



**ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY
COMMISSION (APSERC)**

Determination of Aggregate Revenue Requirement

&

Tariff Order for FY 2026-27

for

Deptt. of Hydro Power Development

Government of Arunachal Pradesh

Issued on 10/06/2026

Arunachal Pradesh State Electricity Regulatory Commission

अरुणाचल प्रदेश राज्य विद्युत नियामक आयोग

O. T. BUILDING, T. T. MARG, NITI VIHAR MARKET

ITANAGAR-791111

Website: www.apserc.nic.in

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Abbreviations

Abbreviation	Description
A&G	Administration & General
ACT	Electricity Act, 2003
APSERC	Arunachal Pradesh State Electricity Regulatory Commission
ARR	Aggregate Revenue Requirement
APTEL	Appellate Tribunal For Electricity
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Cr./ Crs	Crore/ Crores
D/E	Debt Equity
DHPD	Deptt. of Hydro Power Development
DOP, AP	Department of Power, Govt. of Arunachal Pradesh
FY	Financial Year
GFA	Gross Fixed Assets
GoAP	Government of Arunachal Pradesh
kWh	Kilo Watt Hour
MU	Million Units
MW	Mega Watt
O&M	Operation & Maintenance
ROE	Return on Equity
Rs.	Rupees
SBI	State Bank of India
SBI-MCLR	State Bank of India- Marginal Cost Lending Rate
SERC	State Electricity Regulatory Commission
YoY	Year on Year




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Order on Petition for Approval of ARR & Tariff of DHPD for FY 2026-27

Before

The Arunachal Pradesh State Electricity Regulatory Commission (APSERC)

Itanagar, Arunachal Pradesh

Petition No. TP – 04 of 2026

In the matter of:

Petition for Determination of Aggregate Revenue Requirement (ARR) and Tariff for Generation by Department of Hydro Power Development, Arunachal Pradesh for the FY 2026-27.

In the matter:

Department of Hydro Power Development,

Govt. of Arunachal Pradesh. Itanagar -----Petitioner

PRESENT:

Hon'ble R.K Joshi

Hon'ble Nich Rika

Chairperson, APSERC

Member (Law), APSERC

ORDER

(Passed on 10.06.2026)

The Commission in exercise of the powers vested in it under section 62 (1) (a) read with Section 62 (3) and Section 64 (3) (a) of the Electricity Act, 2003 and APSERC(Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2024 and its amendments and other enabling provisions in this behalf, hereby issues this order, determining the Aggregate Revenue Requirement (ARR) for FY 2026-27 and generation tariff for the FY 2026-27 for supply of electricity by the Department of Hydro Power Development, Govt. of Arunachal Pradesh (DHPD) to the Department of Power for distribution in the State of Arunachal Pradesh. The relevant Regulation of the commission requires that the generating company shall file tariff before the Commission for fixation of tariff and Aggregate Revenue Requirement (ARR), complete in all respects, along with requisite fee as prescribed in the Commission's Fee, Regulations i.e. APSERC - Payments of Fee Regulation 2025 on or before 30th November of


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the preceding year. Accordingly, the tariff petition for the FY 2026-27 should have been filed by the DHPD (the deemed generating company) on or before 30th November, 2025. However, DHPD filed the said petition before the Commission on vide No CE/PD&C/HPD/W-71/2025-26/728-33 dated 09.02.2026.

This order consists of seven chapters, which include detailed analysis of the Aggregate Revenue Requirement (ARR) for FY 2026-27; approved Generation Tariff for the FY 2026-27. The Commission hereby directs the DHPD to take all necessary steps for implementation of this order from the date specified below.

The directives contained in Chapter-7 shall be strictly adhered to and compliance thereof, as desired by the Commission must be placed before the commission within the stipulated time.

This order shall be effective from **1st April 2026** and shall remain in force till the next tariff order is issued by the Commission.

Date: 10.06.2026

Place: Itanagar



Sd/-

Shri Nich Rika

Member(Law)

Sd/-

Shri R.K. Joshi

(Chairperson)

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Chapter 1: INTRODUCTION

Arunachal Pradesh State Electricity Regulatory Commission

1.1 In exercise of the powers conferred by the Electricity Act, 2003, (hereinafter referred to as Act) the Government of Arunachal Pradesh constituted the Electricity Regulatory Commission for the State of Arunachal Pradesh to be known as “Arunachal Pradesh State Electricity Regulatory Commission” (APSERC) as notified on 07.05.2010 (hereinafter referred to as Commission). The Arunachal Pradesh State Electricity Regulatory Commission has been functioning with effect from 02.03.2011 with the objective and purpose for which the Commission has been established i.e., to discharge its functions as per Section 86 of the Act. The Commission has been functioning as a two-member Commission and continues to discharge the functions as envisaged in the Act.

1.2 In accordance with Section 86 (1) of the Act, the APSERC discharges the following functions:

- a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

- b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- c) facilitate intra-State transmission and wheeling of electricity;
- d) issue licenses to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- e) promote cogeneration and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- f) adjudicate upon the disputes between the licensees and generating companies; and

to refer any dispute for arbitration;

- g) levy fee for the purposes of this Act;
- h) specify State Grid Code consistent with the Grid Code specified under Clause (h) of sub-section (1) of Section 79;
- i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- j) fix the trading margin in the intra-state trading of electricity, if considered, necessary;
- k) discharge such other functions as may be assigned to it under this Act.

1.3 The Commission has to also advise the State Government as per sub section 2 of Section 86 of the Act, on all or any of the following matters, namely:

- a) promotion of competition, efficiency and economy in activities of the electricity industry;
- b) promotion of investment in electricity industry;
- c) reorganization and restructuring of electricity industry in the State;
- d) matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by that Government.

1.4 The State Commission ensures transparency while exercising its powers and discharging its functions.

1.5 In discharge of its functions, the State Commission is also guided by the Tariff Policy notified by the Government of India under Section 3 of the Act. The objectives of the Tariff Policy are to:

- a) ensure availability of electricity to consumers at reasonable and competitive rates;
- b) ensure financial viability of the sector and attract investments;
- c) promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimize perceptions of regulatory risks;
- d) promote competition, efficiency in operations and improvement in quality of supply.


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Arunachal Pradesh - Geographical Reality

1.6 The total area of the State of Arunachal Pradesh is 83573 sq.kms. The State is having a population of around 13.82 lakhs (2011 Census). The State of Arunachal Pradesh is bounded by Assam in South, Bhutan in West, China in North, and Nagaland and Myanmar in East. It's Capital, Itanagar is about 380 kms. from Guwahati.

Arunachal Pradesh Department of Hydro Power Development

1.7 In order to oversee, co-ordinate and monitor the development of hydro power in the State of Arunachal Pradesh, the State Govt. created a separate department namely "Department of Hydro Power Development" on 12/11/2003. It is a full-fledged department headed by a Chief Engineer. The Department is entrusted with the development of micro / mini / small hydro project, improvement of existing hydro projects including renovation & modernization works, operation and maintenance of existing hydel stations, survey & investigation of new potential sites, and construction of residential and non-residential building for the Department. The Department is foremost concentrating on the urgent need of bridging the existing demand supply gap in order to make the State self-reliant, so far as power needs of the State are concerned and to help achieve the target of all village's electrification and all household electrification.

1.8 The Department in its petition has stated that at present it has to its credit 80.68 MW installed capacity. Department is operating micro/mini/small Hydro Power Stations. Department is also under taking construction of various Hydel Stations in various districts of the State which are under different stages of development. Completion of these on-going schemes shall lead to a further capacity addition. In addition to above, Department is also carrying out Survey & Investigation of new schemes with the aim of identifying more potential sites for tapping the estimated 2000 MW small hydro power potential in the State developing hydro power.

1.9 The Department has a dedicated work force of 2304 nos. staff comprising of experienced engineers, technical staff and other supporting staff. The Department of Hydro Power Development has also been assigned the very important responsibility of acting as nodal agency for coordinating and overseeing the allotment and development of Mega Hydro Electric Projects in the State by IPPs as State's Mega & Small Hydro Power Policy. Department is looking forward to transforming the long-awaited dream of the people of the

State into reality that Arunachal Pradesh shall be the “FUTURE POWER HOUSE OF THE COUNTRY”.

Petitioners Prayer

1.10 The Petitioner in the Filing of Petition for approval of Annual Revenue Requirement (ARR) & Tariff Petition for FY 2026-27 has prayed for the following:

- a) Approve the Annual Fixed Charges & Tariff as submitted.
- b) Pass such other and further order(s) as are deemed fit and proper in the facts and circumstances of the case.



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Chapter 2: PROCEDURAL HISTORY

Background

- 2.1 The Commission noted that in accordance with the Regulation the petition had to be filed by the Petitioner by 30th November 2025 however noting that the petition was not filed till that time the Commission issued several reminders for submission of petition vide letter No.APSPERC/RA-8/11/2025-26/558 dated 11/12/2025 to which the Department vide letter No.CE(P,D&C)/HPD/W-71/2025-26/687 dated 13/01/2026 requested time extension citing reasons of reorganizing of the Department under DHPD 2.0 and delay in arranging tariff petition fee from the State Government.
- 2.2 Following which the Commission allowed a time extension of two weeks for filing the petition vide letter No. APSPERC/RA-8/II/2025-26/636 dated 15th January 2026.
- 2.3 The Petitioner finally filed the petition complete in all aspects for approval of ARR and Tariff for FY 2026-27 on 12th February 2026.
- 2.4 The Commission has scrutinized the Petition furnished by the Petitioner and has considered the information submitted while passing this Order.
- 2.5 In order to provide adequate opportunities to all stakeholders and general public, as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulations framed by the Commission and in order to ensure transparency in the process of tariff determination, the Commission decided to hold Public Hearing on 4th May 2026.

Inviting Public Comments/Suggestions

- 2.6 The Commission after admission of the Petition had directed the petitioner to publish a public notice inviting comments/suggestions from public and to make available copies of the Petition to the members of general public on request.
- 2.7 Accordingly, Public Notice was published by the Petitioner in the newspapers and a period of twenty-one (21) days was given for submitting the comments/suggestions by the general public:

Table 1 List of Newspapers and dates of publication of public notice by Petitioner

Newspaper	Language	Date of Publication
Arun Khabar	English	17 th March 2026
Echo of Arunachal	English	17 th March 2026
Arunachal Times	English	17 th March 2026

- 2.8 The Commission has also uploaded the petition on its website www.apserc.nic.in. Further


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in order to provide adequate opportunities to all stakeholders and general public, as mandated under Section 64 (3) of the Electricity Act 2003 and in relevant provisions of Regulations framed by the Commission, the Commission also held a public hearing on 4th May 2026. The details of the newspaper wherein the notice of public hearing was published is given in the table below:

Table 2 List of Newspaper and date of publication of public notice by the Commission

Newspaper	Language	Date of Publication
Arunachal Front	English	14.04.2026
The Arunachal Times,	English	14.04.2026
The Dawnlit Post	English	14.04.2026
Echo of Arunachal	English	14.04.2026
Arun Khabar,	English	14.04.2026

Submission of Comments/Suggestions and Conduct of Public Hearing

- 2.9 No comments or suggestions on the Petition were received following the publication of the public notice. Furthermore, no comments or objections were raised during the public hearing. The details pertaining to the public hearing is being discussed in Chapter 4 of this Order.



