

**Before**

**The Arunachal Pradesh State Electricity Regulatory Commission (APSERC)  
Itanagar, Arunachal Pradesh**

**Petition No. TP- 10 of 2024**

**In the matter of:**

Corrigendum to Tariff Order passed on 07/03/2025 in respect of Khangteng Hydro Electric Projects of 7.5 MW in Petition No. TP 10 of 2024

**CORAM:**

**Shri R. K. Joshi, Chairperson**

**Shri Nich Rika, Member (Law)**

**Passed on 31<sup>st</sup> March, 2026**

**CORRIGENDUM**

In the Tariff Order dated 07/03/2025 passed by the Commission in Petition No. TP-10 of 2024, it has come to the notice of the Commission that an inadvertent calculation error has occurred while determining the tariff for the initial years of operation.

As per the clause 5.1 of Memorandum of Agreement (MoA) and clause 2.3 of the Power Purchase Agreement (PPA) executed between the Department of Power, Govt. of Arunachal Pradesh (APDoP) and M/s Kangteng Hydro Power Private Limited (KHPPL), that the project is entitled to a moratorium period of two (2) years, during which the petitioner is exempted from supplying free power to the State.

However, while preparing the tariff calculation in the Tariff Order, free power was erroneously deducted during the first two years of operation, which is contrary to the provisions of the MoA and PPA. The said deduction was unintentional and occurred due to a calculation mistake.

Accordingly, in exercise of the powers vested in the regulation no. 44 (2) of the APSERC Conduct of Business Regulation, 2011 as quoted below: -

  
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State Electricity Regulatory Commission  
Arunachal Pradesh

**“44. General power to review and rectify: -**

- 1) *The Commission may on its own motion review any decision, direction or orders and pass such appropriate orders as the Commission thinks fit.*
- 2) *The Commission may, at any time rectify any defect or error in any proceeding before it.”*

The Commission hereby rectifies the aforesaid error. The tariff has been recalculated by allowing full exemption from free power during the moratorium period of two years, strictly in accordance with the provisions of the MoA and PPA.

Accordingly, the Commission **approves** the generation levelled tariff for Khangteng Hydro Electric Plant for 40 years at **Rs 4.31/ kWh**. The approved tariff shall be applicable from the Commercial Operation Date (CoD) of the project.

The detailed calculation is attached in **annexure - I**.

The tariff approved through this Corrigendum shall be subject to appropriate adjustment, if any, in accordance with law.

Except for the above correction, all other terms and conditions of the Tariff Order passed in Petition No. TP-10 of 2024 shall remain unchanged.

This corrigendum shall form an integral part of the Tariff Order dated 07/03/2025 in Petition No. TP-10 of 2024 and shall be read accordingly.

Ordered accordingly.

S/d-  
**Nich Rika**  
**Member(Law)**

S/d-  
**R. K. Joshi**  
**Chairperson**

**Date: 31/03/2026**

**Place: Itanagar**



Kangteng Small Hydro Projects (3 x 2.5 MW)					Annexure -I	
Small Hydro: Assumptions Parameters						
S. No	Assumption Head	Sub-Head	Sub-Head (2)	Unit	KHPPL	
				COD	08-05-2024	
1			Installed Power Generation Capacity	MW	7.50	
			Capacity Utilization Factor	%	61.02%	
			Auxiliary Consumption	%	1.00%	
			Free power to State	%	8.00%	
			Useful Life	Years	40	
2	Project Cost	Capital Cost	Power Plant Cost	Rs Lakhs	7737.08	
			Capital Subsidy (if any)		0.00	
			Net Capital Cost		7737.08	
3	Period		Tariff Period	Years	40	
4	Sources of Fund	Debt: Equity	Debt	%	70%	
			Equity	%	30%	
			Total Debt Amount	Rs Lacs	5415.96	
			Total Equity Amount	Rs Lacs	2321.12	
		Debt Component	Loan Amount	Rs Lacs	5415.96	
			Moratorium Period	years	0	
			Repayment Period (including Moratorium)	years	15	
			Intrest Rate	%	10.85%	
		Equity Component	Normative Equity Rate	%	14.50%	
			Equity amount	Rs Lacs	2321.12	
			Grossed Up Return on Equity (upto 20 years)	% p.a.	17.57%	
			Grossed Up Return on Equity (after 20 years)	% p.a.	22.29%	
			Discount Rate (equ. To WACC)		9.29%	
5	Financial Assumptions	Fiscal Assmptions	Mat Rate	%	17.47%	
			Income Tax	%	34.94%	
		Depreciation	Allowed Depreciation	%	90%	
			Depreciation Rate for first 15 years	%	4.67%	
			Depreciation Rate 16th year onwards	%	0.80%	
6	Working Capital	<b>For Fixed Charges</b>				
		O&M Charges		Months	1	
		Maintenance Spare	(% of O&M expenses)			15%
		Receivables for Debtors		Months	1.50	
		Intrest On Working Capital		%	12.10%	
7	Operation & Maintenance	O&M Expenses (2024-25)		Rs Lacs/MW	37.58	
		Total O & M Expenses Escalation		%	5.89%	
8	<b>Generation and Sale Of Energy</b>			Hrs	8766	
		Total No. of Hours				

