chemical testing & auction of blasted stones
A2	Switchyard (Sector-3)	• Delay in dismantling 400 kV Anpara–Sarnath line by UPPTCL
		• Delay in blasting & disposal of excavated limestone
A3	Coal Handling (Sectors 7 & 10)	• Delay in relocation of Police Station
		• Transmission line shifting delays
		• Repeated revocation of blasting permissions
		• Delay in Railway approvals

Sl. No.	Area	Major Reasons for Delay
A4	IDCT (Sector-5 & 6)	• Delay in tree cutting (4191 trees) • Delay in removal of colony quarters, utilities & illegal structures

Table 9 Delay Due to COVID-19 Pandemic (Force Majeure)

Wave	Period	Duration	Key Impacts
First Wave	30.01.2020 – 31.10.2020	**9 Months**	• National lockdown • Suspension of site activities • Offshore & domestic supply chain disruption • Travel restrictions for OEM experts
Second Wave	01.04.2021 – 30.09.2021	**6 Months**	• Severe manpower exodus • Acute oxygen shortage • High infection & fatality rates • Material & logistics disruption
Total COVID Delay Claimed	—	**15 Months**	Recognized as Force Majeure (MoF OM dated 19.02.2020)

Table 10 Delay Due to GST Implementation (Change in Law)

Period	Duration	Nature of Event	Reasons
01.07.2017–30.11.2017	4 Months	Change in Law (GST Introduction)	• Uncertainty in tax mechanism • Anti-profiteering compliance • Interim invoicing mechanism • Procedural transition delays

Table 11 Delay Due to Natural Calamity (Force Majeure)

Date	Duration	Event	Impact
03.05.2018 – 03.07.2018	2 Months	Severe storm (Wind speed up to 132 km/hr)	• Collapse of supporting structures • Damage to turbine pedestal & columns • Destruction of sheds, stores, canteen & panels

Project Expenses as on COD

5.1.7. The Petitioner has submitted that the Commission, vide orders dated 05.02.2024 and 06.05.2024, approved the provisional Capital Cost, ARR and Tariff for FY 2023–24 for Unit-1 of Obra-C Thermal Power Station based on the Auditor's Certificate dated 15.03.2023 certifying expenditure up to 31.12.2022. It has further submitted that the present Petition seeks approval of the provisional Capital Cost, ARR and Tariff for FY 2024–25 for Unit-1 and for FY 2025–26 to FY 2028–29 for both Units, consequent upon Unit-2 achieving COD on 09.07.2025. The tariff claim has been computed based on provisional accounts and actual expenditure incurred up to the COD of Unit-2 based on Auditor's certificate dated 28.08.2025. The capital expenditure incurred during FY 2024–25 has been accordingly considered and tabulated.

Table 12 Capital Expenditure as per provisional account for FY 2024-25 in Rs

G/L Account	Particulars	Accumulated Balance FY 2024-25 in Rs Crores
10.201	BUILDINGS	604.24
10.301	HYDRAULIC WORKS	467.41
10.401	OTHER CIVIL WORKS	249.17
10.501	PLANT & MACHINERY	5,377.77
10.601	LINES, CABLES & NET	81.06
10.801	FURNITURES & FIXTURE	0.84
10.901	OFFICE EQUIPMENT	0.60
11.301	CAPITAL SPARES AT GE	292.63
	Total	**7,073.73**

5.1.8. The Petitioner submitted the Auditor's Certificate dated 28-08-2025 certifying the Project Cost up to COD of Unit-2 (09.07.2025) amounting to Rs. 10,933.61 Crore excluding the amount of FGD and SCR as directed by the Commission. The said cost has been considered as the Opening Capital Cost for FY 2025-26.

UPPCL's Reply dated 19.01.2026 and 08.05.2026

5.1.9. The Respondent has submitted that admission of capital cost is subject to prudence check by the Commission under Regulation 17(7) of the UPERC Generation Tariff Regulations, 2024, and cannot be allowed solely on the basis of auditor certification. It has been contended that the Petitioner has not furnished adequate justification for the substantial cost escalation from ₹8,777.09 crore to ₹13,005.43 crore representing an escalation of approximately Rs. 4,228 Crore through three successive revisions. The Respondent has further submitted that approvals accorded by the Board of Directors, Energy Task Force and Government of Uttar Pradesh are not binding on the Commission, which is required to independently examine the reasonableness, necessity and tariff admissibility of the claimed expenditure. Therefore, a comprehensive prudence check is essential before any capital cost is admitted.

1st Revision

5.1.10. UPPCL has objected to the first revision of project cost from ₹8,777.09 crore to ₹10,415.97 crore, contending that the claimed cost escalation is not supported by adequate documentary evidence and fails the prudence test. It has been submitted that expenditure towards FGD and SCR systems, which are yet to be commissioned, cannot be admitted in capital cost. Further, no in-principal approval under Regulation 15 has been obtained for these additional works, nor has the Petitioner produced evidence that the FGD and SCR systems were procured through a transparent competitive bidding process. UPPCL has further challenged various additional works and cost escalations, including ash dyke, solar plant, zero liquid discharge system, wagon tipplers, power evacuation facilities, railway siding, consultancy, start-up fuel, establishment cost and IDC, on account of inadequate supporting documents and justification, contending that the Petitioner has neither placed the Environmental Clearance conditions on record nor provided any component-wise cost break-up or documentary evidence to establish that such works were mandated. Accordingly, UPPCL has prayed that the revised project cost be disallowed until supported by complete documentary evidence and prudence scrutiny.

5.1.11. Further, UPPCL submits that the escalation claimed under various heads, including Railway Siding (Rs. 74.85 crore), Contingency (Rs. 49.26 crore), Consultancy Cost (Rs. 39.50 crore), Start-up Fuel (Rs. 50 crore), and non-EPC Works including Permanent Township (Rs. 3.95 crore), remains unsubstantiated due to the absence of supporting documents, approvals, agreements, calculations, or detailed justifications. UPPCL has further contended that the admissibility of IDC remains subject to scrutiny of delay, financing arrangements and prudence verification by the Commission.

2nd Revision

5.1.12. UPPCL has opposed the second revision of project cost from ₹10,415.97 crore to ₹11,705.85 crore, contending that the claimed escalation towards GST, price variation, CER, ash dyke, land acquisition, railway siding, start-up fuel and other works is unsupported by adequate documentary evidence and fails the prudence test. It has been submitted that GST is not admissible as a Change in Law event under the PPA, while expenditure towards price variation, CER, ash dyke and start-up fuel is either unsubstantiated, not yet incurred, or not permissible under the Regulations. Accordingly, UPPCL has prayed that the revised cost claims be disallowed until duly justified and supported by complete documentary evidence.

3rd Revision:

5.1.13. UPPCL has opposed the third revision of project cost from ₹11,705.85 crore to ₹13,005.43 crore, contending that the claimed escalation towards price variation, foreign exchange variation, start-up fuel, establishment expenditure and IDC is not supported by adequate documentary evidence and largely arises from delays attributable to the Petitioner. It has been submitted that the claims fail the prudence test, lack supporting computations and records, and cannot be passed on to beneficiaries.

5.1.14. With respect to the claim of Rs. 39.17 crore towards price variation, UPPCL has contended that the Government approval dated 22.12.2016 permitting a price variation clause has not been placed on record and no item-wise computation or supporting documents have been furnished. Similarly, the claim of Rs. 81.54 crore on account of change in conversion rate has been challenged on the ground that the exchange rates considered at the time of tender and those subsequently applied are stated by the Petitioner itself to be identical, thereby negating any foreign exchange impact.

5.1.15. UPPCL has also disputed the increase of Rs. 316.92 crore towards start-up fuel and margin money, arguing that the claim is speculative and based on assumptions drawn from another project rather than actual expenditure incurred for the present project. With regard to the substantial increase of Rs. 803.78 crore in Interest During Construction (IDC), UPPCL has submitted that IDC is intrinsically linked to time overrun and cannot be allowed unless the delay is fully justified. It has been argued that several delays occurred well before the outbreak of COVID-19 and were caused by shortcomings in planning, procurement, land readiness, design finalisation, and project execution on the part of the Petitioner.

5.1.16. UPPCL has accordingly requested an independent verification of the capital cost and prayed that the revised expenditure be disallowed until duly substantiated and prudence-checked by the Commission. UPPCL has requested the Commission to constitute an independent committee for verification of the actual capital cost and prudence check of the expenditure claimed.

Time Overrun

5.1.17. UPPCL has submitted that the Scheduled Commercial Operation Dates (SCOD) approved under the PPA were **31.08.2017 for Unit-1 and 28.02.2018 for Unit-2**, whereas the actual CODs were achieved only on **09.02.2024 and 09.07.2025**, resulting in delays of approximately **77 months for Unit-1 and 88 months for Unit-2**. UPPCL has submitted that the substantial delay in achieving COD of both units remains largely unexplained and that the reasons now advanced by the Petitioner are inconsistent with its earlier submissions.

5.1.18. It has contended that the alleged delays relating to site handover, encroachments, statutory approvals, utility shifting, railway clearances and other project activities were foreseeable and within the Petitioner's control, reflecting deficiencies in planning and execution rather than Force Majeure. Accordingly, UPPCL has submitted that the time overrun is attributable to the Petitioner and is not entitled to condonation, and that the consequential claims towards capital cost escalation, IDC and other financial reliefs are liable to be rejected. The alleged time overrun is neither attributable to Force Majeure nor Change in Law events. At the outset, UPPCL submits that the Petitioner has failed to comply with the mandatory requirements of the PPA for invoking Force Majeure, which require contemporaneous notice within 24 hours and proof of the event. No such notices have been placed on record.

5.1.19. With respect to the alleged delay in site handover between April 2017 and March 2021, UPPCL contends that Obra-C is an extension project located entirely on land owned and controlled by UPRVUNL. The Petitioner has failed to establish that any of these impediments rendered the entire project site unavailable or prevented parallel execution of works on available land.

