



**TELANGANA STATE POWER GENERATION CORPORATION LIMITED**

Vidyut Soudha, Hyderabad-500082  
Phone :040-23499827 Fax:040-23499 827

From  
The Chief Engineer  
Coal & Commercial,  
TSGENCO, Vidyut Soudha,  
Hyderabad-82.

✓ To  
The Chief Engineer,  
(TSPCC / TSTRANSCO)  
Vidyut Soudha,  
Hyderabad-82.

**Lr.No.CE(Coal&Comml)/SE(C&C)/DE (C) /ARR-2018-19/D.No: <sup>323</sup>717, dt 20.01.2018**

Sir,

**Sub:** - TSGENCO- ARR filings by TSDISCOMs for FY 2018-19- Additional information sought by Hon'ble TSERC -Furnished-Reg.

**Ref:** 1. Lr.No.CE/Comml/TSPCC/SE-Comml/ DE BPP/D.No.67/18, Dt.16.01.2018.

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With reference to the letter cited above, wherein the Hon'ble TSERC has sought certain additional information related to TSGENCO Stations in respect ARR filings by TSDISCOMs for FY 2018-19.

The certain information as sought by Hon'ble TSERC related to TSGENCO stations in respect ARR for the FY 2018-19 are furnished in the Annexure.

Yours faithfully,

*Chennur*  
Chief Engineer 20/1/18  
(Coal & Commercial)

Encl: As above

CE/Comml./TSPCC	
20 JAN 2018	
Inward No: 3087	SE/IPC
SE/Comml.	ADE(T)
CE/Comml./TSPCC	

DE BPP  
20/1/18

ADE BPP  
20/1/18

## ANNEXURE

- (i) As per the directions of Ministry of coal, Govt of India, tripartite agreement was entered on 29.11.2016 between TSGENCO, SCCL and CIMFR (Central Institute of Mining & Fuel Research) for carrying out third party sampling at various loading points of M/s SCCL for supply of coal. CIMFR has commenced the third party sampling and testing of coal with effect from 20.06.2017. The payment to M/s SCCL is based on the grades (GCV) certified by CIMFR.
- (ii) The Unit -3 (60MW) of KTPS (O&M) -720 MW is shutdown from 20.05.2017 due to turbine problem and energy availability of unit-3 is not projected for the FY2018-19. The decision on retirement of Unit 3 is awaited from the Government and the same has been communicated to Hon'ble Commission.
- (iii) The following assumptions are considered for projections of Energy for FY 2018-19.

### Thermal Stations

#### (a) KTPS(O&M) & RTS-B:

- i. 15 days Overhaul period is considered for every year.
- ii. 85% PLF is considered for old units.

#### (b) KTPS-V & VI stages, KTPP-I & II stages

- i. Overhauls was deferred for the year 2018-19 for KTPP-I & II stages and KTPS-VI & KTPS-V (Unit-10) as the overhaul was carried for the year 2017-18.
- ii. 20 days Overhaul period will be considered once in 2years for the capacity of above 250MW units.
- iii. 90 % of PLF is considered for new units.

#### (c) KTPS-VII Stage(800MW) & BTPS (4X270MW):

85% PLF is considered from COD of units for the period 2018-19.

### Hydel Stations:

Energy projections are proposed as per availability of water for FY 2018-19.

(iv) The following new thermal projects expected to complete the COD for the FY 2018-19.

- i) KTPS- VII (1x 800MW)
- ii) BTPS- (4X270MW)

The Capital costs of the above projects are considered as per TSGENCO Administration approval as tabulated below:-

Sl No.	Name of the station	Capacity (MW)	Capital cost (Rs. In Crs)	Proposed COD of the Units
1	KTPS Stage-VII (1X800MW)	800	5548.44	31.12.2017
2	BTPS (4x270MW)	1080	7290.6	Unit-I :31.07.2018 Unit-II :30.09.2018 Unit-III :30.11.2018 Unit-IV :31.01.2019

The fixed charges pertaining to the TSGENCO New projects are computed as per TSERC regulation No.1/2014 (which is adopted from Erstwhile APERC Regulation No.1 of 2008) and CERC Regulation' 2014.

**Fixed charges Components are comprises of the following:**

(a) **Return on Capital Employed (ROCE):** It is computed as per TSERC regulations 1 /2014and Generation tariff order for the 3<sup>rd</sup> control period (FY 2014-19).

- i. Return on the Equity (30%) considered as 15.5%.
- ii. Interest on loans (70%) considered as 12.5%.
- iii. Interest on Working Capital considered as 13.4%.

The Weighted Average cost of Capital (WACC) is computed as 13.4%.


The Hon'ble commission approved the maximum WACC rate in Generation tariff order for the 3<sup>rd</sup> control period (FY 2014-19) is 13.4%. The same is considered for the above projects.

**(b) Operation and Maintenance charges:**

- i. The O&M charges computed as per CERC Regulations' 2014 with inclusion of pay revision commitment of 40% w.e.f 01.04.2014 and the same was allowed in the Generation tariff order for the 3<sup>rd</sup> control period (FY 2014-19).
- ii. The O&M charges pertaining to BTPS ( 4X270MW) consider from installed capacity of 250MW series. Since O&M charges for the installed capacity of 270MW series are not exist in CERC regulations'2014.

**(c) Depreciation:**

Depreciation of the Stations are computed as per MoP notification 1994 (7.84% of the project cost).

  
Chief Engineer 20/11/18  
(Coal & Commercial)  
TSGENCO, Vidyut Soudha,  
HYDERABAD - 500 082.