Secretary

State Electricity Regulatory Commission  
Arunachal Pradesh

**Kangteng SHP Tariff Sheet**

Units Generation	Unit	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Installed Capacity	MW		7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Gross Generation	MU		40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12
Auxiliary Consumption	MU		0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Net after Aux. Consumption	MU		39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72
Free Power to State	MU		0.00	0.00	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18
Net Generation	MU		39.72	39.72	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54

Fixed Cost	Unit	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
O&M Expenses	Rs Lakh		281.89	298.49	316.07	334.69	354.40	375.28	397.38	420.78	445.57	471.81	499.60	529.03	560.19	593.18	628.12
Depreciation	Rs Lakh		361.32	361.32	361.32	361.32	361.32	361.32	361.32	361.32	361.32	361.32	361.32	361.32	361.32	361.32	361.32
Interest on term loan	Rs Lakh		568.04	528.87	489.69	450.52	411.34	372.17	332.99	293.82	254.64	215.46	176.29	137.11	97.94	58.76	19.59
Interest on working Capital	Rs Lakh		32.95	33.07	33.25	33.46	33.73	34.05	34.42	34.85	35.34	35.89	36.51	37.21	37.98	38.83	39.77
Return on Equity	Rs Lakh		407.82	407.82	407.82	407.82	407.82	407.82	407.82	407.82	407.82	407.82	407.82	407.82	407.82	407.82	407.82
<b>Total Fixed Cost</b>	<b>Rs Lakh</b>		<b>1652.01</b>	<b>1629.57</b>	<b>1608.15</b>	<b>1587.81</b>	<b>1568.61</b>	<b>1550.63</b>	<b>1533.93</b>	<b>1518.59</b>	<b>1504.69</b>	<b>1492.31</b>	<b>1481.54</b>	<b>1472.49</b>	<b>1465.24</b>	<b>1459.91</b>	<b>1456.61</b>

Per Unit Cost of Generation	Unit	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
O&M expn	Rs/kWh		0.71	0.75	0.87	0.92	0.97	1.03	1.09	1.15	1.22	1.29	1.37	1.45	1.53	1.62	1.72
Depreciation	Rs/kWh		0.91	0.91	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99
Int. on term loan	Rs/kWh		1.43	1.33	1.34	1.23	1.13	1.02	0.91	0.80	0.70	0.59	0.48	0.38	0.27	0.16	0.05
Int. on working capital	Rs/kWh		0.08	0.08	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.11	0.11
RoE	Rs/kWh		1.03	1.03	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
<b>Total COG</b>	<b>Rs/kWh</b>		<b>4.16</b>	<b>4.10</b>	<b>4.40</b>	<b>4.35</b>	<b>4.29</b>	<b>4.24</b>	<b>4.20</b>	<b>4.16</b>	<b>4.12</b>	<b>4.08</b>	<b>4.05</b>	<b>4.03</b>	<b>4.01</b>	<b>4.00</b>	<b>3.99</b>

Discount Factor			1.000	0.915	0.837	0.766	0.701	0.641	0.587	0.537	0.491	0.449	0.411	0.376	0.344	0.315	0.288
Discounted Tariff			4.160	3.754	3.685	3.329	3.009	2.722	2.463	2.231	2.023	1.836	1.668	1.517	1.381	1.259	1.149
<b>Levellers Tariff</b>	<b>Rs/Unit</b>	<b>4.30</b>															

*[Signature]*  
Secretary

**Kangteng SHP Tariff Sheet**

Units Generation	Unit	Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Installed Capacity	MW		7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Gross Generation	MU		40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12
Auxiliary Consumption	MU		0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Net after Aux. Consumption	MU		39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72
Free Power to State	MU		3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18
Net Generation	MU		36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54