5.1.20. Regarding delays in **Sector-3, coal handling facilities, wagon tippler area and IDCT works**, UPPCL has argued that constraints such as shifting of transmission lines, dismantling of the Anpara-Sarnath transmission line, railway siding approvals, relocation of the police station and tree felling were all foreseeable project activities that ought to have been planned and initiated much earlier. UPPCL emphasizes that the Petitioner approached concerned authorities only near or after the original SCOD, demonstrating poor project management rather than circumstances beyond its control. According to UPPCL, the documentary record shows that approvals were granted in due course and that any delay largely resulted from late initiation of processes, inadequate coordination, contract management failures and internal execution issues.

5.1.21. Regarding the COVID-19 pandemic, UPPCL argues that the Ministry of Power notifications were intended for inter-state projects and cannot automatically be applied to the present intra-state project. Further, the Commission has already held that COVID-related relief must be assessed on a case-by-case basis. UPPCL submits that power generation and transmission activities were exempted from lockdown restrictions and that construction activities were permitted to continue subject to prescribed conditions.

5.1.22. UPPCL has contended that the project suffered substantial delays attributable to the Petitioner and, therefore, any consequential increase in IDC, financing charges, establishment expenses, startup fuel costs, price variation, exchange rate variation, GST impact, or other escalation-related claims cannot be passed on to beneficiaries. Further, administrative approvals granted by the Board of Directors or the Government of Uttar Pradesh are not binding on the Commission for tariff determination.

Petitioner's Rejoinder dated 25.03.2026 and 08.07.2026

5.1.23. The Petitioner submitted that the present proceedings concern determination of provisional tariff, and not final approval of capital cost. The capital cost of Rs. 10,933.61 crore, inclusive of IDC and financing charges, represents the expenditure stated to have been incurred up to COD and certified by the Statutory Auditor. The corresponding cost excluding IDC and financing charges has been disclosed as Rs. 8,232.89 crore, the bifurcation being provided to explain the composition of the overall capital cost.

5.1.24. The Petitioner submitted it has relied upon Regulation 14(2) of the UPERC Generation Tariff Regulations, 2024, under which provisional tariff for a new generating station may be determined on the basis of capital expenditure incurred up to the relevant date and duly audited and certified by the Statutory Auditor. It therefore requests the Commission to permit provisional recovery of up to 90% of the claimed Annual Fixed Charges, subject to adjustment after determination of final tariff.

5.1.25. Since Unit-2 achieved COD on 09.07.2025, the audited accounts for FY 2025-26 would be finalized only after the close of that financial year. The Petitioner accordingly states that the application for final tariff and final capital cost will be filed in accordance with Regulation 14(A)(3) after finalization of the relevant audited accounts.

Exclusion of FGD and SCR expenditure

5.1.26. The Petitioner submitted that no expenditure relating to FGD or SCR systems has been included in the capital cost presently claimed. This exclusion is stated to be in compliance with the Commission's Record of Proceedings dated 26.08.2025.

5.1.27. Accordingly, UPPCL's allegation that the increase in the EPC package, particularly the incremental amount of Rs. 1,814.58 crore includes FGD or SCR expenditure has been denied as factually incorrect. The Petitioner maintains that the EPC expenditure claimed relates only to executed and capitalized project components forming part of the generating station as on COD.

1st Revision:

5.1.28. The Petitioner submits that the first revised project cost was only a provisional estimate prepared during project execution based on contractual commitments, project progress, and anticipated expenditure. The present capital cost claim reflects actual expenditure incurred up to COD, duly recorded in the project accounts and certified by the Statutory Auditor.

5.1.29. It has further submitted that assets such as the Ash Dyke, ZLD-ETP, Solar Plant, Fly Ash Silo, Wagon Tipplers, Switchyard, ICTs and Railway Siding form part of the approved project scope and are necessary for operational, environmental and statutory compliance. The Petitioner has contended that the claimed expenditure towards contingency, consultancy services, start-up fuel and non-EPC works is based on actual project requirements and audited records. It has further submitted that the reduction in establishment cost and IDC reflects actual expenditure and revised financing requirements. Accordingly, the Petitioner has prayed that the admissibility of the claimed expenditure be examined through a detailed prudence check during final tariff determination.

5.1.30. The Petitioner has further stated that above assets were necessitated by environmental-clearance conditions and statutory requirements. The Fly Ash Distant Terminal Silo and Tandem Wagon Tipplers are stated to be integral components of the coal handling and ash management systems, incorporated during detailed engineering for operational efficiency and environmental compliance. Similarly, the revised 765 kV AIS/400 kV GIS switchyard configuration and ICTs were adopted to ensure reliable power evacuation, grid compatibility, and compliance with transmission planning requirements. With respect to the Railway Siding, the Petitioner contends that it is an essential coal logistics facility and that cost variations from the DPR estimate resulted from finalized engineering scope, revised specifications, execution requirements, and statutory obligations.

5.1.31. The contingency provision of Rs. 49.26 crore is stated to be a recognized component of project cost intended to meet unavoidable expenditure arising during implementation. The revised establishment cost, showing a reduction of Rs. 199.43 crore is attributed to rationalization of manpower deployment and alignment of expenditure with actual project activity. The consultancy cost of Rs. 39.50 crore is claimed towards project management, technical advisory, design review, and contract-management services necessary for execution of the supercritical thermal project. The start-up fuel expenditure is stated to represent fuel consumed for first firing, synchronization, testing, stabilization, and commissioning activities before COD.

5.1.32. Finally, the reduction in IDC by Rs. 21.56 crore is attributed to updated loan drawals, actual interest rates, and revised project cash-flow requirements.

2nd Revision

5.1.33. The Petitioner has submitted that the second revision of project cost reflects actual and committed liabilities arising during project execution, including expenditure towards GST, price variation, CER, ash dyke and associated works, railway siding, and start-up fuel.

- **GST Impact (Rs. 262.85 crore):** GST is claimed as part of the actual project expenditure incurred under the prevailing tax regime and included in the auditor-certified capital cost.
- **Price Variation (Rs. 609 crore):** The amount represents contractual price escalation under the EPC contract and forms part of the expenditure incurred during execution.

- **Corporate Environment Responsibility (CER) (Rs. 35 crore):** The Petitioner submits that CER expenditure arises from project-specific environmental compliance obligations and is distinguishable from general CSR expenditure.

- **Ash Dyke, Land Acquisition, Stage-I & Stage-II Works, and Renuka River Bridge (Rs. 26.82 crore):** These expenditures are stated to have been incurred pursuant to environmental clearance conditions and project implementation requirements.

- **Railway Siding Works (Rs. 34 crore):** The cost increase is attributed to operational requirements of the coal transportation system, including procurement of higher-capacity locomotives and related charges.

- **Start-up Fuel Provision (Rs. 90 crore):** The revised provision is based on engineering assessments, commissioning requirements, prevailing fuel prices, and benchmarking with comparable supercritical units.

3rd Revision:

5.1.34. The Petitioner has submitted that the third revision of project cost reflects actual liabilities arising from contractual provisions, statutory indexation, project execution requirements and financing costs. It has been contended that the claims towards price variation, foreign exchange variation, pre-operative expenses, establishment expenditure and IDC are based on contractual entitlements, actual expenditure and project requirements, and are supported by financial and operational records.

- **Price variation of Rs. 39.17 crore:** The Petitioner submitted that EPC contract is contain an approved price-adjustment mechanism. The Government of Uttar Pradesh, by letter dated 22.12.2016, permitted a price-variation clause with a ceiling of ±20%. The estimated variation of approximately 8.97% is stated to remain within that ceiling.

- **Foreign exchange variation of Rs. 81.54 crore:** The foreign exchange impact is stated to arise from actual foreign currency exposure under the offshore material supply contract. While reference exchange rates were used for tender evaluation, payments and customs duties were discharged using the rates prevailing on the respective remittance dates.

- **Pre-operative expenses of Rs. 316.92 crore:** The increase under start-up fuel and margin money is attributed to updated input prices and operational requirements for the 2×660 MW project. The original provision was based on earlier price levels, while the revised amount reflects the landed cost of coal, fuel oil, and limestone during commissioning.
- **Establishment expenditure of Rs. 58.18 crore:** The increases in establishment expenditure is attributed to the extended construction and commissioning period and the continued deployment of technical, supervisory, administrative, safety, and support personnel.
- **IDC of Rs. 803.78 crore:** The Petitioner has submitted that the increase in IDC is stated to reflect actual financing costs, loan drawals, applicable interest rates, and the extended construction period.

5.1.35. The Petitioner has submitted that the admissibility of the aforesaid expenditure shall be subject to prudence check and verification of supporting documents, approvals and actual expenditure at the stage of final tariff determination.

Time overrun and delay justification

5.1.36. **Site availability and encroachments:** The Petitioner submitted that although the land was located within the existing generating-station premises, the Petitioner states that construction-ready and encumbrance-free work fronts were unavailable due to illegal occupations, habitation, public utilities, and hilly terrain. Removal of encroachments required intervention by district authorities and law-enforcement agencies. The Petitioner argues that ownership of land cannot be equated with immediate physical availability for construction.

5.1.37. **Removal of hand pumps:** Hand pumps situated in critical construction zones could not be removed unilaterally because they were public utilities under local administrative control. Their presence affected excavation, land development, and foundation works.

5.1.38. **Controlled blasting and hill cutting:** Levelling the Dakhiya Hills required controlled blasting, which depended on statutory permissions, safety approvals, inspections, and coordination with district and police authorities. The Petitioner argues that prior knowledge of hard strata did not eliminate the requirement for regulatory approval.

5.1.39. **Chemical testing and disposal of blasted material:** Chemical testing became necessary due to geological variation encountered during excavation. The test results affected classification, ownership, handling, and lawful disposal of excavated material. Disposal further required determination of ownership, valuation, storage, auction, and approval by the District Administration.

5.1.40. **Transmission-line shifting:** Relocation of the 400 kV Anpara-Sarnath LILO line and other transmission infrastructure depended upon the transmission utility, outage planning, safety protocols, system-operation requirements, and coordinated execution. The Petitioner submits that it lacked unilateral authority to dismantle operational transmission assets.