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Chapter 3: BRIEF FACTS ABOUT THE PETITION

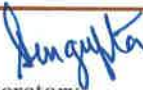
3.1 The following chapter summarizes the Petition for approval of Aggregate Revenue Requirement and Tariff as submitted by the Petitioner for FY 2026-27 for Commission's approval.

Installed Capacity

3.2 The Petitioner has submitted that it has a total installed capacity of 58.49 MW and a firm capacity of 54.49MW corresponding to 87 power stations that were commissioned before the year 2017 and currently in running condition. The Petitioner has proposed write off of 4 plants which has been mentioned in Annexure-2. The Petitioner has therefore submitted the petition in respect of 88 HEPs including TATO HEP.

3.3 The Petitioner has also submitted details TATO HEP(100kW) along with its tariff calculation separately. A brief about the plant is given below:

- i. **Introduction:** The TATO mini hydroelectric project(MHS) is a run of the river type small hydro project situated at TATO, under the administrative control of Mechuka Hydro Power Division, Department of Hydro Power Development. The project was operated by Reliance Energy Limited (M/s Tato Power private limited, Noida, Uttar Pradesh) with a total installed capacity of 140kW (2 units of 50kW each + 2 units of 20kW each).
- ii. **Transfer and taking over of the project:** Pursuant to the approval of the competent authority, the Department of Hydro Power Development (DHPD) formally took over the Tato Mini Hydro Electric Project from Reliance Energy Limited on 25.06.2020, in accordance with the directive issued by the Chief Engineer (EZ), DHPD, Itanagar, vide letter No. CE/EZ/DHPD/W-G/15/2020-21/86-90 dated 21.05.2020. The Executive Engineer, Mechuka Hydro Power Division, confirmed the physical takeover through his communication No. MHPD/WS-16/2020-21/24-26 dated 05.01.2021, stating that the project assets had been duly handed over and integrated under departmental control.
- iii. **Post takeover actions and Operational status:** Following the takeover, the Mechuka Hydro Power Division undertook necessary repair and restoration works to bring the project back to operational condition. The project was successfully recommissioned and made operational on 28.07.2020. The project has since remained functional and is generating approximately 23000kWh of electricity per month which is supplied to local consumers through the departmental distribution system.


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iv. Current Ownership and Responsibility: From 25.06.2020 onwards the Department of Hydro Power Development(DHPD), Government of Arunachal Pradesh has assumed complete responsibility for:

- Operation and Maintenance (O&M) of the project.
- Management of power generation and dispatch; and
- Compliance with regulatory, safety and reporting obligations as per Central Electricity Authority(CEA) guidelines and APERC Regulations.

Accordingly, all expenses relating to operation, maintenance, manpower and repairs are now accounted for under the departmental budget of DHPD and are proposed for inclusion in this tariff determination exercise. The Department now seeks tariff determination for the said project in accordance with the applicable provisions of the Electricity Act,2003 and the APERC Tariff Regulations.

3.4 The details of the installed capacity of the respective 91 hydroelectric power stations along with TATO HEP as submitted by the Petitioner along with actual generation for the year FY2024-25 is given in the table below:

Table 3 Details of HEP along with actual generation for FY25 as submitted by the Petitioner

Sl. No	Name of the Station	Units	Installed Capacity (kW)	Firm Capacity (kW)	COD (FY)	Actual Net Generation (kWh)	Design Energy (MU)
Western Zone(WZ)							
Tawang District						FY 25	FY25
1	Chellengkang Ph-I	1 x 30	30	30	2004-05	35726.00	0.25
2	Chellengkang Ph-II	1 x 30	30	30	2008-09	3941.00	0.25
3	Shakti Nallah	2 x 50	100	50	2008-09	64535.00	0.83
4	Thimbu	2 x 50	100	100	2009-10	78257.00	0.83
5	Khet	2 x 50	100	100	2009-10	155826.00	0.83
6	Tsechu Nallah	2 x 50	100	100	2010-11	69061.00	0.83
7	Mago MHS	2 x 50	100	100	2014-15	47837.00	0.83
8	Nuranang	3 x 2000	6000	6000	1996-97	7780239.00	49.93
9	Kitpi Ph-I	3 x 500	1500	1500	1977-78	0.00	12.48
10	Kitpi MHS Ph-II	2x 1500	3000	3000	2008-09	4906474.00	24.97
11	T.Gompa	1 x 50	50	50	2001-02	17485.00	0.42
12	Bongleng	2 x 50	100	100	2009-10	1568.00	0.83
13	Bramdhongchung Ph-II	2 x 50	100	100	2010-11	0.00	0.83
West Kameng District							
14	Rahung	3 x 250	750	500	1972 - 73	765624.00	6.24
15	Dirang	4 x 500	2000	1500	1977 - 78	1871530.00	16.64
16	Saktangrong MHS	3 x 100	300	300	2011-12	0.00	2.5
17	Zhongdongrong	2 x 500	1000	1000	2016-17	0.00	8.32
18	Sessa	3 x 500	1500	1500	1992-93	897404.00	12.48
19	Rupa	2 x 100	200	100	1997 - 98	30760.00	8.32
20	Dokumpani	1 x 30	30	30	2000-01	8773.00	1.66
21	Domkhong	2 x 500	1000	1000	2008-09/2019-20	1778700.00	0.25

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22	Ankaling	1 x 30	30	30	2009-10	0.00	8.32
23	Dikshi	2 x 30	60	60	2010-11/2019-20	26713.00	0.25
24	Khadiyabey	2 x 100	200	200	2011-12	0.00	0.5
25	Jigaon	2 x 50	100	100	2016-17	24502.00	1.66
East Kameng District							
26	Pakke Kessang	1 x 30	30	30	2001-02	0	0.25
27	Pacha MHS	2 x 1500	3000	3000	2008-09	6940438.00	24.97
28	Pakoti	2 x 50	100	100	2010-11	149276.00	0.83
29	Patta Nallah	2 x 50	100	100	2010-11	219120.00	0.83
30	Watte Mame	1 x 50	50	50	2010-11	149716.00	0.42
31	Kade Nallah	1 x 50	50	50	2010-11	0.00	0.42
Kurung Kumey District							
32	Koye	1 x 50	50	50	2009-10	0.00	0.42
33	Paya MHS at Hiya	2 x 50	100	100	2011-12	44557.00	0.83
34	Chambang	1 x 30	30	30	2009-10	0	0.25
Lower Subansiri District							
35	Mai Ph-I	4 x 500	2000	1500	1977-78	268504.00	16.64
36	Mai Ph-II	2 x 500	1000	500	1982-83	1494466.00	8.32
37	Tago	3x 1500	4500	3000	1992-93	275350.00	37.45
Upper Subansiri District							
38	Sippi	2 x 2000	4000	4000	2008-09	6952686.00	33.29
39	Pinto Karo MHS	1' x 25	25	25	2011-12	0.00	0.21
40	Sikin Karo	2 x 100	200	200	2011-12	0.00	1.66
41	Sinyum Koro	2 x 50	100	100	2011-12	92.00	0.83
42	Dulom (Daporijo)	4 x 100	400	300	1981-82	0.00	3.33
43	Ayingmuri MHS	2 x 125	250	250	2012-13	0.00	2.08
Eastern Zone (EZ)							
West Siang District							
44	Pagi (Basar)	2 x 50	100	50	1972-73	74150.00	0.83
45	Ego-Echi (Dali)	4 x 100	400	400	1987-88	511778.00	3.33
46	Liromoba	2 x 1000	2000	2000	2008-09	114380.00	16.64
47	Kamba MHS	3 x 2000	6000	6000	2010	2963169.00	0.42
48	Yingko Sikong at Rapum	1 x 50	50	50	2009-10	19186.00	4.16
49	Sirikorang MHS	2x250	500	500	2013-14	775464.00	0.42
50	Solegomang MHS	1 x 50	50	50	2011-12	19086.00	0.83
Lower Dibang Valley District							
Dibang Valley District							
51	Echi Ahfra at Anaya	2x200	400	400	2005-06	370807.00	3.33
52	Tah Ahfra Ph-I and Ph-II at Angolin	1x50+1x50	100	100	2001-02 2009-10	1605.00	0.83
53	Chini Ahfra at Amuli	1x250	250	250	2001-02	0.00	2.08
54	Awapani Ph-II at LG	2 x 250	500	250	2005-06	1428960.00	4.16
55	Echito Nallah at Dambien	2 x 20	40	40	2010-11	29295.00	0.33
56	Rupapani at Punli	2 x 20	40	40	2010-11	29219.00	0.33
57	Chu Nallah at Mipi	2 x 15	30	30	2011-12	24075.00	0.25
58	Awapani at Gepuline	2 x 250	500	500	2014-15	1084419.00	4.16
Changlang District							
59	Jongkey Nallah	1 x 50	50	50	2011-12	10993.00	0.42
60	Chicklong	2 x 75	150	150	2011-12	62141.00	1.25
61	Tissue	4 x 100	400	300	1986-87	240.00	3.33
62	Tinning	2 x 25	50	50	2010-11	5694.00	0.42
Upper Siang District							
63	Sirnyuk SHP	2x1000	2000	2000	1996-97	3690304.00	16.64