Fixed Cost	Unit	Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
O&M Expenses	Rs Lakh		665.12	704.30	745.78	789.70	836.22	885.47	937.63	992.85	1051.33	1113.25	1178.82	1248.26	1321.78	1399.63	1482.07
Depreciation	Rs Lakh		61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74
Interest on term loan	Rs Lakh																
Interest on working Capital	Rs Lakh		36.49	38.22	40.04	41.98	44.02	47.87	50.17	52.60	55.18	57.90	60.79	63.85	67.08	70.51	74.14
Return on Equity	Rs Lakh		407.82	407.82	407.82	407.82	407.82	517.31	517.31	517.31	517.31	517.31	517.31	517.31	517.31	517.31	517.31
Total Fixed Cost	Rs Lakh		1171.17	1212.07	1255.38	1301.24	1349.80	1512.40	1566.85	1624.51	1685.56	1750.21	1818.67	1891.16	1967.92	2049.20	2135.26

Per Unit Cost of Generation	Unit	Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
O&M expn	Rs/kWh		1.82	1.93	2.04	2.16	2.29	2.42	2.57	2.72	2.88	3.05	3.23	3.42	3.62	3.83	4.06
Depreciation	Rs/kWh		0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Int. on term loan	Rs/kWh		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Int. on working capital	Rs/kWh		0.10	0.10	0.11	0.11	0.12	0.13	0.14	0.14	0.15	0.16	0.17	0.17	0.18	0.19	0.20
RoE	Rs/kWh		1.12	1.12	1.12	1.12	1.12	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42
Total COG	Rs/kWh		3.21	3.32	3.44	3.56	3.69	4.14	4.29	4.45	4.61	4.79	4.98	5.18	5.39	5.61	5.84

Discount Factor			0.264	0.241	0.221	0.202	0.185	0.169	0.155	0.142	0.130	0.119	0.108	0.099	0.091	0.083	0.076
Discounted Tariff			0.845	0.801	0.759	0.720	0.683	0.700	0.664	0.630	0.598	0.568	0.540	0.514	0.489	0.466	0.444
Levellersed Tariff	Rs/Unit	4.30															

**Kangteng SHP Tariff Sheet**

Units Generation	Unit	Year	31	32	33	34	35	36	37	38	39	40
Installed Capacity	MW		7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Gross Generation	MU		40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12	40.12
Auxiliary Consumption	MU		0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Net after Aux. Consumption	MU		39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72	39.72
Free Power to State	MU		3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18
Net Generation	MU		36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54	36.54

Fixed Cost	Unit	Year	31	32	33	34	35	36	37	38	39	40
O&M Expenses	Rs Lakh		1569.37	1661.80	1759.68	1863.33	1973.08	2089.29	2212.35	2342.66	2480.64	2626.75
Depreciation	Rs Lakh		61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74	61.74
Interest on term loan	Rs Lakh											
Interest on working Capital	Rs Lakh		77.98	82.05	86.36	90.92	95.76	100.87	106.29	112.03	118.10	124.53
Return on Equity	Rs Lakh		517.31	517.31	517.31	517.31	517.31	517.31	517.31	517.31	517.31	517.31
<b>Total Fixed Cost</b>	Rs Lakh		2226.40	2322.91	2425.10	2533.30	2647.89	2769.22	2897.69	3033.74	3177.79	3330.34

Per Unit Cost of Generation	Unit	Year	31	32	33	34	35	36	37	38	39	40
O&M expn	Rs/kWh		4.30	4.55	4.82	5.10	5.40	5.72	6.05	6.41	6.79	7.19
Depreciation	Rs/kWh		0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
Int. on term loan	Rs/kWh		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Int. on working capital	Rs/kWh		0.21	0.22	0.24	0.25	0.26	0.28	0.29	0.31	0.32	0.34
RoE	Rs/kWh		1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42	1.42
<b>Total COG</b>	Rs/kWh		6.09	6.36	6.64	6.93	7.25	7.58	7.93	8.30	8.70	9.11

Discount Factor			0.070	0.064	0.058	0.053	0.049	0.045	0.041	0.037	0.034	0.031
Discounted Tariff			0.424	0.405	0.387	0.369	0.353	0.338	0.324	0.310	0.297	0.285
<b>Levellised Tariff</b>	<b>Rs/Unit</b>	<b>4.30</b>										