5.1.41. **Coal handling and wagon tippler areas:** Development of the CHP, coal stockpile, and wagon tippler areas was delayed by relocation of a police station, shifting of transmission infrastructure, blasting restrictions, railway-safety conditions, and disposal of excavated material.

5.1.42. **Railway approvals:** Railway connectivity and approval of the railway DPR required technical scrutiny, alignment review, operational assessment, and approval by Railway authorities. The Petitioner states that preparation of the DPR depended upon finalization of the plant layout, siding alignment, land availability, and engineering details.

5.1.43. **Tree felling and unauthorized structures:** Tree removal required permission, valuation, auction, contractor appointment, physical removal, and Forest Department supervision. Clearance of unauthorized structures required district administration and police support.

5.1.44. **COVID-19:** The Petitioner claims delay during the first and second waves of COVID-19 due to workforce restrictions, vendor disruption, delayed inspections, interrupted factory acceptance tests, transport constraints, customs delays, and reduced site productivity. It argues that exemptions for construction activity did not eliminate the practical impact of lockdown restrictions.

5.1.45. **GST transition and natural calamity:** The Petitioner also attributes delay to GST implementation, which affected procurement, vendor registration, logistics, compliance systems, and tax-credit mechanisms. Separately, a severe storm on 03.05.2018 is stated to have damaged temporary infrastructure, power distribution arrangements, storage areas, and workforce facilities, requiring restoration before normal execution could resume.

5.1.46. The UPRVUNL submitted its second rejoinder on 08.07.2026 and reiterated its stand similar to its rejoinder dated 25.03.2026. The following points were submitted by the Petitioner:

- **Delay in Site Handover and Site Readiness:** The Petitioner resubmits that although land had been identified within the existing Obra TPS premises, the project site was heavily encumbered by hilly terrain, illegal encroachments, shops, kiosks, hand pumps, pipelines, and other structures. Clearance of these impediments required support from the District Administration, Police Authorities, Nagar Panchayat, and other agencies.

- **Delay in Removal of Hand Pumps and Utility Infrastructure:** While the existence of these utilities was known, their removal was not within UPRVUNL's unilateral control.

- **Controlled Blasting Permissions and Hill Cutting:** The Petitioner submits that it diligently pursued approvals and complied with several safety and regulatory requirements. Temporary stoppages due to royalty issues, dam safety concerns, and additional conditions imposed by authorities reflected regulatory oversight rather than any fault of UPRVUNL.

- **Chemical Testing and Disposal of Blasted Material:** UPRVUNL submits that geological variations necessitated retesting and chemical analysis of excavated material before valuation, auction, transportation, and disposal could be undertaken.

- **Sector-3 and Switchyard Related Delays:** The delay in dismantling the existing 400 kV Anpara-Sarnath transmission line is attributed to UPPTCL, which alone had authority over the transmission asset. Likewise, grading and clearance of switchyard areas were affected by statutory procedures governing removal and disposal of excavated materials.

- **Coal Handling Plant Area Delays:** The Petitioner submits that relocation of the existing Obra Police Station was a complex administrative exercise requiring approvals from the Police Department and District Administration. Public objections to alternate sites and delays in obtaining approvals hindered relocation.
- **Transmission Line Shifting:** Shifting of operational transmission lines required technical studies, outages, safety clearances, and execution by the concerned transmission utility.
- **Wagon Tippler Area Delays:** Blasting activities in the Wagon Tippler area were subject to permissions and restrictions imposed by the District Administration, Mining Department, Railways, and safety authorities.
- **Railway Connectivity and DPR Approvals:** The Petitioner submits that railway connectivity approvals and approval of the Railway DPR were entirely dependent on East Central Railway. Despite timely submission of feasibility reports, DPRs, responses to queries, and requisite payments, approvals were delayed due to internal processes within the Railway Administration, including vigilance and audit-related issues.
- **Delays in IDCT Area:** Tree felling and removal in the IDCT area were governed by statutory procedures under the Forest Department and Uttar Pradesh Forest Corporation.
- **COVID-19 Force Majeure:** UPRVUNL claims relief for 15 months of delay arising from the COVID-19 pandemic, comprising 9 months during the first wave (January–October 2020) and 6 months during the second wave (April–September 2021).
- **GST as Change in Law:** The Petitioner claims four months of delay (July–November 2017) due to transitional issues arising from GST implementation and argues that these disruptions were nationwide and beyond its control.
- **Natural Calamity (Storm of May 2018):** The storm caused damage to construction works, electrical installations, temporary structures, storage facilities, and site infrastructure.

5.2 Gross Fixed Asset

Petitioner's Submission

5.2.1 The Petitioner has considered the opening Gross Fixed Asset (GFA) for FY 2024–25 based on provisional accounts, and for FY 2025–26 based on the Auditor's Certificate as on the Commercial Operation Date of Unit-2, i.e., 08.07.2025.

5.2.2 Further, the projected balance project cost for FY 2025–26 and FY 2026–27 has been duly included, while explicitly excluding the cost relating to FGD and SCR systems, in compliance with the directions of the Commission. Based on these considerations, the Gross Fixed Asset (GFA) position for the period from FY 2024–25 to FY 2028–29 has been worked out and presented in the following table.

Table 13 GFA Claimed by the Petitioner

	FY 2024-25*	FY 2025-26**	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	7,073.73	10,933.61	11,370.48	11,806.39	11,806.39
Capitalization during the FY		435.91	435.91	-	-
Deletions during the FY			-	-	-
Addition on Account of HQ		0.96			
Closing GFA	**7,073.73**	**11,370.48**	**11,806.39**	**11,806.39**	**11,806.39**

**based on Provisional Account*
***Based on Auditor's Certificate dated 28.08.2025 for expenditure incurred up to 09.07.2025*

UPPCL's Reply dated 19.01.2026 and 08.05.2026

5.2.3 UPPCL has challenged the Petitioner's claim for additional capitalization of Rs. 435.91 crore, stating that the claim is unsupported by detailed break-up, documentary evidence, scope justification, or contractual basis. Accordingly, UPPCL submits that the claimed additional capitalization should not be considered for provisional tariff purposes. Accordingly, UPPCL has prayed that the capital cost, additional capitalization and opening GFA be determined only after prudence check and verification of complete supporting records, while reserving its right to submit revised computations upon availability of requisite information.

5.2.4 UPPCL has further pointed out that the Petitioner has failed to comply with Regulation 17(g) of the 2024 Tariff Regulations by not disclosing the revenue earned from sale of infirm power and whether such revenue has been adjusted against the project capital cost as required under the Regulations. In addition, UPPCL contends that expenditure claimed under HQ Allocation does not form part of the project capital cost and is therefore inadmissible for tariff determination.

5.2.5 UPPCL has submitted that, for determination of the Gross Fixed Assets (GFA) of the project, only the actual capital expenditure incurred up to the Commercial Operation Date (COD), subject to prudence check, can be considered as the opening GFA for the true-up period from FY 2024-25 to FY 2028-29. Accordingly, the opening GFA must be recalculated after giving effect to the deductions and disallowances sought by UPPCL in relation to disputed capital cost components, including IDC, financing charges, and other contested expenditures.

5.2.6 UPPCL has also submitted that, in the absence of complete information, supporting documents, detailed computations, and proper justifications from the Petitioner, it is not possible to determine the admissible capital cost and GFA with certainty at this stage.

Petitioner's Rejoinder dated 25.03.2026 and 08.07.2026

5.2.7 At the provisional tariff stage, the Commission is required to recognize certified expenditure, while matters relating to delay, IDC, infirm power, and additional capitalisation are to be examined at the final tariff stage. The projected additional capitalisation disclosed is indicative and within the original project scope, subject to audit and prudence check before final approval. The absence of DPR-level break-ups or detailed scope documentation at the provisional stage does not invalidate certified expenditure, as such details are compiled during final account finalisation.

5.2.8 The Petitioner submitted that since the delays were caused by uncontrollable factors such as statutory clearances, utility shifting, railway approvals, force majeure events, and the COVID-19 pandemic, the associated IDC and financing charges are admissible as part of the capital cost, subject to prudence check. The projected additional capitalization of Rs. 435.91 crore each for FY 2025-26 and FY 2026-27 has been claimed under Regulation 21A of the 2024 Tariff Regulations for balance works and liabilities within the approved project scope and remains subject to verification, prudence review, and true-up based on audited accounts and supporting documents. Accordingly, the claimed capital cost and additional capitalization deserve consideration in accordance with the Tariff Regulations.

5.3 Means of Finance

Petitioner's Submission

5.3.1 The Petitioner considers debt equity ratio of 70:30 in line with Regulation 23 of Generation Tariff Regulation 2024.

Table 14 Debt Equity ratio

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Gross Fixed Asset	7,073.73	10,933.61	11,370.48	11,806.39	11,806.39
Addition during the year	-	435.91	435.91	-	-
Deletions during the year	-	-	-	-	-
Addition on Account of HQ	-	0.96	-	-	-
Closing Gross Fixed year	7,073.73	11,370.48	11,806.39	11,806.39	11,806.39
Financing:					
Opening Equity (Same as Closing of previous year)	2,122.12	3,280.08	3,411.14	3,541.92	3,541.92
Equity addition during the year (30% GFA addition during the year)	-	130.77	130.77	-	-
Deletion during the year (30% GFA addition during the year)	-	-	-	-	-
Closing Equity	2,122.12	3,410.86	3,541.92	3,541.92	3,541.92
Open. Accumulated Depreciation (Same as previous year accumulated Depreciation)	408.12	791.75	1381.73	1994.84	2619.47

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Remaining Depreciation at beginning of FY	5958.23	9441.68	9244.02	8630.91	8006.28
Depreciation during the year	383.63	589.98	613.11	624.64	624.49
Closing Accumulated Depreciation	791.75	1381.73	1994.84	2619.47	3243.97
Opening Debts	4951.609	7653.5249	7,369.36	7,061.39	6,436.75
Loan addition during the year	-	305.81	305.14	-	-
Less: Decrease due to de- Capitalization during the Year	383.63	589.98	613.11	624.64	624.49
Less: Depreciation (normative Loan repayment)	-	-	-	-	-
Closing Debts	**4,567.98**	**7,369.36**	**7,061.39**	**6,436.75**	**5,812.25**

UPPCL's Reply dated 19.01.2026 and 08.05.2026

5.3.2 UPPCL submits that, for claiming additional capitalization, UPRVUNL was required to disclose the actual quantum of debt and equity deployed in the project and demonstrate compliance with the regulatory debt-equity framework. Consequently, UPPCL argues that the Petitioner's mechanical application of a normative 70:30 ratio, without establishing the actual debt and equity funding supporting the additional capitalization, is inconsistent with the requirements of the Tariff Regulations.