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64	Gosang (siri) MHS	2 x 250	500	500	2011-12	281081.00	4.16
65	Selli MHS at Geku	2x 250	500	500	1994-95	837206.00	4.16
66	Yingkiong Ph-I MHS	3x50	150	150	1980-81	141079.00	1.25
67	Yingkiong Ph-II MHS	2x100	200	200	1992-93	216874.00	1.66
68	Kopu MHS at Tuting	1x250	250	250	2004	0.00	2.08
69	Sikut/ Tuting MHS	2x50	100	100	1984-85	185454.00	0.83
70	Sillingri (Gelling) MHS	1x50	50	50	2008-09	187197.00	0.42
71	Ngaming MHS	1x50	50	50	2008-09	45749.00	0.42
72	Singa MHS	1x30	30	30	2008-09	85268.00	0.25
73	Mayung	1x5	5	5	2011	4803.00	0.04
Anjaw District							
74	Mati Nallah	2x250+1x50	550	500	2004-05	1232292.00	4.58
75	Yapak Nallah	2x100	200	200	2005-06	904905.00	1.66
76	Kebitho	1x30	30	30	2004-05	0.00	0.25
77	Kaho	1 x 10	10	10	2004-05	0.00	0.08
78	Krawti Nallah	2 x 50	100	100	2011	149749.00	0.83
79	Teepani MHS	2 x 250	500	500	2009-10	956171.00	4.16
80	Langpani MHS	2 x 200	400	400	2011-12	41615.00	3.33
81	Kachopani MHS	2 x 100	200	200	2014-15	143122.00	1.66
82	Maipani MHS	2 x 30	60	60	2010-11	0.00	0.5
TirapDistrict							
83	Charju	3 x 200	600	600	1984-85	558886.00	4.99
84	Thiratju	4 x 250	1000	1000	1977	20197.00	8.32
85	Sumhok Nallah	2 x 50	100	100	2009-10	0.00	0.83
Siang District							
86	Yembung	4 x 500	2000	2000	1984	2105793.00	16.64
East Siang District							
87	Rina	2 x 1000	2000	2000	2008-09	1324920.00	16.64
88	Pasighat	2 x 100	200	100	1972	19186.00	1.66
89	Silli	1 x 30	30	30	2001-02	22560.00	0.25
Lohit District							
90	Tafragram	1 x 250	250	250	1984-85	94857.00	2.08
91	Doorah Nallah	2x100	200	200	2013-14	207719.00	1.66
		3x100	300	300		0.00	2.5
Total			58640	54390		56040806	

Table 4 Actual Net generation as submitted by the Petitioner for TATA MHS for FY 2024-25

SL. No.	Name of the Station	Units	Installed Capacity	Firm Capacity	Year of Commissioning	Actual Net Generation	Design Energy (Annual)
Eastern Zone (EZ)			(KW)	(KW)		(KWH)	(MU)
1	Tato MHS	(2 X 50 kW + 2 X 20 kW)	140	90	2014	95891	1.17

3.5 The projected net generation from 87 plants along with TATO MHS as submitted by the Petitioner for FY 2026-27 are 212.32 MU and 0.35 MU respectively. The details of firm capacity is given in the table below:

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Table 5 Firm Capacity projected by the Petitioner for FY 2026-27 for 87HEP

SL. No.	Name of the Stations	Units	Installed Capacity (kW)	Firm Capacity (kW)
Western Zone (WZ)				
Tawang District				
1	Chellengkang Ph-I	1 x 30	30	30
2	Chellengkang Ph-II	1 x 30	30	30
3	Shakti Nallah	2 x 50	100	50
4	Thimbu	2 x 50	100	100
5	Khet	2 x 50	100	100
6	Tsechu Nallah	2 x 50	100	100
7	Mago MHS	2 x 50	100	100
8	Nuranang	3 x 2000	6000	6000
9	Kitpi Ph-I	3 x 500	1500	1500
10	Kitpi MHS Ph-II	2 x 1500	3000	3000
11	T. Gompa	1 x 50	50	50
12	Bongleng	2 x 50	100	100
13	Bramdhongchung Ph-II	2 x 50	100	100
West Kameng District				
14	Rahung	3 x 250	750	500
15	Dirang	4 x 500	2000	1500
16	Saktangrong MHS	3 x 100	300	300
17	Zhongdongrong	2 x 500	1000	1000
18	Sessa	3 x 500	1500	1500
19	Domkhong	2 x 500	1000	1000
20	Dikshi	2 x 30	60	60
21	Khadiyabey	2 x 100	200	200
22	Jigaon	2 x 50	100	100
East Kameng District				
23	Pakke Kessang	1 x 30	30	30
24	Pacha MHS	2 x 1500	3000	3000
25	Pakoti	2 x 50	100	100
26	Patta Nallah	2 x 50	100	100
27	Watte Mame	1 x 50	50	50
28	Kade Nallah	1 x 50	50	50
Kurung Kumey District				
29	Koye	1 x 50	50	50
30	Paya MHS at Hiya	2 x 50	100	100
31	Chambang	1 x 30	30	30
Lower Subansiri District				
32	Mai Ph-I	4 x 500	2000	1500
33	Mai Ph-II	2 x 500	1000	500
34	Tago	3 x 1500	4500	3000
Upper Subansiri District				
35	Sippi	2 x 2000	4000	4000
36	Sikin Karo	2 x 100	200	200
37	Sinyum Koro	2 x 50	100	100
38	Dulom (Daporijo)	4 x 100	400	300
39	Ayingmuri MHS	2 x 125	250	250
Eastern Zone (EZ)				
West Siang District				
40	Pagi (Basar)	2 x 50	100	50
41	Ego-Echi (Dali)	4 x 100	400	400
42	Liromoba	2 x 1000	2000	2000
43	Kamba MHS	3 x 2000	6000	6000
44	Yingko Sikong at Rapum	1 x 50	50	50
45	Sirikorang MHS	2x250	500	500
46	Solegomang MHS	1 x 50	50	50

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SL. No.	Name of the Stations	Units	Installed Capacity (kW)	Firm Capacity (kW)
Lower Dibang Valley District				
Dibang Valley District				
47	Echi Ahfra at Anaya	2 x 200	400	400
48	Tah Ahfra Ph-I and Ph-II at Angolin	1 x 50 + 1 x 50	100	100
49	Chini Ahfra at Amuli	1 x 250	250	250
50	Awapani Ph-II at LG	2 x 250	500	250
51	Echito Nallah at Dambien	2 x 20	40	40
52	Rupapani at Punli	2 x 20	40	40
53	Chu Nallah at Mipi	2 x 15	30	30
54	Awapani at Gepuline	2 x 250	500	500
Changlang District				
55	Jongkey Nallah	1 x 50	50	50
56	Chicklong	2 x 75	150	150
57	Tissue	4 x 100	400	300
58	Tinning	2 x 25	50	50
Upper Siang District				
59	Sirnyuk SHP	2 x 1000	2000	2000
60	Gosang (siri) MHS	2 x 250	500	500
61	Selli MHS at Geku	2 x 250	500	500
62	Yingkiong Ph-I MHS	3 x 50	150	150
63	Yingkiong Ph-II MHS	2 x 100	200	200
64	Kopu MHS at Tuting	1 x 250	250	250
65	Sikut/ Tuting MHS	2 x 50	100	100
66	Sillingri (Gelling) MHS	1 x 50	50	50
67	Ngaming MHS	1 x 50	50	50
68	Singha MHS	1 x 30	30	30
69	Mayung	1 x 5	5	5
Anjaw District				
70	Mati Nallah	2 x 250 + 1 x 50	550	500
71	Yapak Nallah	2 x 100	200	200
72	Kebitho	1 x 30	30	30
73	Kaho	1 x 10	10	10
74	Krawti Nallah	2 x 50	100	100
75	Teepani MHS	2 x 250	500	500
76	Langpani MHS	2 x 200	400	400
77	Kachopani MHS	2 x 100	200	200
78	Maipani MHS	2 x 30	60	60
Tirap District				
79	Charju	3 x 200	600	600
80	Thiratju	4 x 250	1000	1000
81	Sumhok Nallah	2 x 50	100	100
Siang District				
82	Yembung	4 x 500	2000	2000
East Siang District				
83	Rina	2 x 1000	2000	2000
84	Pasighat	2 x 100	200	100
85	Silli	1 x 30	30	30
Lohit District				
86	Tafragram	1 x 250	250	250
87	Doorah Nallah	2 x 100	200	200
		3 x 100	300	300
	TOTAL		58355.00	54405.00

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Table 6 Firm capacity as projected by the Petitioner for TATO MHS for FY 2026-27

SL. No.	Name of the Station	Units	Installed Capacity (kW)	Firm Capacity (kW)
Eastern Zone (EZ)				
1	Tato MHS	(2 X 50 kW + 2 X 20 kW)	140	90

Interest on Loan Capital

3.6 The Petitioner has submitted that as per clause 16 of APERC RE Regulations 2024, interest on loan taken to fund the cost of project shall be recovered through tariff. DHPD has not taken any loan for financing the projects. In view of the above, no interest on loan has been claimed. DHPD submits that it will claim interest on loan in accordance with the above regulation in case loan is availed for financing of projects in future.

Depreciation

3.7 The Petitioner has stated that Regulation 17 of APERC RE Regulations, 2024 provides that depreciation is to be calculated on the capital cost admitted by the Commission considering salvage value as 10%. The depreciation is to be calculated at 4.67% for the first 15 years and remaining depreciation to be spread over remaining useful life of the project. The rate of depreciation has been considered at 4.67% as per RE Regulation, 2024. The entire capital cost of the projects is being funded by Government of Arunachal Pradesh as a grant. In view of the above, DHPD has not claimed depreciation for the FY 2026-27.

Return on Equity (ROE)

3.8 The Petitioner has stated that as per provision under Regulation 18 of APERC Regulations, 2024, Return on Equity has been considered @ 14.5% per annum. The entire capital cost of the projects is being funded by Government of Arunachal Pradesh as a grant. In view of the above, DHPD has not claimed Return on Equity for the FY 2026-27.

Operation & Maintenance Expenses

- 3.9 The Petitioner has stated that as per Regulation 29 of APERC RE Regulations 2024 provides that normative O&M for SHPs below 500 KW to 1MW shall be Rs. 41.78 Lakh/MW & SHP between 500 KW to 1 MW shall be Rs.31.34 Lakh/MW for the base year of 2024.25. Further, Regulation 21.2 provides for an escalation of 5.89% per annum on the above normative O&M for subsequent years.
- 3.10 However, the Hon'ble Commission has already approved O&M expenses in respect of the SHPs in the Tariff Order Dt. 17.07.2025 for the FY 2025-26. DHPD has taken the approved


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O&M expenses for the FY 2025-26 as base and has escalated the same with the escalation factor of 5.89% per annum as provided in Regulation 21.2 of APERC RE Regulations, 2024 to arrive at the proposed O&M expenses of the respective SHPs for the FY 2026-27.

3.11 The Operation and Maintenance Expenses as submitted by the Petitioner for the 87 plants for FY 2026-27 is given in the table below:

Table 7 O&M Expenses of the plants as submitted by the Petitioner for FY 2026-27

S.No	Particulars	Installed Capacity(MW)	Firm Capacity(MW)	O&M expenses (Rs. Lakh)
1	87 HEPs	58.36	54.41	2870.78

O&M expenses for TATO HEP

3.12 The Petitioner has further submitted that as per APERC (Terms & Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2018 provides for determination of tariff from renewable energy sources with effect from 21st May 2018. The HEP was taken over by the Department on 25.06.2020. Accordingly, provisions of Tariff Regulations, 2018 has been considered for determination of O&M expenses for the HEP.