5.3.3 UPPCL has further pointed out that, while Form-10 (Financing of Additional Capitalization) has been furnished, the form is incomplete and lacks critical financing details. The supporting information required through Form-7 (Project Specific Loans) or Form-8 (Allocation of Corporate Loans) has also not been adequately substantiated. In the absence of these disclosures, the Commission cannot determine whether the financing structure adopted by the Petitioner is in conformity with Regulation 23 or whether the claimed interest on loan and return on equity are admissible.

Petitioner's Rejoinder dated 25.03.2026 and 08.07.2026

5.3.4 For provisional tariff, the Petitioner has adopted the normative 70:30 debt-equity ratio. It states that actual debt drawls, equity infusion, repayment schedules, interest rates, and station-wise financing particulars will be reconciled after finalization of the FY 2025-26 accounts.

5.3.5 The Petitioner submits that the 70:30 normative debt-equity ratio has been adopted in accordance with the 2024 Tariff Regulations, which provide a normative financing framework independent of actual funding arrangements. Since the claimed additional capitalization up to the cut-off date is only projected expenditure, the absence of final Board approvals or financing documents cannot justify rejection of normative debt and equity treatment.

5.3.6 Further, at the provisional tariff stage, prudence check is limited to assessing the admissibility and reasonableness of projected capitalization. Verification of actual loan sanctions, equity infusion, financing costs, and related approvals can only be undertaken during final tariff determination and true-up proceedings, when the expenditure has crystallized and supporting records are available.

5.4 Depreciation

Petitioner's Submission

5.4.1 The Petitioner has calculated the eligible depreciation based on the rates prescribed in the tariff regulations accordingly claimed the allowable depreciation as shown in below table.

Table 15 Depreciation as claimed by the Petitioner

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Opening Capital Cost	7073.73	10933.61	11370.48	11806.39	11806.39
Closing Capital Cost	7073.73	11370.48	11806.39	11806.39	11806.39
Average Capital Cost	7,073.73	11,152.04	11,588.43	11,806.39	11,806.39
Freehold land	0.00	0.00	0.00	0.00	0.00
Rate of depreciation	5.42%	5.40%	5.39%	5.29%	5.29%
Depreciable value	6366.35	10233.43	10625.75	10625.75	10625.75
Cumulative depreciation at beginning	408.12	791.75	1381.73	1994.84	2619.47
Remaining Depreciation at beginning	5958.23	9441.68	9244.02	8630.91	8006.28
Depreciation (for the period)	383.63	589.98	613.11	624.64	624.49
Depreciation (annualised)	383.63	589.98	613.11	624.64	624.49

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Cumulative depreciation at the end of the period	791.75	1381.73	1994.84	2619.47	3243.97

UPPCL's Reply dated 19.01.2026 and 08.05.2026

5.4.2 UPPCL has observed that the depreciation rates applied appear to be those applicable to existing generating stations rather than a new project such as Obra-C. According to UPPCL, the Petitioner has incorrectly relied upon Regulation 25(3)(c)(v), which applies to existing projects, whereas depreciation for Obra-C should be determined under Regulation 25(3)(c)(iv) read with Appendix-III of the 2024 Tariff Regulations. On this basis, UPPCL has assessed the applicable depreciation rate at approximately 3.45% for FY 2024-25 and 4.07% from FY 2025-26 onwards after capitalization of Unit-2.

5.4.3 UPPCL has also identified specific issues in the Petitioner's depreciation computation, including an alleged duplication of the asset category "Fuel Handling and Storage System," which has inflated the depreciation base. Further, expenditure claimed under HQ Allocation has been included for depreciation purposes, even though UPPCL maintains that such expenditure does not form part of the project cost and therefore cannot be depreciated.

Petitioner's Rejoinder dated 25.03.2026 and 08.07.2026

5.4.4 Depreciation has been calculated in line with Regulation 25(3)(c) using the straight-line method and norms applicable to new generating stations, with reconciliation to be undertaken after prudence check of audited accounts. The Petitioner contends that provisional depreciation is permissible pending final capital cost and asset break-up, acknowledges the clerical error in applying depreciation rates for old stations, and seeks to rectify the same during prudence check. Allegations of asset duplication or improper cost inclusion are denied, with all asset-wise details, HO allocations, and cumulative depreciation to be verified at the final tariff stage.

5.5 Interest on Loan

Petitioner's Submission

5.5.1 The Petitioner has considered the opening loan value at 70% of the total capital expenditure, in line with the Gross Fixed Asset (GFA) determined for the project. Accordingly, 70% of the capital cost has been treated as debt financing, while the balance has been considered as equity, consistent with the normative debt–equity ratio prescribed under the Tariff Regulations. Further, in accordance with the normative financing framework, the allowable depreciation has been treated as repayment of the normative loan. The weighted average rate of interest on the loan has been calculated based on the actual books of accounts for FY 2024–25, and the same has been adopted for tariff computation.

Table 16 Interest on Loan for FY 2024-25 to FY 2028-29

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Normative loan	4,951.61	7,653.52	7,369.36	7,061.39	6,436.75
Add: Increase due to addition during the year /period	-	305.81	305.14	-	-
Less: Decrease due to de-capitalization during the year / period	-	-	-	-	-
Less: Loan repayment	383.63	589.98	613.11	624.64	624.49
Closing Normative loan	**4,567.98**	**7,369.36**	**7,061.39**	**6,436.75**	**5,812.25**
Average Normative loan	4,759.79	7,511.44	7,215.37	6,749.07	6,124.50
Weighted average rate of interest	9.48%	9.48%	9.48%	9.48%	9.48%
Interest on Loan	**451.29**	**712.18**	**684.11**	**639.90**	**580.68**

UPPCL's Reply dated 19.01.2026 and 09.05.2026

5.5.2 UPPCL submits that the Petitioner's Interest on Loan claim has not been supported with the loan-wise details and disclosures mandated under Regulation 25(iii)(B) of the 2024 Tariff Regulations. The Petitioner has failed to furnish complete loan particulars under Form 8 and has also not submitted a Statutory Auditor's certificate certifying the weighted average rate of interest claimed.

5.5.3 Further, UPPCL contends that interest claimed on loans relating to additional capitalization for FY 2025-26 and FY 2026-27 is liable to be disallowed since the underlying additional capitalization claim itself is disputed.

Petitioner's Rejoinder dated 25.03.2026 and 08.07.2026

5.5.4 The Petitioner submitted that its interest on loan claim of Rs. 2074 Crores for FY 2024–25 to 2028–29 has been computed strictly in accordance with Regulation 25 of the Tariff Regulations, applying the normative debt–equity structure, actual loan data, and prescribed methodology. It maintains that the claim is consistently aligned with regulatory principles, that interest linked to admissible additional capitalisation is a legitimate tariff component, and that auditor certification and any procedural clarifications can be furnished at the final capital cost stage without affecting admissibility.

5.6 Return on Equity

Petitioner's Submission

5.6.1 It has submitted that 30% of the capital expenditure funded by equity has been considered and accordingly the below table provides the summary of RoE.

Table 17 Return on Equity for FY 2024-5 to FY 2028-29

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Equity	2,122.12	3,280.08	3,411.14	3,541.92	3,541.92
Add: Increase due to addition during the year / period	-	131.06	130.77	-	-
Less: Decrease due to de-capitalization during the year / period	-	-	-	-	-
Closing Equity	2,122.12	3,411.14	3,541.92	3,541.92	3,541.92
Average Equity	2,122.12	3,345.61	3,476.53	3,541.92	3,541.92
Rate of Return on Equity (%)	15%	15%	15%	15%	15%
Allowable RoE	**318.32**	**501.84**	**521.48**	**531.29**	**531.29**

UPPCL's Reply dated 19.01.2026 and 09.05.2026

5.6.2 UPPCL has submitted that UPRVUNL has claimed Rs. 2,404.22 crore towards Return on Equity (RoE) for FY 2024-25 to FY 2028-29 based on a normative 30% equity assumption. However, UPPCL contends that Regulation 23 requires disclosure of the actual equity infused and debt raised for the project, along with the prescribed debt-equity computation, which the Petitioner has failed to provide.

5.6.3 UPPCL further contended that the claimed RoE of 15% is contrary to the GoUP Order dated 31.07.2017 and UPRVUNL's own Board Resolution, both of which prescribe RoE at 2%.

Petitioner's Rejoinder dated 25.03.2026 and 08.07.2026

5.6.4 The Petitioner submitted that its RoE claim of Rs. 2404.22 Crores for FY 2024–25 to 2028–29 has been calculated in line with the Tariff Regulations using the normative debt–equity structure, is provisional, and subject to prudence check and true-up.

5.6.5 Further, the Petitioner contends that the alleged restriction of RoE to 2% under the Government of Uttar Pradesh Order dated 31.07.2017 is not applicable for tariff determination under Section 62 of the Electricity Act, 2003, which is governed by the applicable Tariff Regulations.

5.6. Operation and Maintenance Charges

Petitioner's Submission

5.6.1. The Petitioner has computed O&M expenses as per norms specified in Regulation 25 (d) of Generation Tariff regulation 2024. The O&M expenses claimed by the Petitioner is as follows.

Table 18 Operation and Maintenance Expenses for FY 2024-25 to FY 2028-29

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Capacity (2x660 MW)	660	1320	1320	1320	1320

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Norms (Lakhs/MW)	25.78	27.13	28.56	30.06	31.64
O&M Expenses claimed (Normative)	**170.15**	**358.12**	**376.99**	**396.79**	**417.65**

5.6.2. Further the Petitioner submitted that the charges like water charges, Security expenses, ash transportation expenses and capital spares may be allowed to claim as it incurred.

UPPCL's Reply dated 19.01.2026 and 09.05.2026

5.6.3. The Petitioner has claimed O&M expenses on a normative basis, thus UPPCL requested the Commission to undertake a prudence check of the claim and reserved its right to submit detailed calculations upon receipt of complete information and supporting documents from the Petitioner. It has emphasized that Regulation 25(d) of the UPERC Generation Tariff Regulations, 2024 permits recovery of O&M expenses only at the prescribed normative levels, while any unutilized amount may be carried forward to meet genuine O&M requirements in subsequent years.

Petitioner's Rejoinder dated 25.03.2026 and 08.07.2026

5.6.4. The Petitioner submits that O&M expenses for FY 2024-25 to FY 2028-29 have been claimed strictly in line with the normative framework under the UPERC Tariff Regulations, based on unit configuration, capacity and prescribed escalation factors. The claim is a normative tariff allowance, not a reimbursement of actual expenditure, and is essential for reliable and efficient plant operation.

5.7. Interest on Working Capital

Petitioner's Submission

5.7.1. The Petitioner has considered the fuel details certified by the Cost Accountant for the months of January, February, and March 2025. The average values for the period January to March 2025 have been worked out accordingly.

Table 19 Weight Avg. Coal and Oil Price

Particulars	January 2025	February 2025	March 2025	Average
Weighted average landed cost of coal (Rs. /MT)	3,511.04	4,113.75	3,306.13	3,643.64
Weighted average GCV of coal (Kcal/Kg)	3,293.00	3,279.00	3,192.00	3,254.67
Weighted average landed cost of Oil (Rs. /KL)	72,810.83	74,894.22	75,597.23	74,434.09
Weighted average GCV of Oil (Kcal/Ltr.)	9280.00	9280.00	9280.00	9280.00

5.7.2. Considering the above values Variable cost and fixed cost are claimed as below:

Rs Crore	2024-25	2025-26	2026-27	2027-28	2028-29
Coal Cost	1,150.02	2,300.04	2,300.04	2,305.29	2,300.04
Oil Cost	36.58	73.16	73.16	73.33	73.16
Total Variable Cost	1,186.60	2,373.20	2,373.20	2,378.62	2,373.20
Total Fixed Cost	1387.68	2287.53	2322.31	2319.78	2281.54
Total FC+VC	2,574.28	4,660.73	4,695.51	4,698.39	4,654.74

5.7.3. The summary of Interest on Working Capital is as follows:

Table 20 Interest on Working capital for FY 2024-25 to FY 2028-29

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Cost of Coal towards stock (20 days)	63.01	126.03	126.03	125.97	126.03
Advance payment for 30 days towards cost of coal	94.52	189.04	189.04	188.96	189.04
Cost of Main Secondary Fuel Oil (2 Months)	6.10	12.19	12.19	12.22	12.19
O&M Expenses (One Month)	14.18	29.84	31.42	33.07	34.80
Maintenance Spares@20% of O&M	34.03	71.62	75.40	79.36	83.53
Receivable 45 days (Capacity Charges and Energy Charges)	317.38	574.61	578.90	577.67	573.87
Total Working Capital	**529.22**	**1003.34**	**1012.98**	**1017.25**	**1019.47**
Rate of Interest (SBI MCLR + 350 basis Points) as on 1st April of FY	12.15%	12.50%	12.50%	12.50%	12.50%
Interest on Working Capital	**64.30**	**125.42**	**126.62**	**127.16**	**127.43**

UPPCL's Reply dated 19.01.2026 and 08.05.2026

5.7.4. UPPCL observed that the Petitioner has considered Auxiliary Power Consumption of 6.25% and Specific Oil Consumption of 1 ml/kWh, which are not in conformity with the normative values prescribed under the 2024 Tariff Regulations. UPPCL has also opposed the Petitioner's proposal to adopt SFOC of 1 ml/kWh, submitting that Regulation 28(4)(a) of the UPERC Generation Tariff Regulations, 2024 prescribes a binding norm of 0.5 ml/kWh for coal-based generating stations and no deviation can be claimed based on CERC Regulations.

Petitioner's Rejoinder dated 25.03.2026 and 08.07.2026

5.7.5. All costs and operational parameters, including auxiliary energy consumption of 6.25%, have been determined in line with DPR design data and regulatory methodology, with any future adjustment in capital cost or Annual Fixed Cost to be automatically reflected at the final approval or true-up stage, rendering the Respondent's objection premature. The Petitioner further submits that although allowance of SFOC for wall-fired boilers in line with CERC Tariff Regulations, 2024 was sought, the UPERC Regulations, 2024 presently do not provide for the same, and therefore requests the Commission to exercise its Power to Remove Difficulty under Regulation 10 to allow SFOC consistent with CERC norms; accordingly, the Respondent's request for disallowance is misconceived and contrary to the regulatory framework.

5.8. Annual Fixed Charge

5.8.1. Summary of the Annual Capacity Charges (Fixed Charges) claimed for Control Period FY 2024-25 to FY 2028-29

Table 21 Annual Fixed charge claimed by Petitioner for FY 2024-25 to FY 28-29

Sr. No.	Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
1	Depreciation	383.63	589.98	613.11	624.64	624.49
2	Interest on Loan	451.29	712.18	684.11	639.90	580.68
3	Return on Equity	318.32	501.84	521.48	531.29	531.29
4	Interest on Working Capital	64.30	125.42	126.62	127.16	127.43
5	Operation & Maintenance	170.15	358.12	376.99	396.79	417.65

Sr. No.	Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
7	**Total Annual Capacity Charges**	**1,387.68**	**2,287.53**	**2,322.31**	**2,319.77**	**2,281.54**

UPPCL's Reply dated 19.01.2026 and 08.05.2026

5.8.2. Considering the commissioning of Unit-1 on 09.02.2024 and Unit-2 on 09.07.2025, UPPCL requested the Commission to undertake a comprehensive prudence check of all claimed expenses and allow only those found reasonable and admissible.

Petitioner's Rejoinder dated 25.03.2026 and 08.07.2026

5.8.3. The Petitioner has maintained that the AFC for FY 2024-25 to FY 2028-29 has been computed strictly as per the UPERC Tariff Regulations, based on all admissible components duly supported by prescribed formats and auditor certifications, and has denied any inflated or unsubstantiated costs.

5.9. Energy Charge

Petitioner's submission

5.9.1. Summary of the Energy Charges (Fixed Charges) claimed for Control Period FY 2024-25 to FY 2028-29

Table 22 Energy charge for FY 2024-25 to FY 2028-29

Sr. No.	Description	Unit	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
1	Capacity	MW	660	1320	1320	1320	1320
2	PLF	%	85%	85%	85%	85%	85%
3	Gross Station Heat Rate	kCal. / kWh	2044.99	2044.99	2044.99	2044.99	2044.99
4	Auxiliary Energy Consumption	%	6.25%	6.25%	6.25%	6.25%	6.25%
5	Energy Generation - Gross	MUs	4,914.36	9,828.72	9,828.72	9,851.16	9,828.72
6	Auxiliary Energy Consumption	MUs	307.15	614.30	614.30	615.70	614.30
7	Ex-bus Energy Sent Out (5-6)	MUs	4,607.21	9,214.43	9,214.43	9,235.46	9,214.43
8	Specific Oil Consumption	ml./ kWh	1.00	1.00	1.00	1.00	1.00
9	Wt. Avg. GCV of Oil	kCal. /L	9,280	9,280	9,280	9,280	9,280

Sr. No.	Description	Unit	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
10	Price of Oil	Rs. /kL	74,434	74,434	74,434	74,434	74,434
11	Wt. Avg. GCV of Coal (as Received)	kCal. /Kg.	3255	3255	3255	3255	3255
12	GCV of Primary Fuel (Coal) less 85 Kcal/Kg on account of variation during storage	kCal. /kg.	3170	3170	3170	3170	3170
13	Price of Coal	Rs. /MT	3,644	3,644	3,644	3,644	3,644
14	Heat Contribution from SFO [(8*9)/1000]	kCal/ kWh	9.28	9.28	9.28	9.28	9.28
15	Oil Consumption [5*8]	kL	4914.36	9828.72	9828.72	9851.16	9828.72
16	Heat Contribution from Coal [3-14]	kCal/k Wh	2036	2036	2036	2036	2036
17	Specific Coal Consumption [16/12]	kg/kWh	0.64	0.64	0.64	0.64	0.64
18	Coal Consumption [(5*17)/1000]	MMT	3.16	6.31	6.31	6.33	6.31
19	**Total Cost of Oil [15*10/10^7]**	**Rs Cr**	36.58	73.16	73.16	73.33	73.16
20	Total Cost of Coal [(18*13)/10]	Rs Cr	1,150.02	2,300.04	2,300.04	2,305.29	2,300.04
21	Total Fuel Cost [19+20]	Rs Cr	1,186.60	2,373.20	2,373.20	2,378.62	2,373.20
22	Rate of Energy Charge from Secondary Fuel Oil ex-bus [(19/7) *1000]	Paise/k Wh	7.94	7.94	7.94	7.94	7.94
23	Rate of Energy Charge from Coal ex-bus [(20/7) *1000]	Paise/k Wh	249.61	249.61	249.61	249.61	249.61
24	**Rate of Energy Charge ex-bus per kWh [22+23]**	**Paise/ kWh**	257.55	257.55	257.55	257.55	257.55

UPPCL's Reply dated 19.01.2026 and 08.05.2026

5.9.2. UPPCL submitted that the Petitioner has incorrectly considered Auxiliary Energy Consumption (AUX) at 6.25% instead of the normative 8.50% prescribed under the UPERC Generation Tariff Regulations, 2024. UPPCL also contended that the Petitioner has wrongly adopted the SFOC norm of 1 ml/kWh based on CERC Regulations, whereas the applicable UPERC Regulations prescribe 0.5 ml/kWh, and therefore the higher claim should be rejected.