3.13 Regulation 29 (1) of the APERC (Terms & Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2018 provides the normative O&M expenses for the FY 2018-19 as Rs. 38.06 Lakh/MW for HEPs with installed capacity below 5 MW. Further, Regulation 29(2) provides for escalation at the rate of 5.72% per annum to arrive at the normative O&M for the respective year.

3.14 Further, Regulation 29.2 of APERC (Terms & Conditions for Tariff Determination from Renewable Energy Tariff) Regulations, 2024 provides for escalation of 5.89% per annum for determination of normative O&M for the respective year.

3.15 In view of the above, DHPD has taken base O&M expenses of Rs. 38.06 Lakh/MW (for FY 2018-19) and escalated the same with 5.72% per annum to arrive at the normative O&M upto FY 2024-25. Thereafter, escalation rate of 5.89% per annum (as per Tariff Regulations, 2024) has been considered for arriving at the normative O&M expenses for the FY 2026-27. The details of the O&M expenses are provided in the table below.

Table 8 O&M Expenses for TATO HEP as submitted by the Petitioner for FY 2026-27(Rs.Lakh)

Sl. No.	Particulars	Installed Capacity (MW)	Firm Capacity (MW)	O & M COST for FY 2026-27 (Rs. In Lakh)
1	TATO MHS	0.14	0.09	8.34


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Interest on Working Capital

3.16 The Interest on Working Capital as submitted by the Petitioner for the plants for FY 2026-27 is given in the table below:

Table 9 Interest on Working Capital(in Lakhs) as submitted by the Petitioner for FY 2026-27

S.No	Particulars	Amount
1	O&M expense for one month	239.23
2	Maintenance of spares(15% of O&M)	430.62
3	Receivables @45 days of fixed cost	374.80
4	Total	1044.65
5	Interest on Working Capital @12.20%	127.61

3.17 The Interest on Working Capital as submitted by the Petitioner for the TATO MHS plant for FY 2026-27 is given in the table below:

Table 10 Interest on Working Capital(in lakhs) as submitted by the Petitioner for FY 2026-27

S. No.	Particulars	Amount
1	Operation & Maintenance Expenses (1 month)	0.70
2	Maintenance of Spares (15% of O&M)	1.25
3	Receivables (45 days of fixed cost)	1.09
4	Total	3.04
5	Interest on Working Capital @ 12.22%	0.37

3.18 The Petitioner has further submitted the details of SBI MCLR (One Year tenor) for last six months as below:

Table 11 Details of SBI MCLR(One year Tenor) for last six months as submitted by Petitioner

Effective Date	Interest rate (%)
	1 Year
15.07.2025	8.80
15.06.2025	9.00
15.05.2025	9.00
15.04.2025	9.00
15.03.2025	9.00
15.02.2025	9.00

Total Annual Fixed Charge and Tariff

3.19 The total Annual Fixed Charge and Tariff submitted by the Petitioner for FY 2026-27 for the 87 HEPs is given in the table below:

Table 12 Annual Fixed Charge and Tariff submitted by the Petitioner for FY 2026-27

S.No	Particulars	UOM	87 HEPs
1	Depreciation	Rs. Lakh	0.00
2	Return on Equity		0.00
3	Interest on Loan		0.00
4	O&M Expenses		2870.78
5	Interest on Working Capital		127.61

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6	Total Annual Fixed cost		2998.40
7	Installed Capacity	MW	54.41
8	CUF considered	%	45
9	Auxiliary Power Consumption (@1%)	MUs	2.14
10	Saleable Energy	MUs	212.32
11	Tariff	Rs/kWh	1.41

3.20 The total Annual Fixed Charge and Tariff submitted by the Petitioner for FY 2026-27 for the TATO HEPs is given in the table below:

Table 13 Annual Fixed Charge and Tariff submitted by the Petitioner for TATO HEP for FY 2026-27

S.No	Particulars	UOM	TATO HEP
1	Depreciation	Rs. Lakh	0.00
2	Return on Equity		0.00
3	Interest on Loan		0.00
4	O&M Expenses		8.34
5	Interest on Working Capital		0.37
6	Total Annual Fixed cost		8.71
7	Installed Capacity	MW	0.09
8	CUF considered	%	45
9	Auxiliary Power Consumption (@1%)	MUs	0.00
10	Saleable Energy	MUs	0.35
11	Tariff	Rs/kWh	2.48

3.21 The Petitioner has prayed before the Hon'ble Commission as follows:

- Approve the Annual Fixed Charges & Tariff as submitted.
- Pass such other and further order(s) as are deemed fit and proper in the facts and circumstances of the case.

■ ■ ■


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CHAPTER 4: PUBLIC CONSULTATION PROCESS

4.1 A Public Hearing was held by the Commission on 4th May 2026 in the conference hall of the Commission for giving additional opportunity to all the stakeholders to submit their comments/suggestions on the said petition. However, no specific comments/objections have been received on the petition by the Commission. The list of the attendees in the public hearing is mentioned in Annexure-I of this Order.



CHAPTER 5: ARR & TARIFF DETERMINATION

5.1 The Commission has analysed the submission of the Petitioner with respect to the Annual Revenue Requirement and Tariff for the period FY 2026-27 and has undertaken the exercise for determination of ARR and Tariff for the Petitioner. The component wise description of the Petitioner's submission and the Commission's analysis thereof is provided hereunder.

5.2 The Commission while determining the ARR & Tariff exercise for FY 2026-27 has taken into consideration the following:

- a) APERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2024 and its amendments.
- b) Documents/Information/Data placed before the Commission.
- c) Methodology adopted by the Commission in its previous Orders.

5.3 Further, the Commission has also noted that the Petitioner had separately submitted the tariff for TATO MHS (140 kW) for the reasons specified in the above section. However, considering the small capacity and to avoid complexity in tariff calculation, the Commission has clubbed the same along with the 87 HEPs and determined the tariff accordingly. The component-wise details filled by the Petitioner's and the Commission's analysis and approval is made in the upcoming paragraph.

Capital Cost

Petitioners Submission

5.4 The Petitioner has referred to Clause 14 of the APERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2024, which stipulates that the capital cost specified in the technology-specific chapters shall be considered for the determination of Annual Fixed Charges (AFC) and Tariff. The capital cost approved by the Commission shall serve as the basis for determining project-specific tariffs.

5.5 The Petitioner has further stated that the Commission has approved the capital cost of 79 HEPs in the tariff order Dt.20.12.2019 for the FY 2019-20. Further in respect of 37 HEPs Honourable Commission in the tariff order Dt 31.12.2024 for the FY2024-25 has observed below:

"5.11 The Commission has referred the Tariff Order of DHPD for the fiscal year 2019-20, dated 20/12/2019, in which the Commission has approved the capital cost of 79


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Hydroelectric Projects (HEPs) after conducting a thorough review and analysis of the documents submitted by the Petitioner. In the present matter, the Petitioner has sought approval for the capital cost of the remaining 37 HEPs, for which approval was not granted by the Commission at that time due to inadequate data.

5.12 In the present context for approval of the capital cost of 37 HEPs the Petitioner has stated that the capital cost was determined considering the APSERC (Terms & Conditions for tariff Determination from Renewable Energy Sources) Regulations, 2012.

5.13 The Commission has reviewed the APSERC (Terms & Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2012, for the purpose of determining the capital cost of the plants. The Commission has also examined the submission made by the petitioner in which the Petitioner has provided the capital cost for each individual plant. Upon scrutinizing the submitted details, the Commission has noted that the Petitioner failed to submit the base cost used for the calculation of capital costs, prior to the application of the relevant escalations, as stipulated under the APSERC (Terms & Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2012.

5.14 In the absence of the base data, the Commission is unable to proceed with the approval of the capital cost for the 37 Hydroelectric Projects (HEPs). Consequently, the Commission does not grant approval for the capital cost of the 37 HEPs at this time. However, the Commission provides the Petitioner with an opportunity to seek approval for the capital cost of the 37 HEPs upon the submission of a detailed cost breakdown, along with the necessary supporting documentation in future petition."

- 5.6 The Petitioner has submitted that it is making efforts to finalize the capital cost HEPs based on the data/records. The same shall be submitted for consideration of the Honourable Commission. However, the projects which have either been approved for write off or are under process to be written off have already been excluded in the instant petition as submitted supra.

Commissions Analysis

- 5.7 The Commission has taken a note of the submission of the Petitioner and shall approve the capital cost of the remaining 37 projects once all the necessary documents supporting the claim is being submitted. Accordingly, the Commission in the present case has not approved any capital cost for the projects.

Energy Sales & Design Energy

Petitioners Submission

5.8 The Petitioner has submitted design energy of the 87 HEP and TATO HEP as given in the table below:

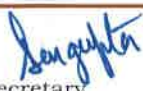
Table 14 Design Energy as submitted by the Petitioner for 87 HEP(MU)

SL. No.	Name of the Stations	Units	Installed Capacity	Firm Capacity	Design Energy (Annual)
Western Zone (WZ)			(KW)	(KW)	(MU)
Tawang District					
1	Chellengkang Ph-I	1 x 30	30	30	0.25
2	Chellengkang Ph-II	1 x 30	30	30	0.25
3	Shakti Nallah	2 x 50	100	50	0.83
4	Thimbu	2 x 50	100	100	0.83
5	Khet	2 x 50	100	100	0.83
6	Tsechu Nallah	2 x 50	100	100	0.83
7	Mago MHS	2 x 50	100	100	0.83
8	Nuranang	3 x 2000	6000	6000	49.93
9	Kitpi Ph-I	3 x 500	1500	1500	12.48
10	Kitpi MHS Ph-II	2 x 1500	3000	3000	24.97
11	T. Gompa	1 x 50	50	50	0.42
12	Bongleng	2 x 50	100	100	0.83
13	Bramdhongchung Ph-II	2 x 50	100	100	0.83
West Kameng District					
14	Rahung	3 x 250	750	500	6.24
15	Dirang	4 x 500	2000	1500	16.64
16	Saktangrong MHS	3 x 100	300	300	2.50
17	Zhongdongrong	2 x 500	1000	1000	8.32
18	Sessa	3 x 500	1500	1500	12.48
19	Domkhong	2 x 500	1000	1000	8.32
20	Dikshi	2 x 30	60	60	0.50
21	Khadiyabey	2 x 100	200	200	1.66
22	Jigaon	2 x 50	100	100	0.83
East Kameng District					
23	Pakke Kessang	1 x 30	30	30	0.25
24	Pacha MHS	2 x 1500	3000	3000	24.97
25	Pakoti	2 x 50	100	100	0.83
26	Patta Nallah	2 x 50	100	100	0.83
27	Watte Mame	1 x 50	50	50	0.42
28	Kade Nallah	1 x 50	50	50	0.42
Kurung Kumey District					
29	Koye	1 x 50	50	50	0.42
30	Paya MHS at Hiya	2 x 50	100	100	0.83
31	Chambang	1 x 30	30	30	0.25
Lower Subansiri District					
32	Mai Ph-I	4 x 500	2000	1500	16.64
33	Mai Ph-II	2 x 500	1000	500	8.32
34	Tago	3 x 1500	4500	3000	37.45
Upper Subansiri District					
35	Sippi	2 x 2000	4000	4000	33.29
36	Sikin Karo	2 x 100	200	200	1.66
37	Sinyum Koro	2 x 50	100	100	0.83
38	Dulom (Daporijo)	4 x 100	400	300	3.33
39	Ayingmuri MHS	2 x 125	250	250	2.08
Eastern Zone (EZ)					