Petitioner's Rejoinder dated 25.03.2026 and 08.07.2026

5.9.3. The Petitioner sought allowance of SFOC for wall-fired boilers in line with the CERC Tariff Regulations, 2024, which was not incorporated in the UPERC Generation Tariff Regulations, 2024, and has therefore requested the Commission to exercise its power under Regulation 10 to remove this difficulty and permit such SFOC.

6. Commission's Analysis

6.1. Previous Order of the Commission

6.1.1. The Commission vide its previous order dated 05.02.2024 in Petition No. 1991 of 2023 approved the provisional Capital cost, Annual Revenue Requirement & tariff applicable for OBRA C from the date of CoD till the determination of final tariff by the Commission. The Commission had approved the provisional capital cost of Rs. 7,828.02 Cr. which is 90% of the claimed value of the Petitioner. The Commission further directed the Petitioner to ensure timely availability of fuel and logistics as to utilise the assets instead of procuring coal by any other means to safeguard the customer interest from unwarranted cost and furnish details strictly in terms of the format of the tariff formats of the relevant tariff regulation at the time of filling. The approved Annual Fixed Charges (AFC) approved by the Commission in order dated 05.02.2024 is as follows

Table 23 AFC approved by the Commission in Rs. Crore

S. No.	Particulars	Unit	FY 2023-24
1.	Depreciation	Rs. Crore	408.12
2.	Interest on Loan Capital	Rs. Crore	561.85
3.	Return on Equity	Rs. Crore	352.26
4.	Interest on Working Capital	Rs. Crore	76.10
5.	O & M Expenses	Rs. Crore	276.33
6.	Total Capacity Charges	Rs. Crore	1,674.65
7.	Energy Ex Bus	MUs	9,240.00
8.	FC per unit	INR/kWh	1.81

6.1.2. Regulation 14 of the Generation Tariff Regulations 2024 provides term and conditions for filing the application for determination of tariff including provisional tariff. The relevant extract of the said regulation 14 is reproduced for ready reference as under:

"14. Application for determination of tariff

B. For New project

(1) The generating company shall make an application for fixation of tariff in respect of the completed Units of the generating station in such forms and such manners as prescribed in these Regulations and Uttar Pradesh Electricity Regulatory Commission (Conduct of Business) Regulation, 2019 as amended from time to time or any statutory reenactment thereof:

Provided that the applications for determination of tariff shall be filed covering the period for which the terms and conditions of tariff shall remain in force.

(2) In case of a generating station declared under commercial operation on or after the date of commencement of these Regulations, an Application for fixation of tariff shall be made as per Appendix - II to these Regulations, for determination of Provisional tariff within 180 days prior to the anticipated date of commercial operation based on the Capital Expenditure actually incurred up to the date of making of the Application or a date prior to making of the Application, duly audited and certified by the Statutory Auditors, and the provisional tariff shall be charged from the date of commercial operation of the respective Unit of the generating station.

Provided that where application for determination of provisional tariff of a new project has been filed before the Commission in accordance with Clause 14 (2) of these Regulations, the Commission may consider granting provisional tariff up to 90% of the Annual Fixed Cost of the project claimed in the application subject to adjustment as per proviso to Clause 14(2) of these Regulations after the final tariff order has been issued.

(3) ....

(4) The generating company shall file an application for determination of supplementary tariff for the emission control system installed in coal based thermal generating station in accordance with these Regulations not later than 90 days from the date of start of operation of such emission control system.
..........."

6.1.3. The instant petition has been filed for determination of provisional tariff of 2x660 MW OBRA-C for the MYT Period 2024-29; the 1st unit having been declared under commercial operation on 09.02.2024 and its provisional tariff determined vide order dated 05.02.2024 in the Petition 1991 of 2023. The 2nd unit has been declared under commercial operation on 09.07.2025, whereas the provisional tariff petition was filed on 02.07.2025, which is a non-compliance to the Regulation 14(2) of UPERC Generation tariff Regulations 2024 mandating filing of petition 180 days prior to the anticipated date of commercial operation. This regulatory provision has been kept keeping in view the timely determination of revenue requirement for operation of the plant. During the hearing, the Commission was informed that the provisional billing for Unit-2 was being done at the provisional tariff of Unit-1 without approval of the Commission.

6.1.4. During the hearing, the Commission was also informed that the emission control system was yet to be commissioned, however, the capital expenditure of the same was included in the Auditor Certificate submitted with the Petition. Therefore, the petition had to be revised with bifurcation of the capital expenditure incurred towards emission control system in accordance with the directions of the Commission. Subsequently, the details of time and cost overrun, and tariff forms were filed in piece meal manner advocating that the present petition pertained to determination of only provisional tariff and further details would be required at the final tariff determination stage. However, it must be borne in mind that filing of complete details in one go facilitates the commission to determine the extent of provisional tariff percentage (%), having a ceiling of 90%. Therefore, it is in the interest of the petitioner to be prudent and file the provisional tariff determination comprehensively, which would also aid in expediting the final tariff determination process once the audited account for FY 2025-26 is finalised.

6.1.5. The Commission has noted that while Form-10 (Financing of Additional Capitalization) has been furnished, the form is incomplete and lacks critical financing details. The supporting information required through Form-7 (Project Specific Loans) or Form-8 (Allocation of Corporate Loans) has also not been adequately substantiated.

6.2. Capacity/Fixed Charges

6.1.1. The Commission has considered the parameters as provided under Generation Tariff Regulations, 2024 for the determination of fixed charges for FY 2024-25 to FY 2028-29. Thus, considered parameters are as follows:

Particulars	Value	Remarks	
Debt-Equity	70:30	As per regulation 23 of Generation Tariff Regulation 2024	On Normative Bais
Return on Equity	15%	As Per Regulation 23(3)(a) of the Generation Tariff Regulation 2024	
Interest on Loan	9.48%	As Per Regulation 23(3)(b)(iv) of the Generation Tariff Regulation 2024	Basis the actual weighted rate of interest on existing loan as per the actual books of account.
O&M Expenses	25.78	As Per Regulation 23(3)(d)(i) of the Generation Tariff Regulation 2024	On Normative Bais
Rate of Interest on Working Capital	12.15%	As Per Regulation 23(3)(e)(V) of the Generation Tariff Regulation 2024	Computed as per SBI MCLR + 350 bps

6.2. GFA Balance

6.2.1. The Petitioner has requested the Commission to consider Rs. 7,073.73 Cr. for provisional tariff of FY 2024-25 based on the Provisional accounts and Rs. 10,933.61 Cr. for provisional tariff of FY 2025-26 based on the Auditor Certificate as on COD (i.e., 08.07.2025). The details of the cost estimate for the thermal power station as submitted is given in the table below:

Table 24 Cost estimate as on 08/07.2025

S No	Description	Project Cost as on 08.07.2025 (for Unit 1 & 2) in Rs. Crore
1	**Cost of Land & Site Development**	**28.14**
2	**Plant & Equipment**	
2.1	**Steam Generator**	2007.28
2.2	**Turbine Generator**	1201.58
2.3	**BOP Mechanical**	
2.3.1	External water supply system	-
2.3.2	CW system	147.52
2.3.3	DM water Plant	
2.3.4	Clarification plant	
2.3.5	Chlorination Plant	
2.3.6	Fuel Handling & Storage system	0.5
2.3.7	Ash Handling System	137.18
2.3.8	Coal Handling Plant	224.51
2.3.9	Rolling Stock and Locomotives	41.55
2.3.10	Air Compressor System	6.61
2.3.11	Air Condition & Ventilation System	38.09

S No	Description	Project Cost as on 08.07.2025 (for Unit 1 & 2) in Rs. Crore
2.3.12	Firefighting System	24.18
	Total BOP Mechanical	**3,828.99**
2.4	**BOP Electrical**	
2.4.1	Switch Yard Package	447.74
2.4.2	Transformers Package	
2.4.3	Switch gear Package	
2.4.4	Cables, Cable facilities & grounding	
2.4.5	Lighting	
2.4.6	Emergency D.G. set	
	Total BOP Electrical	**447.74**
2.5	**C & I Package**	149.63
	Total Plant & Equipment excluding taxes & Duties	**4,454.51**
2.6	**Taxes and Duties**	
2.6.1	Custom Duty	193.19
2.6.2	Other Taxes & Duties	949.41
	Total Taxes & Duties	**1,142.60**
	Total Plant & Equipment with Taxes &Duties	**5,597.11**
3	**Initial spares**	252.25
4	**Civil Works**	
	Total Civil works	**1,653.66**
5	**Construction & Pre- Commissioning Expenses**	
5.1	Tools & Plant	11.28
5.2	Start-up fuel	479.13
	Total Construction & Pre- Commissioning Expenses	**490.41**
6	**Overheads**	
6.1	Establishment (Incl. Consultancy and Social Responsibility)	211.84
6.2	Others (Administration & Gen Exp)	6.68
6.3	Contingency (Incl. Loss on Stocks)	20.94
	Total Overheads	**239.46**
7	**Capital cost excluding IDC & FC**	**8,232.89**
7.1	Interest During Construction (IDC)	2,698.53
7.2	Financing Charges (FC)	2.19
	Total of IDC, FC, FERV & Hedging Cost	**2,700.72**
8	**Working Capital Margin**	
9	**Capital cost including IDC & FC**	**10,933.61**
10	**Capital cost including IDC & FC and excluding FGD & SCR Cost**	**10,933.61**

6.2.2. The commission observes that Unit1 and 2 have achieved COD on 09.02.2024 and 09.07.2025 respectively against Schedule CoD 21.02.2020 & 21.04.2021 respectively. Therefore, the project COD shall be considered as 09.07.2025. The provisional tariff of Unit-1 determined earlier vide order dated 05.02.24 and 06.05.2024 shall be applicable from Unit-1 COD i.e., 09.02.2024 till the date of this order and provisional tariff of the project determined herein shall become applicable to the project thereafter till final tariff determination of the project.