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SL. No.	Name of the Stations	Units	Installed Capacity	Firm Capacity	Design Energy (Annual)
West Siang District					
40	Pagi (Basar)	2 x 50	100	50	0.83
41	Ego-Echi (Dali)	4 x 100	400	400	3.33
42	Liromoba	2 x 1000	2000	2000	16.64
43	Kamba MHS	3 x 2000	6000	6000	49.93
44	Yingko Sikong at Rapum	1 x 50	50	50	0.42
45	Sirikorang MHS	2x250	500	500	4.16
46	Solegomang MHS	1 x 50	50	50	0.42
Lower Dibang Valley District					
Dibang Valley District					
47	Echi Ahfra at Anaya	2 x 200	400	400	3.33
48	Tah Ahfra Ph-I and Ph-II at Angolin	1 x 50 + 1 x 50	100	100	0.83
49	Chini Ahfra at Amuli	1 x 250	250	250	2.08
50	Awapani Ph-II at LG	2 x 250	500	250	4.16
51	Echito Nallah at Dambien	2 x 20	40	40	0.33
52	Rupapani at Punli	2 x 20	40	40	0.33
53	Chu Nallah at Mipi	2 x 15	30	30	0.25
54	Awapani at Gepuline	2 x 250	500	500	4.16
Changlang District					
55	Jongkey Nallah	1 x 50	50	50	0.42
56	Chicklong	2 x 75	150	150	1.25
57	Tissue	4 x 100	400	300	3.33
58	Tinning	2 x 25	50	50	0.42
Upper Siang District					
59	Sirnyuk SHP	2 x 1000	2000	2000	16.64
60	Gosang (siri) MHS	2 x 250	500	500	4.16
61	Selli MHS at Geku	2 x 250	500	500	4.16
62	Yingkiong Ph-I MHS	3 x 50	150	150	1.25
63	Yingkiong Ph-II MHS	2 x 100	200	200	1.66
64	Kopu MHS at Tuting	1 x 250	250	250	2.08
65	Sikut/ Tuting MHS	2 x 50	100	100	0.83
66	Sillingri (Gelling) MHS	1 x 50	50	50	0.42
67	Ngaming MHS	1 x 50	50	50	0.42
68	Singha MHS	1 x 30	30	30	0.25
69	Mayung	1 x 5	5	5	0.04
Anjaw District					
70	Mati Nallah	2 x 250 + 1 x 50	550	500	4.58
71	Yapak Nallah	2 x 100	200	200	1.66
72	Kebitho	1 x 30	30	30	0.25
73	Kaho	1 x 10	10	10	0.08
74	Krawti Nallah	2 x 50	100	100	0.83
75	Teepani MHS	2 x 250	500	500	4.16
76	Langpani MHS	2 x 200	400	400	3.33
77	Kachopani MHS	2 x 100	200	200	1.66
78	Maipani MHS	2 x 30	60	60	0.50
Tirap District					
79	Charju	3 x 200	600	600	4.99
80	Thiratju	4 x 250	1000	1000	8.32
81	Sumhok Nallah	2 x 50	100	100	0.83
Siang District					
82	Yembung	4 x 500	2000	2000	16.64
East Siang District					
83	Rina	2 x 1000	2000	2000	16.64
84	Pasighat	2 x 100	200	100	1.66


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SL. No.	Name of the Stations	Units	Installed Capacity	Firm Capacity	Design Energy (Annual)
85	Silli	1 x 30	30	30	0.25
Lohit District					
86	Tafragram	1 x 250	250	250	2.08
87	Doorah Nallah	2 x 100	200	200	1.66
		3 x 100	300	300	2.50
	TOTAL		58355.00	54405.00	485.63

Table 15 Design Energy as submitted by the Petitioner for TATO HEP(MU)

SL. No.	Name of the Stations	Units	Installed Capacity	Firm Capacity	Design Energy (Annual)
Eastern Zone (EZ)			(KW)	(KW)	(MU)
1	Tato MHS	(2 X 50 kW + 2 X 20 kW)	140	90	1.17

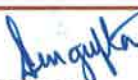
Commissions Analysis

5.9 The Commission has referred to the actual generation of the plants as referred in the above section of this order and upon reviewing the actual generation data for the plants, has observed that the overall Capacity Utilization Factor (CUF) of the plants is approximately **11.8%**, which is significantly lower than the normative value of **45%** as stipulated under the **APSERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2024**, and its amendments. Additionally, the Commission has taken note of the Petitioner's submission, wherein the Petitioner has submitted a write-off of a total of 4 plants which has been approved by the Government of Arunachal Pradesh (GoAP). The details of these plants are outlined in **Annexure 2** of this order.

5.10 In this context, the Commission directs the Petitioner to take necessary measures to enhance the CUF of the plants. Nevertheless, the Commission has approved the projected net generation for all 88 plants (87 HEPs + TATO HEP) by considering a CUF of 45% which is in accordance with the provision of the RE Regulation 2024. The detailed generation as computed by the Commission for FY 2026-27 is given in the table below:

Table 16 Energy projected for FY 2026-27 by Commission considering 45% CUF (MU)

SL. No.	Name of the Stations	Units	Installed Capacity	Firm Capacity	Projected Generation @45% CUF	Net Gen.@1% AuX Consumption
Western Zone (WZ)			(KW)	(KW)	MU	MU
Tawang District						
1	Challengkang Ph-I	1 x 30	30	30	0.118	0.117
2	Challengkang Ph-II	1 x 30	30	30	0.118	0.117
3	Shakti Nallah	2 x 50	100	50	0.197	0.195


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SL. No.	Name of the Stations	Units	Installed Capacity	Firm Capacity	Projected Generation @45% CUF	Net Gen.@1% AuX Consumption
Western Zone (WZ)			(KW)	(KW)	MU	MU
4	Thimbu	2 x 50	100	100	0.394	0.390
5	Khet	2 x 50	100	100	0.394	0.390
6	Tsechu Nallah	2 x 50	100	100	0.394	0.390
7	Mago MHS	2 x 50	100	100	0.394	0.390
8	Nuranang	3 x 2000	6000	6000	23.652	23.415
9	Kitpi Ph-I	3 x 500	1500	1500	5.913	5.854
10	Kitpi MHS Ph-II	2 x 1500	3000	3000	11.826	11.708
11	T. Gompa	1 x 50	50	50	0.197	0.195
12	Bongleng	2 x 50	100	100	0.394	0.390
13	Bramdhongchung Ph-II	2 x 50	100	100	0.394	0.390
West Kameng District						
14	Rahung	3 x 250	750	500	1.971	1.951
15	Dirang	4 x 500	2000	1500	5.913	5.854
16	Saktangrong MHS	3 x 100	300	300	1.183	1.171
17	Zhongdongrong	2 x 500	1000	1000	3.942	3.903
18	Sessa	3 x 500	1500	1500	5.913	5.854
19	Domkhong	2 x 500	1000	1000	3.942	3.903
20	Dikshi	2 x 30	60	60	0.237	0.234
21	Khadiyabey	2 x 100	200	200	0.788	0.781
22	Jigaon	2 x 50	100	100	0.394	0.390
East Kameng District						
23	Pakke Kessang	1 x 30	30	30	0.118	0.117
24	Pacha MHS	2 x 1500	3000	3000	11.826	11.708
25	Pakoti	2 x 50	100	100	0.394	0.390
26	Patta Nallah	2 x 50	100	100	0.394	0.390
27	Watte Mame	1 x 50	50	50	0.197	0.195
28	Kade Nallah	1 x 50	50	50	0.197	0.195
Kurung Kumey District						
29	Koye	1 x 50	50	50	0.197	5.854
30	Paya MHS at Hiya	2 x 50	100	100	0.394	1.951
31	Chambang	1 x 30	30	30	0.118	11.708
Lower Subansiri District						
32	Mai Ph-I	4 x 500	2000	1500	5.913	15.610
33	Mai Ph-II	2 x 500	1000	500	1.971	0.781
34	Tago	3 x 1500	4500	3000	11.826	0.390
Upper Subansiri District						
35	Sippi	2 x 2000	4000	4000	15.768	0.195
36	Sikin Karo	2 x 100	200	200	0.788	1.561
37	Sinyum Koro	2 x 50	100	100	0.394	7.805
38	Dulom (Daporijo)	4 x 100	400	300	1.183	23.415
39	Ayingmuri MHS	2 x 125	250	250	0.986	0.195
Eastern Zone (EZ)						
West Siang District						
40	Pagi (Basar)	2 x 50	100	50	0.197	1.561
41	Ego-Echi (Dali)	4 x 100	400	400	1.577	0.390
42	Liromoba	2 x 1000	2000	2000	7.884	0.976
43	Kamba MHS	3 x 2000	6000	6000	23.652	0.976
44	Yingko Sikong at Rapum	1 x 50	50	50	0.197	0.156
45	Sirikorang MHS	2x250	500	500	1.971	0.156
46	Solegomang MHS	1 x 50	50	50	0.197	0.117
Lower Dibang Valley District						
Dibang Valley District						