6.2.3. The Commission notes that total actual expenditure incurred as on 08.07.2025 is Rs. 10,933.61 Cr. and statutory Auditor Certificate dated 28.08.2025 in this regard is placed on record. Further the Commission has not considered any Additional Capitalization for the FY 2025-26 and FY 2026-27 as claimed by the Petitioner and shall be considered at the time of True-up for the FY 24-29.

6.2.4. The Prudence check of the Capital cost of the project shall be performed by the Commission at the time of determination of final tariff. The determination of provisional tariff is detailed in the succeeding paragraphs of this order.

6.2.5. Accordingly, the Commission for the purpose of the instant Petition has considered 85% of the opening GFA balance for the FY 2024-25 and FY 2025-26 and approves the following GFA:

Table 25 GFA Approved by the Commission

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA	6,012.67	9,293.57	9,293.57	9,293.57	9,293.57
Capitalization During the Year	-	-	-	-	-
Deletion During the Year	-	-	-	-	-
Addition on Account of HQ		-			
Closing GFA	6,012.67	9,293.57	9,293.57	9,293.57	9,293.57

6.3. Depreciation

6.3.1. The Commission observed that the Petitioner in its submission has considered the depreciation rates applicable for the existing plants in accordance with Appendix III(A) of the Generation Tariff Regulations 2024, whereas, the Appendix III(B) of the Generation Tariff Regulations 2024 would be applicable for the station, as the station COD is beyond 31.03.2024.

6.3.2. The Commission for the purpose of calculation is guided by Regulation 24(iii) of the Generation Tariff Regulations, 2024. The land cost has been deducted from the GFA, and the Commission has applied depreciation rates as prescribed in Appendix III (B) of the Generation Tariff Regulations 2024, based on the Gross fixed Asset and worked out Depreciation for the FY 2024-25 to FY 2028-29 accordingly.

Table 26 Depreciation approved by the Commission FY 2024-25 to FY 2028-29

Particulars	*FY 2024-25*	*FY 2025-26*	*FY 2026-27*	*FY 2027-28*	*FY 2028-29*
Opening GFA	6,012.67	9,293.57	9,293.57	9,293.57	9,293.57
85% of Land Cost	23.92	23.92	23.92	23.92	23.92
Capital Cost Excluding Land Cost	5,988.75	9,269.65	9,269.65	9,269.65	9,269.65
Addition	-	-	-	-	-
Closing GFA	5,389.88	8,342.68	8,342.68	8,342.68	8,342.68
Average Depreciation	5,389.88	8,342.68	8,342.68	8,342.68	8,342.68
Rate of Depreciation	4.11%	4.08%	4.08%	4.08%	4.08%
Depreciation approved	221.78	340.79	340.79	340.79	340.79

6.4. Means of Finance

6.4.1. As per Petitioner's Submission, the Debt: Equity ratio is 70:30 for the Obra-C TPS subject to submission of relevant loan documents, equity infusion details and Prudence check during the determination of the final capital cost and tariff.

6.4.2. Regulation 23 of the Generation Tariff Regulations, 2024 provides that Debt: Equity ratio as on COD shall be 70:30 for the purpose of determination of tariff. The Relevant extract of the said Regulation is reproduced as under:

"23. Debt-Equity Ratio
In case of all generating stations, debt-equity ratio as on the date of commercial operation shall be 70:30 for determination of tariff. Where equity employed is more than 30%, the amount of equity for determination of tariff shall be limited to 30% and the balance amount shall be considered as the normative loan.
Provided that

a. *The generating company shall submit the resolution of the Board of the company regarding infusion of fund from internal resources in support of the utilization made or proposed to be made to meet the capital expenditure of the generating station.*
b. *In case of a generating station where actual equity employed is less than 30%, the actual debt and equity shall be considered for determination of tariff.*
c. *The equity invested in foreign currency shall be designated in Indian rupees on the date of each investment.*
d. *Any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt-equity ratio.*
e. *Any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt-equity rate*
f. *Any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt-equity rate*
g. *Any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt-equity rate* "

6.4.3. The Commission has considered the Debt-Equity ratio on normative basis as claimed by UPRVUNL and worked out Debt Equity for the project as under:

Table 27 Debt Equity Calculation for OBRA C (in Rs. Crore)

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening GFA @85%	6,012.67	9,293.57	9,293.57	9,293.57	9,293.57
Additions	-	-	-	-	-
Deletions/Capitalisation	-	-	-	-	-
Closing GFA	6,012.67	9,293.57	9,293.57	9,293.57	9,293.57
Financing					
Debt %	70%	70%	70%	70%	70%
Equity %	30%	30%	30%	30%	30%
Opening Debts	4,208.87	6,505.50	6,335.10	6,164.71	5,994.31
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
Less: Depreciation/ Repayment	221.78	340.79	340.79	340.79	340.79
Closing Debts	3,987.09	6,164.71	6,164.71	6,164.71	6,164.71
Opening Equity	1,803.80	2,788.07	2,788.07	2,788.07	2,788.07
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
Closing Equity	1,803.80	2,788.07	2,788.07	2,788.07	2,788.07

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6.5. Return on Equity

6.5.1. The Commission has approved rate of return @15% in terms of Regulation 25 (3) (a) of Generation Tariff Regulations, 2024, subject to submission of relevant equity infusion details and Prudence check during the determination of the final capital cost and tariff. Accordingly, the Return on Equity to the Petitioner has been approved as under:

Table 28 Return on Equity for OBRA C approved by the Commission

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Equity	1,803.80	2,788.07	2,788.07	2,788.07	2,788.07
Addition during the Year	-	-	-	-	-
Deletion During the Year	-	-	-	-	-
Closing Equity	1,803.80	2,788.07	2,788.07	2,788.07	2,788.07
Average Equity	1,803.80	2,788.07	2,788.07	2,788.07	2,788.07
ROE Rate	15%	15%	15%	15%	15%
Return on Equity	270.57	418.21	418.21	418.21	418.21

6.6. Interest on Loan

6.6.1. The Commission has considered the opening and closing loan and applied the weighted average rate of interest of loan as claimed by the Petitioner based on the actual books of accounts for the FY 2024-25 and the same has been applied for the computation of interest on loan for the period FY 25-26 to FY 28-29 also. However, this would be subject to submission of relevant loan documents and Prudence check during the determination of the final capital cost and tariff. The interest on loan is calculated as below:

Table 29 Interest on Loan as approved by the Commission

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Opening Loan	4,208.87	6,505.50	6,335.10	6,164.71	5,994.31
Addition during the Year	-	-	-	-	-
Deletion During the Year	-	-	-	-	-
Less: Repayment	221.78	340.79	340.79	340.79	340.79
Closing Loan	3,987.09	6,164.71	5,994.31	5,823.91	5,653.52

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Interest on Loan	9.48%	9.48%	9.48%	9.48%	9.48%
Average Loan	4,097.98	6,335.10	6,164.71	5,994.31	5,823.91
Interest on Loan	388.49	600.57	584.41	568.26	552.11

6.7. Operation and Maintenance Expenses

6.7.1. Regulation 24(3)(d) of the Generation Tariff Regulations, 2024 provides the normative O&M expense for the Coal based thermal power plants. The relevant extract of the said regulation is as below:

"d. Operation and Maintenance Expenses
Normative Operation and Maintenance expenses of thermal generating stations shall be as follows:

(i) Coal-based generating stations except those covered under Clause (ii)

(in Rs. /lakh/MW)

Financial Year	***Up to 200/210/250 MW sets***	***300/330/350 MW sets***	***500 MW sets***	***600 /660 MW***	***800 MW series and above***
2024-25	*40.92*	*34.04*	*27.17*	*25.78*	*23.20*
2025-26	*43.07*	*35.83*	*28.60*	*27.13*	*24.42*
2026-27	*45.33*	*37.71*	*30.10*	*28.56*	*25.70*
2027-28	*47.71*	*39.69*	*31.68*	*30.06*	*27.05*
2028-29	*50.21*	*41.78*	*33.34*	*31.64*	*28.47*

(ii)

(in Rs. /lakh/MW)

Financial Year	***Harduaganj Unit 7***
2024-25	*77.00*
2025-26	*79.71*
2026-27	*82.51*
2027-28	*85.40*
2028-29	*88.40*

6.7.2. The Commission, accordingly, approved O&M expenses for the FY 2024-25 to FY 2028-29 on Normative basis as below:

O&M Expenses	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Capacity	660	1320	1320	1320	1320
Norms (Lakh/MW)	25.78	27.13	28.56	30.06	31.64
O&M expenses	170.15	358.12	376.99	396.79	417.65

6.8. Interest on Working Capital

6.8.1. Regulation 24(3)(e) of Generation Tariff Regulation 2024 provides normative parameters for computing the Working Capital for the coal based thermal power plants. The relevant extract of the said Regulation is reproduced as follows:

"Interest on Working Capital:

(I) Working capital shall be allowed on a normative basis. For coal based generating stations it shall include:

(a) Cost of coal towards stock for 10 days for pithead generating stations and 20 days for non-pit-head generating stations, corresponding to the Target Availability or maximum coal stock storage capacity, whichever is lower.

(b) Advance Payment for 30 days towards Cost of coal for generation corresponding to the Target Availability.

(c) Cost of secondary fuel oil for two months corresponding to the target availability and in case of use of more than one secondary fuel oil, cost of fuel oil stock for the main secondary fuel oil;

(d) Operation and Maintenance expenses as per Regulation25(3)(d), for one month.

(e) Maintenance spares@ 20% of operation and maintenance expenses; and

(f) Receivables equivalent to 45 days of capacity charges and energy charges for sale of electricity calculated on the target availability.

(II) The indicative cost of fuel in cases covered under sub-Clauses (a) and (b) of sub-Clause (i) of this Regulation shall be based on the landed cost incurred (taking into account normative transit and handling losses) by the generating company and gross calorific value of the fuel on 'as received basis', for the three months preceding the first month of the period for which tariff is to be determined.

(III) For emission control system of coal or lignite based thermal generating stations:

(a) Cost of limestone or reagent towards stock for 20 days corresponding to the normative annual plant availability factor.

(b) Advance payment for 30 days towards the cost of reagent for generation corresponding to the normative annual plant availability factor.

(c) Receivables equivalent to 45 days of supplementary capacity charge and supplementary energy charge for the sale of electricity calculated on the normative annual plant availability factor;

(d) Operation and maintenance expenses in respect of the emission control system for one month.

(e) Maintenance spares @20% of operation and maintenance expenses in respect of emission control system

6.8.2. The Commission has considered the fuel details as submitted by the Petitioner in tariff form for the months of January, February and March 2025 duly supported by Auditor's certificate. Accordingly, the average value worked out are as below:

Particulars		Jan-25	Feb-25	Mar-25	Average
Weighted Avg GCV of Coal as received Basis	kCal/Kg	3,293.00	3,279.00	3,192.00	3,254.67
Weighted avg. Landed Cost of Coal	Rs. /MT	3,511.04	4,113.75	3,306.13	3,643.64
Weighted Avg GCV of oil as received Basis	kCal/Ltr	9,280.00	9,280.00	9,280.00	9,280.00
Weighted Avg. Landed Cost of Oil	Rs. /kL	72,810.83	74,894.22	75,597.23	74,434.09

6.8.3. Regulation 25 (e)(V) of the Generation Tariff Regulation 2024 provides rate of Interest Working Capital to be bank Rate as on 01.04.2024, which works out to be 12.15% (i.e. 8.65%+350 basis points). Accordingly, the Commission has approved Interest on Working Capital for the FY 2024-25 to FY 2028-29 as under-

Table 30 Interest on Working capital Approved by the Commission

Interest on Working Capital	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Cost of Coal for stock for 20 days	63.16	126.32	126.32	126.32	126.32
Advance Payment for 30 days	94.74	189.47	189.47	189.47	189.47
Cost of Main Secondary Fuel Oil for 2 months	3.05	6.10	6.10	6.11	6.10
O & M Expenses for 1 months	14.18	29.84	31.42	33.07	34.80
Maintenance Spares @20% of O&M	34.03	71.62	75.40	79.36	83.53

Interest on Working Capital	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Receivables 45 days	281.28	514.54	514.96	514.88	516.18
Total Working Capital	490.43	937.90	943.67	949.21	956.41
Rate of Interest (MCLR+350)	12.15%	12.15%	12.15%	12.15%	12.15%
Interest on Working Capital	59.59	113.95	114.66	115.33	116.20

6.9. Annual Fixed Charges

6.9.1. In view of the above discussion, the fixed/ capacity charges as approved by the Commission in the instant provisional tariff for the FY 2024-25 to FY 2028-29 is as below:

Table 31 Annual Fixed Charge approved by the Commission

Particulars	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Depreciation	221.78	340.79	340.79	340.79	340.79
Interest on Loan Capital	388.49	600.57	584.41	568.26	552.11
Return on Equity	270.57	418.21	418.21	418.21	418.21
Interest on Working Capital	59.59	113.95	114.66	115.33	116.20
O & M Expenses	170.15	358.12	376.99	396.79	417.65
Total Capacity Charges	1,110.57	1,831.64	1,835.06	1,839.38	1,844.96
Rate of Capacity charges	2.41	1.99	1.99	1.99	2.00

6.10. Variable/Energy Charge

6.10.1. The Commission has observed that the Petitioner has claimed SFOC as 1ml/kWh as per the CERC Tariff Regulations 2024, claiming that the project has wall-fired boiler technology employed at the generating station, but eventually has not prayed the Commission to exercise its Power under Regulation 10 to remove this difficulty and permit such SFOC. The Commission during the computation of the Energy Charges have considered SFOC as per the UPERC Generation Tariff Regulations, 2024 @ 0.5 ml/kWh and grants liberty to the Petitioner to claim SFOC as 1ml/kWh during the final capital cost and tariff determination through proper prayer.

6.10.2. As per the operational norms provided in the Generation Tariff Regulation 2024 and in view of the discussion in the foregoing paragraph of this tariff order the representative Energy Charge for the FY 2024-25 to FY 2028-29 is given in the below table

Table 32 Energy Charge approved by the Commission

Particulars	Units	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Capacity	MW	660.00	1,320.00	1,320.00	1,320.00	1,320.00
PLF	%	85%	85%	85%	85%	85%
No. of Days		365	365	365	366	365
Gross Generation	MU	4,914.36	9,828.72	9,828.72	9,855.65	9,828.72
Aux. Consumption	%	6.25%	6.25%	6.25%	6.25%	6.25%
Aux. Consumption	MU	307.15	614.30	614.30	615.98	614.30
Ex Bus Energy Generation	MU	4,607.21	9,214.43	9,214.43	9,239.67	9,214.43
Gross Station Heat Rate	kCal/kWh	2,044.99	2,044.99	2,044.99	2,044.99	2,044.99
Weighted Avg. GCV of Sec. oil	kCal/kL	9,280.00	9,280.00	9,280.00	9,280.00	9,280.00
Secondary Fuel Consumption	ml/kWh	0.5	0.5	0.5	0.5	0.5
Weighted Avg. GCV of Coal	kCal/kg	3,254.67	3,254.67	3,254.67	3,254.67	3,254.67
GCV of Primary Fuel (Coal) less 85 Kcal/Kg on account of variation during storage	kCal/kg	85.00	85.00	85.00	85.00	85.00
Net GCV of Coal	kCal/kg	3,169.67	3,169.67	3,169.67	3,169.67	3,169.67
Haet Contribution from SF	kCal/kWh	4.64	4.64	4.64	4.64	4.64
Heat Contribution from Coal	kCal/kWh	2,040.35	2,040.35	2,040.35	2,040.35	2,040.35
Total Secondary Fuel consumption	KL	2,457.18	4,914.36	4,914.36	4,927.82	4,914.36
Specific Coal Consumption	kg/kWh	0.64	0.64	0.64	0.64	0.64
Total Coal Consumption	MMT	3.16	6.33	6.33	6.34	6.33
Landed cost of Sec. Oil	Rs./kL	74,434.09	74,434.09	74,434.09	74,434.09	74,434.09
Total Cost of Oil	**Rs. Cr.**	**18.29**	**36.58**	**36.58**	**36.68**	**36.58**
Landed cost of Coal	Rs./MT	3,643.64	3,643.64	3,643.64	3,643.64	3,643.64
Total Cost of Coal	Rs. Cr.	1152.64	2305.28	2305.28	2311.59	2305.28
Total Fuel Cost	Rs. Cr.	1170.93	2341.86	2341.86	2348.27	2341.86
Rate of Energy Charge for SFC	Paise/kWh	3.97	3.97	3.97	3.97	3.97
Rate of Energy Charge for Coal(ex-bus)	Paise/kWh	250.18	250.18	250.18	250.18	250.18
Rate of Energy Charge(ex-bus)	Paise/kWh	254.15	254.15	254.15	254.15	254.15

Commission's View

6.10.3. Unit 1 and 2 of Obra C project (2*660 MW) have achieved COD on 09.02.2024 and 09.07.2025 against Schedule CoD 21.02.2020 & 21.04.2021 respectively. Therefore, the project COD shall be considered as 09.07.2025. The provisional tariff of Unit-1 determined earlier vide order dated 05.02.2024 and 06.05.2024 shall be applicable from Unit-1 COD i.e., 09.02.2024 till the date of this order and provisional tariff of the project determined herein shall become applicable to the project thereafter till final tariff determination of the project.

6.10.4. The Petitioner is directed to make fresh application for final tariff determination in accordance with prescribed format as per Appendix II of the UPERC Generation Tariff Regulations 2024 within 90 days of finalization of audited accounts for the year of project COD i.e. FY 2025-26.

6.10.5. The Commission directs the Petitioner to submit the petition for final capital cost determination correcting the following deficiencies as observed in this instant petition:

a. UPRVUNL has not submitted Statutory Auditor's certificate certifying the weighted average rate of interest claimed.
b. Regulation 23 requires disclosure of the actual equity infused and debt raised for the project, along with the prescribed debt-equity computation, which the Petitioner has failed to provide.
c. Petitioner has neither placed the Environmental Clearance conditions on record nor provided any component-wise cost break-up or documentary evidence attributed to the construction of a new ash dyke, a 2.5 MW solar power plant, and a zero liquid discharge effluent treatment plant to establish that such works were mandated.
d. Delay in site handover between April 2017 and March 2021, need to be explained since Obra-C is an extension project located entirely on land owned and controlled by UPRVUNL.

e. The detailed justification with respect to the inclusion of a Fly Ash Distant Terminal Silo, replacement of the proposed Track Tippler with two Tandem Wagon Tipplers, and the revision of the power evacuation system from a 400 kV AIS switchyard to a 765 kV AIS/400 kV GIS configuration with two ICTs, has not been furnished.

f. The cost escalation under various heads, including Railway Siding (Rs. 74.85 crore), Contingency (Rs. 49.26 crore), Consultancy Cost (Rs. 39.50 crore), Start-up Fuel (Rs. 50 crore), and non-EPC Works including Permanent Township (Rs. 3.95 crore), remains unsubstantiated due to the absence of supporting documents, approvals, agreements, calculations, or detailed justifications.

g. Regarding the claim of Rs. 609 crores towards price variation, the Petitioner has neither placed the relevant EPC contract provisions on record nor provided any detailed computations supporting 8.2% escalation.

h. The Petitioner's third revision of the project cost, whereby the total project cost has been enhanced by Rs. 1,299.58 crore to Rs. 13,005.43 Crore has not been supported by adequate documentary evidence, mandated under the UPERC Generation Tariff Regulations, 2024.

With these directions, the Petition is disposed of.

(Griesh Kumar Vaish)	(Sanjay Kumar Singh)	(Arvind Kumar)
Member (Law)	Member	Chairman

Place: Lucknow

Dated: 3.09.2026