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SL. No.	Name of the Stations	Units	Installe d Capaci ty	Firm Capacity	Projected Generation @45% CUF	Net Gen.@1% AuX Consumption
Western Zone (WZ)			(KW)	(kW)	MU	MU
47	Echi Ahfra at Anaya	2 x 200	400	400	1.577	0.195
48	Tah Ahfra Ph-I and Ph-II at Angolin	1 x 50 + 1 x 50	100	100	0.394	0.585
49	Chini Ahfra at Amuli	1 x 250	250	250	0.986	1.171
50	Awapani Ph-II at LG	2 x 250	500	250	0.986	0.195
51	Echito Nallah at Dambien	2 x 20	40	40	0.158	0.195
52	Rupapani at Punli	2 x 20	40	40	0.158	0.585
53	Chu Nallah at Mipi	2 x 15	30	30	0.118	1.171
54	Awapani at Gepuline	2 x 250	500	500	1.971	0.195
Changlang District						
55	Jongkey Nallah	1 x 50	50	50	0.197	0.195
56	Chicklong	2 x 75	150	150	0.591	0.585
57	Tissue	4 x 100	400	300	1.183	1.171
58	Tinning	2 x 25	50	50	0.197	0.195
Upper Siang District						
59	Sirnyuk SHP	2 x 1000	2000	2000	7.884	7.805
60	Gosang (siri) MHS	2 x 250	500	500	1.971	1.951
61	Selli MHS at Geku	2 x 250	500	500	1.971	1.951
62	Yingkiong Ph-I MHS	3 x 50	150	150	0.591	0.585
63	Yingkiong Ph-II MHS	2 x 100	200	200	0.788	0.781
64	Kopu MHS at Tuting	1 x 250	250	250	0.986	0.976
65	Sikut/ Tuting MHS	2 x 50	100	100	0.394	0.390
66	Sillingri (Gelling) MHS	1 x 50	50	50	0.197	0.195
67	Ngaming MHS	1 x 50	50	50	0.197	0.195
68	Singha MHS	1 x 30	30	30	0.118	0.117
69	Mayung	1 x 5	5	5	0.020	0.020
Anjaw District						
70	Mati Nallah	2 x 250 + 1 x 50	550	500	1.971	1.951
71	Yapak Nallah	2 x 100	200	200	0.788	0.781
72	Kebitho	1 x 30	30	30	0.118	0.117
73	Kaho	1 x 10	10	10	0.039	0.039
74	Krawti Nallah	2 x 50	100	100	0.394	0.390
75	Teepani MHS	2 x 250	500	500	1.971	1.951
76	Langpani MHS	2 x 200	400	400	1.577	1.561
77	Kachopani MHS	2 x 100	200	200	0.788	0.781
78	Maipani MHS	2 x 30	60	60	0.237	0.234
Tirap District						
79	Charju	3 x 200	600	600	2.365	2.342
80	Thiratju	4 x 250	1000	1000	3.942	3.903
81	Sumhok Nallah	2 x 50	100	100	0.394	0.390
Siang District						
82	Yembung	4 x 500	2000	2000	7.884	7.805
East Siang District						
83	Rina	2 x 1000	2000	2000	7.884	7.805
84	Pasighat	2 x 100	200	100	0.394	0.390
85	Silli	1 x 30	30	30	0.118	0.117
Lohit District						
86	Tafragram	1 x 250	250	250	0.986	0.976

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SL. No.	Name of the Stations	Units	Installed Capacity	Firm Capacity	Projected Generation @45% CUF	Net Gen.@1%Aux Consumption
Western Zone (WZ)			(KW)	(KW)	MU	MU
87	Doorah Nallah	2 x 100	200	200	0.788	0.781
		3 x 100	300	300	1.183	1.171
88	TATO HEP	2x50+2x20	140	90	0.355	0.351
	TOTAL		58355	54405	214.81	212.67

Interest on Loan Capital

Petitioners Submission

5.11 The Petitioner has cited Clause 16 of the APSERC RE Regulations, 2024, which stipulates that interest on loans taken to finance the project cost shall be recovered through tariff. The Petitioner has indicated that no loan has been taken for financing of the projects and, therefore, no interest on loan has been claimed. Furthermore, the Petitioner has stated that it will seek to claim interest on loan in accordance with the applicable regulations, should any loan be availed for the financing of the projects in the future.

Commissions Analysis

5.12 The Commission has acknowledged the submission made by the Petitioner and in light of this has not considered the interest on loan component in the tariff calculations for the fiscal year 2026-27.

Depreciation

Petitioners Submission

5.13 The Petitioner has referred to Regulation 17 of APSERC RE Regulations, 2024 which states that depreciation is to be calculated on the capital cost admitted by the Commission considering salvage value as 10%. The Petitioner has further stated that depreciation is to be calculated at 4.67% for the first 15 years and remaining depreciation is to be spread over the remaining useful life of the project. However, the Petitioner has stated that the entire capital cost of the projects is being funded by Government of Arunachal Pradesh as a grant. In view of the above, DHPD has not claimed depreciation for the FY 2026-27.

Commissions Analysis

5.14 The Commission in line with the methodology adopted in the earlier order has not considered any depreciation for the plants for FY 2026-27 since the entire capital cost of

projects is being funded by Government of Arunachal Pradesh as a grant.

Return on Equity

Petitioners Submission

5.15 The Petitioner has referred to provision under Regulation 18 of APSERC Regulations, 2024 for calculation of RoE and accordingly has considered RoE @ 14.5% pa. The Petitioner has further submitted that the entire capital cost of the projects is being funded by Government of Arunachal Pradesh as a grant and in view of the same the Petitioner has not claimed any Return on Equity for the FY 2026-27.

Commissions Analysis

5.16 The Commission in line with the methodology adopted in the earlier order and as per submission of the Petitioner has not considered any Return on Equity for the FY 2026-27.

Operation & Maintenance Expenses

Petitioners Submission

5.17 The Petitioner has referred to Regulation 29 of the APSERC RE Regulations, 2024, which stipulates that the normative O&M expenses for Small Hydropower Projects (SHPs) with a capacity below 500 kW shall be ₹41.78 Lakh/MW, and for SHPs with a capacity between 500 kW and 1 MW, shall be ₹31.34 Lakh/MW for the base year FY 2024-25. Further Regulation 21.2 provides for an escalation of 5.89% per annum on the above normative O&M expenses for subsequent years.

5.18 The Petitioner has taken into account the O&M expenses already approved for the Small Hydropower Projects (SHPs) in the previous tariff order and has applied an annual escalation rate of 5.89% to arrive at the proposed O&M expenses of the respective SHPs for the FY 2025-26.

5.19 Accordingly, applying the same methodology the Petitioner has computed O&M expenses for the 87 HEP as summarized in the table below:

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Table 17 O&M expenses as submitted by the Petitioner for FY 2026-27(Rs.Lakhs)

S.No	Particulars	Installed Capacity (MW)	Firm Capacity(MW)	O&M cost(Lakhs)
1	87 HEPs	58.36	54.41	2870.78

5.20 The Petitioner referring to TATO HEP has stated that as per APERC (Terms & Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2018 provides for determination of tariff from renewable energy sources with effect from 21st May 2018. The HEP was taken over by the Department on 25.06.2020. Accordingly, provisions of Tariff Regulations, 2018 has been considered for determination of O&M expenses for the HEP.

5.21 Further Regulation 29 (1) of the APERC (Terms & Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2018 provides the normative O&M expenses for the FY 2018-19 as Rs. 38.06 Lakh/MW for HEPs with installed capacity below 5 MW. Further, Regulation 29(2) provides for escalation at the rate of 5.72% per annum to arrive at the normative O&M for the respective year. Further, Regulation 29.2 of APERC (Terms & Conditions for Tariff Determination from Renewable Energy Tariff) Regulations, 2024 provides for escalation of 5.89% per annum for determination of normative O&M for the respective year.

5.22 In view of the above, DHPD has taken base O&M expenses of Rs. 38.06 Lakh/MW (for FY 2018-19) and escalated the same with 5.72% per annum to arrive at the normative O&M upto FY 2024-25. Thereafter, escalation rate of 5.89% per annum (as per Tariff Regulations, 2024) has been considered for arriving at the normative O&M expenses for the FY 2026-27. The details of the O&M expenses are provided in the table below.

Table 18 O&M Expense for TATO HEP for FY 2026-27(Rs.Lakhs)

S.No	Particulars	Installed Capacity (MW)	Firm Capacity(MW)	O&M cost(Lakhs)
1	TATO HEP	0.14	0.09	8.34

Commissions Analysis

5.23 The Commission has referred to the tariff order for FY 2024-25, which is considered the first year of the three-year control period. In this order, by referring to Clause 38 of the APERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2024, the Commission calculated the normative O&M expenses based on prevailing market trends and approved the first year O&M expenses for the SHP's in the

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tariff order dated 31.12.2024.

5.24 In that particular order the Commission had considered O&M expenses of plants as given below:

Table 19 O&M Expense as approved by the Commission in tariff order dated 31.12.2025(Rs.Lakhs/MW)

Particulars	Rs Lakhs/MW
Below 5 MW	49.73
5 MW - 25 MW	37.58

5.25 Furthermore, for determining the O&M expenses for the third year of the control period, the Commission has escalated the approved value of second year of the control period i.e. FY 2025-26 by 5.89% to arrive at the O&M expenses for FY 2026-27, in accordance with Clause 21.2 of the APSERC RE Regulations, 2024, as outlined below:

"21.2 Normative O&M expenses allowed during first year of the Control Period under these regulations shall be escalated at the rate of 5.89% per annum for the Tariff Period."

5.26 Pursuant to the aforementioned provisions, the Commission has computed and approved the O&M expenses for the 88 SHP's as shown in the table below:

Table 20 O&M expenses (in Rs Lakhs) as approved by the Commission for FY 2026-27

Sl. No	Name of the Station	Units	Installed Capacity(kW)	Firm Capacity(kW)	Year of Commissioning (FY)	O&M approved for FY 27
Western Zone(WZ)						
Tawang District						
1	Chellengkang Ph-I	1 x 30	30	30	2004-05	1.67
2	Chellengkang Ph-II	1 x 30	30	30	2008-09	1.67
3	Shakti Nallah	2 x 50	100	50	2008-09	2.79
4	Thimbu	2 x 50	100	100	2009-10	5.58
5	Khet	2 x 50	100	100	2009-10	5.58
6	Tsechu Nallah	2 x 50	100	100	2010-11	5.58
7	Mago MHS	2 x 50	100	100	2014-15	5.58
8	Nuranang	3 x 2000	6000	6000	1996-97	252.82
9	Kitpi Ph-I	3 x 500	1500	1500	1977-78	83.64
10	Kitpi MHS Ph-II	2 x 1500	3000	3000	2008-09	167.28
11	T. Gompa	1 x 50	50	50	2001-02	2.79
12	Bongleng	2 x 50	100	100	2009-10	5.58
13	Bramdhongchung Ph-II	2 x 50	100	100	2010-11	5.58
West Kameng District						
14	Rahung	3 x 250	750	500	1972 - 73	27.88
15	Dirang	4 x 500	2000	1500	1977 - 78	83.64
16	Saktangrong MHS	3 x 100	300	300	2011-12	16.73
17	Zhongdongrong	2 x 500	1000	1000	2016-17	55.76


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18	Sessa	3 x 500	1500	1500	1992-93	83.64
19	Domkhong	2 x 500	1000	1000	2008-09/2019-20	11.15
20	Dikshi	2 x 30	60	60	2010-11/2019-20	27.88
21	Khadiyabey	2 x 100	200	200	2011-12	83.64
22	Jigaon	2 x 50	100	100	2016-17	16.73
Pakke Kessang District						
23	Pakke Kessang	1 x 30	30	30	2001-02	1.67
East Kameng District						
24	Pacha MHS	2 x 1500	3000	3000	2008-09	167.28
25	Pakoti	2 x 50	100	100	2010-11	5.58
26	Patta Nallah	2 x 50	100	100	2010-11	5.58
27	Watte Mame	1 x 50	50	50	2010-11	2.79
28	Kade Nallah	1 x 50	50	50	2010-11	2.79
Kurung Kumey District						
29	Koye	1 x 50	50	50	2009-10	2.79
30	Paya MHS at Hiya	2 x 50	100	100	2011-12	5.58
Kra Dadi District						
31	Chambang	1 x 30	30	30	2009-10	1.67
32	Mai Ph-I	4 x 500	2000	1500	1977-78	83.64
33	Mai Ph-II	2 x 500	1000	500	1982-83	27.88
34	Tago	3 x 1500	4500	3000	1992-93	167.28
Upper Subansiri District						
35	Sippi	2 x 2000	4000	4000	2008-09	223.04
36	Sikin Karo	2 x 100	200	200	2011-12	5.58
37	Sinyum Koro	2 x 50	100	100	2011-12	16.73
38	Dulom (Daporijo)	4 x 100	400	300	1981-82	13.94
39	Ayingmuri MHS	2 x 125	250	250	2012-13	223.04
Eastern Zone (EZ)						
40	Pagi (Basar)	2 x 50	100	50	1972-73	2.79
41	Ego-Echi (Dali)	4 x 100	400	400	1987-88	22.30
42	Liromoba	2 x 1000	2000	2000	2008-09	111.52
43	Kamba MHS	3 x 2000	6000	6000	2010	252.82
44	Yingko Sikong at Rapum	1 x 50	50	50	2009-10	2.79
45	Sirikorang MHS	2x250	500	500	2013-14	27.88
46	Solegomang MHS	1 x 50	50	50	2011-12	2.79
Dibang Valley District						
47	Echi Ahfra at Anaya	2x200	400	400	2005-06	22.30
48	Tah Ahfra Ph-I and Ph-II at Angolin	1x50+1x50	100	100	2001-02 2009-10	5.58
49	Chini Ahfra at Amuli	1x250	250	250	2001-02	13.94
50	Awapani Ph-II at LG	2 x 250	500	250	2005-06	13.94
51	Echito Nallah at Dambien	2 x 20	40	40	2010-11	2.23
52	Rupapani at Punli	2 x 20	40	40	2010-11	2.23
53	Chu Nallah at Mipi	2 x 15	30	30	2011-12	1.67

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54	Awapani at Gepuline	2 x 250	500	500	2014-15	27.88
Changlang District						
55	Jongkey Nallah	1 x 50	50	50	2011-12	2.79
56	Chicklong	2 x 75	150	150	2011-12	8.36
57	Tissue	4 x 100	400	300	1986-87	16.73
58	Tinning	2 x 25	50	50	2010-11	2.79
Upper Siang District						
59	Sirnyuk SHP	2x1000	2000	2000	1996-97	111.52
60	Gosang (siri) MHS	2 x 250	500	500	2011-12	27.88
61	Selli MHS at Geku	2x 250	500	500	1994-95	27.88
62	Yingkiong Ph-I MHS	3x50	150	150	1980-81	8.36
63	Yingkiong Ph-II MHS	2x100	200	200	1992-93	11.15
64	Kopu MHS at Tuting	1x250	250	250	2004	13.94
65	Sikut/ Tuting MHS	2x50	100	100	1984-85	5.58
66	Sillingri (Gelling) MHS	1x50	50	50	2008-09	2.79
67	Ngaming MHS	1x50	50	50	2008-09	2.79
68	Singa MHS	1x30	30	30	2008-09	1.67
69	Sika MHS at Likor	1x15	15	15	2010	0.84
Anjaw District						
70	Mati Nallah	2x250+1x50	550	500	2004-05	27.88
71	Yapak Nallah	2x100	200	200	2005-06	11.15
72	Kebitho	1x30	30	30	2004-05	1.67
73	Kaho	1 x 10	10	10	2004-05	0.56
74	Krawti Nallah	2 x 50	100	100	2011	5.58
75	Teepani MHS	2 x 250	500	500	2009-10	27.88
76	Langpani MHS	2 x 200	400	400	2011-12	22.30
77	Kachopani MHS	2 x 100	200	200	2014-15	11.15
78	Maipani MHS	2 x 30	60	60	2010-11	3.35
Tirap District						
79	Charju	3 x 200	600	600	1984-85	33.46
80	Thiratju	4 x 250	1000	1000	1977	55.76
81	Sumhok Nallah	2 x 50	100	100	2009-10	5.58
Siang District						
82	Yembung	4 x 500	2000	2000	1984	111.52
East Siang District						
83	Rina	2 x 1000	2000	2000	2008-09	111.52
84	Pasighat	2 x 100	200	100	1972	5.58
85	Silli	1 x 30	30	30	2001-02	1.67
Lohit District						
86	Tafragram	1 x 250	250	250	1984-85	13.94
87	Doorah Nallah	2x100	200	200	2013-14	27.88
		3x100	300	300		
88	TATO	2x50+2x20	140	90	2014	7.80
Total						2878.54

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Interest on Working Capital

Petitioners Submission

5.27 The Petitioner has submitted that the requirement of working capital and interest thereon has been computed as per clause 19 “Interest on Working Capital” of the APSERC RE Regulations 2024. The Petitioner has considered interest @12.22% pa on working capital which is 325 basis points above the SBI MCLR (One Year tenor) for last six months. The average SBI MCLR (one-year tenor) for last six months is 8.75%. The summary of Interest on Working Capital as submitted by the Petitioner for FY 2026-27 is given in the table below:

Table 21 Interest on Working Capital for 87 HEP as submitted by the Petitioner for FY 2026-27 (in Lakhs)

S.No	Particulars	For 87 HEPs
1	Operation & Maintenance Expense (1 month)	239.23
2	Maintenance of Spares (15% of O&M)	430.62
3	Receivables (45 days of fixed cost)	374.80
4	Total	1044.65
5	Interest on Working Capital @12.22%	127.61

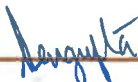
Table 22 Interest on Working Capital for TATO HEP submitted by the Petitioner for FY 2026-27 (in Lakhs)

S.No	Particulars	TATO HEP
1	Operation & Maintenance Expense (1 month)	0.70
2	Maintenance of Spares (15% of O&M)	1.25
3	Receivables (45 days of fixed cost)	1.09
4	Total	3.04
5	Interest on Working Capital @12.22%	0.37

Commissions Analysis

5.28 **Interest on Working Capital (IoWC)** represents the cost incurred towards borrowing short-term funds for meeting day-to-day operational expenses, particularly in cases where there is a delay in revenue collection or billing cycles. It constitutes the interest payable on the working capital requirement financed through loans or credit. However, in the present case, the Commission observes that the entire working capital requirement of the Department of Hydro Power Development is being met through grants provided by the Government of Arunachal Pradesh. Consequently, there is no interest liability on DHPD in this regard.

5.29 In light of the above, the Commission is of the view that the provision for Interest on Working Capital should not be applicable to DHPD. Accordingly, no amount towards Interest on Working Capital has been approved for DHPD for the FY 2026-27.


Secretary
APSERC

Annual Fixed Charge & Tariff

Petitioners Submission

5.30 The Annual Fixed Charge and Tariff submitted by the Petitioner is given in the table below:

Table 23 AFC and Tariff of the plants as submitted by the Petitioner for FY 2026-27

S.No	Particulars	UOM	87HEPs
1	Depreciation	Rs. Lakh	0.00
2	Return on Equity		0.00
3	Interest on Loan		0.00
4	O&M Expenses		2870.78
5	Interest on Working Capital		127.61
6	Total Annual Fixed cost		2998.40
7	Installed Capacity	MW	54.41
8	CUF considered	%	45
9	Auxiliary Power Consumption (@1%)	MUs	2.14
10	Saleable Energy	MUs	212.32
11	Tariff	Rs/kWh	1.41

Table 24 AFC and Tariff of TATO HEP as submitted by the Petitioner for FY 2026-27

S.No	Particulars	UOM	TATO HEP
1	Depreciation	Rs. Lakh	0.00
2	Return on Equity		0.00
3	Interest on Loan		0.00
4	O&M Expenses		8.34
5	Interest on Working Capital		0.37
6	Total Annual Fixed cost		8.71
7	Installed Capacity	MW	0.09
8	CUF considered	%	45
9	Auxiliary Power Consumption (@1%)	MUs	0.00
10	Saleable Energy	MUs	0.35
11	Tariff	Rs/kWh	2.48

Commissions Analysis

5.31 The Commission in accordance with the approval as provided in the above para of this order approves the Annual Fixed Charge and Tariff for the plants as referred in the table below:

Table 25 AFC and Tariff of 88 HEP as approved by the Commission for FY 2026-27

S.No	Particulars	UOM	Approved
1	Depreciation	Rs. Lakh	0.00
2	Return on Equity		0.00
3	Interest on Loan		0.00
4	O&M Expenses		2878.54
5	Interest on Working Capital		0.00
6	Total Annual Fixed cost		2878.54
7	Saleable Energy	MUs	212.67
8	Tariff	Rs/kWh	1.354

■ ■ ■

[Signature]
Secretary
APSERC

CHAPTER 6: Status of Earlier Directives

6.1 The Commission has time and again issued various directives in order to improve the functioning of the Petitioner. The compliance status submitted by the Petitioner to the Commission earlier directions is tabulated below:

Table 26 Status of Earlier directives issued by the Commission

S.No	Directives	Petitioner response
1	The Petitioner is directed to strictly adhere to the timeline for filing tariff petition complete in all aspects with all required data in prescribed format by 30 th November of each year. In this regard the Petitioner is directed to submit Petition for FY 2026-27 complete in all aspects by 30 th November 2025.	It is submitted that, DHPD shall ensure filing of the tariff petition by 30th November of each year. For the year 2026-27, there has been inordinate delay on the part of DHPD due to unavoidable circumstances. After re-organisation of the department under the DHPD 2.0, there has been changes in officers dealing with the Tariff Petition as the responsibility has been now given to the Chief Engineer (P&D and Co-ordination). And more over the fund required for filing the Tariff Petition was unavailable in time in spite of all the documentations were readied in time.
2	The Petitioner is directed to adhere to the Capacity Utilization Factor (CUF) approved by the Commission and shall operate the plants on must run basis. However, in the event that the petitioner is unable to achieve the 45% CUF due to external constraints beyond their control, other than force majeure events, the petitioner shall be entitled to claim the benefits under the "Must-Run Status" as per the Electricity (Promotion of Generation of Electricity from Must-Run Power Plants) Rules, 2021, and its amendment.	The Department of Hydro Power Development (DHPD) respectfully submits the following in compliance with the Commission's directive regarding adherence to the approved Capacity Utilisation Factor (CUF) and the operational requirement to run the plant on a must-run basis: Adherence to Approved CUF The Department is consistently making all concrete efforts to operate the Hydro Electric Projects (HEPs) to achieve the specified CUF of 45%. Operational teams are being directed to ensure to run the generating units on a must-run basis, ensuring optimal plant loading, timely maintenance, and uninterrupted operation to the extent possible. Training of operators and placement of adequate manpower for each hydel project is being taken up in phased manner. The preventive maintenance of both EM equipment and civil structures are being given more emphasis to decrease the plant shutdown period. Constraints Beyond the Control of the Department. Despite best efforts, the Department is facing certain operational and external constraints that adversely affect the achievable CUF of some HEPs. Some

		of these constraints are beyond the control of the Department and are not attributable to force majeure conditions alone. They include hydrological limitations, system-related constraints, non-availability of spares parts in nearby markets, local grid outages, and field-level challenges specific to remote hydro assets. The non-availability of adequate local load on the hydel stations. And most of the hydel plants are not connected to the grid which makes it beyond the control of DHPD to run the plant in the firm installed capacity. Entitlement Under the Must-Run Rules, 2021 In accordance with the Commission's directive and the provisions of the Electricity (Promotion of Generation of Electricity from Must-Run Power Plants) Rules, 2021 and subsequent amendments, the Department submits that where it is unable to achieve the 45% CUF due to such external constraints, it may be treated as eligible to claim benefits available to must-run power plants under the said Rules. Project-wise Review and Submission to the Commission The Department is undertaking a comprehensive review of each Hydro Electric Project to identify and document the specific constraints that are impacting CUF achievement. Upon completion of this assessment, DHPD shall submit project-wise details of these constraints to the Hon'ble Commission for its consideration and further directions.
3	The Purchaser of the generated energy of DHPD i.e APDOP has already been allowed purchase of power from petitioner and accordingly provisions have been made in ARR of APDOP for FY 2025-26. Therefore, the Petitioner is directed to raise bill based on actual energy transferred to the distribution licensee i.e. APDOP in accordance to the tariff approved by the Commission.	DHPD is taking efforts to comply with the direction of the Hon'ble Commission. Joint meter readings and billing of energy drawn by DOP from DHPD hydel projects are monthly accounted on commercial basis on the tariffs already fixed by the Hon'ble Commission.

Commissions View:

- 6.2 The Commission notes with concern the Petitioner's continued non-compliance with the majority of the directives issued in preceding years. However, as recorded in the Record of Proceedings (ROP) dated 15.05.2025 during the admission hearing of the last petition, the Commission sought clarification from the Petitioner regarding the status of compliance with such earlier directives. In response, the Petitioner submitted that it is undertaking all necessary efforts to ensure adherence to the directions issued by the Commission. The Commission, during the said hearing, directed the Petitioner to furnish a comprehensive compliance report on or before 30th November 2025. However the report is yet to be furnished.
- 6.3 The Commission further acknowledges the Petitioner's demonstrated intent to improve the overall operational efficiency of its department, as demonstrated by the initiatives undertaken, however, the Commission is of the considered view that the Petitioner must expedite its efforts and establish definitive timelines to accomplish the identified objectives in a time-bound manner.
- 6.4 Accordingly, the Petitioner is hereby directed to prepare and submit detailed action plans with defined timelines and to furnish quarterly progress reports to the Commission. The Commission shall review the Petitioner's compliance with the directives prior to the submission of the ensuing tariff petition for the Financial Year 2027-28.

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CHAPTER 7: Directives

7.1 **Timely Submission of Petition:** The Petitioner is directed to strictly adhere to the timeline for filing tariff petition complete in all aspects with all required data in prescribed format by 30th November of each year. In this regard the Petitioner is directed to submit Petition for FY 2027-28 by 30th November 2026 complete in all aspects and accompanied by requisite fee.

7.2 **Adherence to CUF:** The Petitioner is directed to adhere to the Capacity Utilization Factor (CUF) approved by the Commission and shall operate the plants on must run basis. However, in the event that the petitioner is unable to achieve the 45% CUF due to external constraints beyond their control, other than force majeure events, the petitioner shall be entitled to claim the benefits under the "Must-Run Status" as per the Electricity (Promotion of Generation of Electricity from Must-Run Power Plants) Rules, 2021, and its amendment.

7.3 The petition is hereby disposed of in accordance with the aforesaid directions.

7.4 This order shall be effective from **1st April 2026** and shall remain in force till the next tariff order issued by the Commission.

Date: 10.06.2026

Place: Itanagar

Sd/-

Shri Nich Rika

Member(Law)

Sd/-

Shri R.K. Joshi

(Chairperson)

■ ■ ■

Secretary
APSERC

Annexure-1

Table 27 List of Participants during public hearing

S.No	Name	Designation
1	Shri.Ojing Nobeng	SSW(C).DHPD
2	Shri. Bamang Chai	JE(EM),O/o CE(P,D&C)
3	Shri.Anirban Hazra	Consultant DHPD
4	Shri.Jounge Dulom	SEI,DOP
5	Shri.N.K Jha	EE(Com)DOP
6	Shri Arvind Tewari	Consultant(DHPD)



Annexure 2

Table 28 List of existing HEPs of DHPD against which write off has been sanctioned by GoAP

S.NO	Name of HEP	Installed Capacity(kW)	Firm Capacity(kW)	COD	Remarks
1	Rupa	2 x 100	100	1997 - 98	Unit-I Shutdown w.e.f 20/11/24 due to damage of civil components like penstock pipe. Unit-II Shutdown due to malfunction of ELC.
2	Dokumpani	1 x 30	30	2000 - 01	Shutdown w.e.f 01-01-25 due to low water discharge.
3	Anlaking	1 x 30	30	2009 - 10	Plant shutdown due to damage of power channel by landslide.
4	Pinto Karo MHS	1 x 30	25	2011 - 12	Commissioned w.e.f 16/12/16 however shutdown due to absence of 11/0.415 KV distribution transformer at Nirin Village.



Singh

Secretary
APSERC

Order on Petition for Approval of ARR & Tariff of DHPD for FY 2026-27

HPD-WZ-11071/1/2022-O/o. CE,HPD(WZ)-DEPARTMENT OF HYDROPOWER DEVELOPMENT-WESTERNIZ

No. HPD-WZ-11071/1/2022(Comp. No.:192160)/
GOVERNMENT OF ARUNACHAL PRADESH
DEPARTMENT OF HYDRO POWER DEVELOPMENT
A.P. CIVIL SECRETARIAT : ITANAGAR

Dated Itanagar, the 22nd May, 2025

ORDER

Approval is hereby accorded for write-off sanction of the unserviceable equipment's / materials of the following defunct hydel stations under Department of Hydro Power Development with a direction to dispose off through public auction/tender with publication in News Paper by observing all codal formalities strictly as per guidelines / Standard Operating Procedures (SOP) for disposal of surplus and unserviceable stores materials of the defunct hydel stations issued by Finance Department vide No.FIN/E 13/86/2047 dated 07.03.2011 (copy annexed).

1. Pipey MHS (1x10 KW), Koloriang, Kurung Kumey District.
2. Fure MHS (2x25 KW), Damin, Kurung Kumey District.
3. Bramdungchung MHS (2x50KW) Ph-I, Bramdungchung, Tawang District.
4. Singchung MHS (1x30 KW), Singchung, West Kameng District.
5. Dukompani MHS (1x30 KW), 64 Kilo, West Kameng District.
6. Ankaling MHS (1x30 KW), Ankaling, West Kameng District.
7. Rupa MHS (2x100 KW), Rupa, West Kameng District.
8. Kechi Nallah MHS (3x100 KW), Seppa, East Kameng District.
9. Pette Nallah MHS (1x30 KW), Tali, Kra Dandi District.
10. Maro MHS (1x30 KW), Maro, Upper Subansiri District.
11. Limeking MHS (1x30 KW), Limeking, Upper Subansiri District.
12. Silyum MHS (1x30 KW), Silyum, Upper Subansiri District.
13. Kojin Nallah (2x50 KW), Tallha, Upper Subansiri District.
14. Pinto Koro (1x30 KW), Akin Nira, Upper Subansiri District.

This issues with the approval of the Competent Authority.

Sd/-
(SONAM CHOMBAY) IRS,
Commissioner (Hydro Power Dev.)
Govt. of Arunachal Pradesh

M/ No. HPD-WZ-11071/1/2022/ 304 - 69 Dated Itanagar, the 24th May, 2025.
Copy to:-

1. P.P.S. to Hon'ble Chief Minister, Govt. of Arunachal Pradesh, Itanagar.

HPD-WZ-11071/1/2022-O/o. CE,HPD(WZ)-DEPARTMENT OF HYDROPOWER DEVELOPMENT-WESTERNIZ

2. P.S. to Hon'ble Deputy Chief Minister, Govt. of Arunachal Pradesh, Itanagar.
3. P.S. to Advisry to Hon'ble Minister (HPD) Govt. of Arunachal Pradesh, Itanagar.
4. Under Secretary to the Chief Secretary, Govt. of Arunachal Pradesh, Itanagar.
5. The Deputy Commissioners: Upper Subansiri, Daporijo/ Kurung Kumey, Koloriang / Kra Dagdi, Palin/ West Kameng, Bomdila / Tawang.
6. The Chief Engineer [EZ/WZ/Monitoring/P&D] under DHPD, Itanagar.
7. Office copy.

Digitally signed by
Komli Mathew Pakmen
Date: 28-05-2025 15:51:48
(KOMLI MATHEW PAKMEN),
Under Secretary (HPD)
Govt of Arunachal Pradesh
Itanagar

Secretary
APSERC

